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'97 APR 24 PM4:06

APRIL 23, 1997

Sent to POTUS

MEMORANDUM FOR ERSKINE BOWLES

FROM: BRUCE R. LINDSEY

RE: PRODUCT LIABILITY

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Another copy
Went to
POTUS
with
briefing book
on 4/24 -

MR PRESIDENT:
Bruce wanted you to
see this in advance
of your 9:30 meeting
tomorrow.
Phil Caplan

April 21, 1997

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THE WHITE HOUSE

WASHINGTON

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Capping punitive damages. You also objected in your veto statement to imposing caps on punitive damage awards, on the ground that caps undermine the ability of punitive awards to deter and punish egregious misconduct. You noted the provision of the bill allowing judges to exceed the caps in specified circumstances, but stated that this protection was insufficient "given the clear intent of Congress, as expressed in the Statement of Managers, that judges should use

this authority only in the most unusual cases."

A compromise on this issue is also possible; indeed, it may be hard to avoid given the Administration's prior statements on the subject. The judicial override provision is essentially the brainchild of the Justice Department, which offered it as a way to alleviate our concerns about caps on punitives. If Congress deletes the legislative history to which you objected -- and especially if it also softens some of the language in the override provision -- you will have little basis for continuing to object to the bill's punitive damage ceilings.

Limiting liability of biomaterials suppliers. You expressed a "concern" in your veto statement about a provision in the bill limiting actions against suppliers of materials used in devices implanted in the body. You generally recognized this provision to be a "laudable attempt to ensure the supply of materials needed to make lifesaving medical devices." But you said that this limitation should apply only to non-negligent suppliers -- and not to suppliers who know or should know that the materials they make, when implanted in the human body, will cause injury.

The current version of the biomaterials provision contains an exception for manufacturers of the silicone gel used in breast implants, but not an exception (of the kind you requested) for all negligent suppliers. Industry engaged in good-faith negotiations with Rep. Howard Berman last year to develop such an exception, but could not find a way to exempt negligent suppliers, while adequately protecting non-negligent suppliers from the high litigation costs associated with disproving negligence. Industry is currently looking into other ways to satisfy our concern -- for example, by limiting liability for biomaterials suppliers only when the FDA has reviewed and approved the implanted device -- and may well succeed in doing so. Indeed, we may wish to send a signal that Congress should remove this provision from the products bill, so that we can sign it separately.

Other provisions. Your veto statement contained a number of objections to more minor provisions of the bill relating to the statute of repose, statutes of limitations, and negligent entrustment actions. With the possible exception of the statute of repose provision, compromise on these issues should be easy; members of Congress already have indicated a willingness to delete the offending language. On the statute of repose, the current bill precludes any suit alleging a defect in a product that is more than 15 years old; we could urge an 18-year statute of repose, as we accepted in the aviation liability bill you signed; alternatively, we could press for some kind of exception from the statute of repose for products, such as farm equipment, intended to have a useful life of longer than 15 years.

Other legislation. In the event you choose to reiterate your concerns and veto another products liability bill, you may have other opportunities to signal support for appropriate reform of the legal system. Senator Breaux plans to offer product liability legislation for people who do not like product liability legislation. This legislation would (1) strengthen pleading requirements for punitive damage claims and impose automatic sanctions for frivolous claims; (2) require states to adopt alternative dispute resolution programs and establish certain "offer of judgment"

rules meant to promote settlements; (3) impose a nationwide standard for punitive damage awards (similar to the standard most states use now); (4) provide a uniform two-year statute of limitations; and (5) commission a Department of Justice study on the product liability system.

In another area of law reform, Sens. Lieberman, Moynihan, and McConnell have proposed a so-called "auto-choice" bill, which would allow a driver to select a no-frills auto policy that would reimburse him for all economic costs, but eliminate his option to sue for non-economic losses such as pain and suffering. Trial lawyers are certain to oppose this proposal, but unlike the products liability bill, it probably would benefit consumers. Some experts say that the savings for low-income drivers could reach 45 percent of their current insurance premiums -- and that the nationwide savings over two years could exceed $80 billion.

NLWJC - KAGAN

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THE PRESIDENT HAS SEEN
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THE WHITE HOUSE

WASHINGTON

March 30, 1998

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Elena Kagan

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Erskine gave the Administration's response to the bill in your absence. At a previously scheduled speech at the Center for National Policy (given before McCain made the liability provisions of the bill more acceptable to the public health community), Erskine said that the bill laid a good foundation for future efforts, but had room for improvement. In addition to praising Sen. McCain's leadership and process, Erskine lauded the legislation for raising the price of tobacco products substantially, giving the FDA full authority to regulate tobacco products, and including a strong plan to protect tobacco farmers. Erskine criticized the bill for having inadequate lookback penalties, and noted that it did not contain a comprehensive plan for using tobacco revenues to protect the public health and assist children. Erskine said he would not address the liability issues because the rest of the legislation did not yet meet your principles.

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PHOTOCOPY
WJC HANDWRITING

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MESSAGE DESCRIPTION: ERSKINE BOWLES DAILY REPORT WITH REED/KAGAN TOBACCO UPDATE AND CEA NUMBERS.

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	SYLVIA MATHEWS (FOR THE PRESIDENT		
	cc: CHERYL MILLS		
	DOUG SOSNIK		
	KRIS ENGSKOV		

PLEASE DELIVER BY 6:30 A.M. DO NOT WAKE ANYONE TONIGHT.

REMARKS:

THE WHITE HOUSE

WASHINGTON

March 30, 1998

'98 MAR 30 PM 10:33

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3. Bar on Punitive Damages	Yes	Uncertain	Only if bill meets President's public health principles.

* Does not attempt to address most spending issues.

Document No. 25830755

WHITE HOUSE STAFFING MEMORANDUM

Date: 3/30/98 ACTION / CONCURRENCE / COMMENT DUE BY: --

Subject: Tobacco Update

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	McCURRY	☐	☑
BOWLES	☐	☑	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☐	☑	REED	☐	☐
MATHEWS	☐	☑	RUFF	☐	☑
RAINES	☐	☑	SMITH	☐	☐
BEGALA	☐	☑	SOSNIK	☐	☐
BERGER	☐	☐	SPERLING	☐	☑
BLUMENTHAL	☐	☐	STEIN	☐	☑
ECHAVESTE	☐	☑	STERN	☐	☐
EMANUEL	☐	☑	STREETT	☐	☐
GIBBONS	☐	☐	VERVEER	☐	☐
IBARRA	☐	☐	WALDMAN	☐	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	☐	☐	_____	☐	☐
LINDSEY	☐	☐	_____	☐	☐
MARSHALL	☐	☐	_____	☐	☐
			_____	☐	☐

REMARKS: This has been forwarded to the President.

RESPONSE:

3/98

Staff Secretary's Office
Ext. 62702

THE WHITE HOUSE

WASHINGTON

March 30, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: Tobacco Update

Senator McCain announced a comprehensive tobacco bill today for mark-up on Wednesday in the Senate Commerce Committee. The bill is not perfect, and we will continue to seek improvements. But it represents real progress (see the attached chart comparing the McCain bill with the June 20th settlement and your positions), and it should enhance the prospects for enacting comprehensive tobacco legislation in this session of Congress.

The Commerce Committee is likely to pass the bill this week with bipartisan support. Among Republicans, Senators Stevens, Gorton, Hutchison, Snowe, and Frist are likely to vote yes; Senators Burns and Ashcroft are likely to vote no; Senators Abraham and Brownback are undecided; and Senator Lott probably will recuse himself. Among Democrats, Senators Hollings, Wyden, Breaux, and Kerry are likely to vote yes; Senators Rockefeller and Dorgan will vote no; and Senators Bryan, Inouye, and Ford are undecided. The mainstream public health groups (Heart Association, Cancer Society, etc.) called the bill an encouraging step forward, but Drs. Koop and Kessler probably will criticize the bill because it contains some liability limits and increases the price of cigarettes less than they would like. The industry responded to McCain's announcement by saying that it would not agree to the legislation, but many observers believe that the industry has taken this position only to prevent the price from increasing still further.

Erskine gave the Administration's response to the bill in your absence. At a previously scheduled speech at the Center for National Policy (given before McCain made the liability provisions of the bill more acceptable to the public health community), Erskine said that the bill laid a good foundation for future efforts, but had room for improvement. In addition to praising Sen. McCain's leadership and process, Erskine lauded the legislation for raising the price of tobacco products substantially, giving the FDA full authority to regulate tobacco products, and including a strong plan to protect tobacco farmers. Erskine criticized the bill for having inadequate lookback penalties, and noted that it did not contain a comprehensive plan for using tobacco revenues to protect the public health and assist children. Erskine said he would not address the liability issues because the rest of the legislation did not yet meet your principles.

The bill emerged from a weeks-long process in which McCain consulted with the Attorneys General, Wall Street analysts, public health leaders, and the Administration. As noted above, at the last moment, McCain changed the liability provisions of the bill -- removing the bar

on class actions and probably on punitive damages -- to get the support of at least some members of the public health community. The final bill, which we summarize more fully below, addresses many of your concerns and offers an opportunity for bipartisan accomplishment.

1. Funding and Per-Pack Price Increase. The McCain bill essentially uses your budget numbers, raising approximately $70 billion over five years (including a $10 billion up-front payment) and generating a $1.10 increase in the price of a pack of cigarettes by 2003. The bill prevents the real price of tobacco products from increasing after the fifth year by including a volume adjustment on annual payments. Some in the public health world, as well as a number of liberal Democrats, will criticize the price rise as insufficient, arguing that an almost immediate $1.50 increase is required to reduce youth smoking dramatically. Your own plan, however, contains the same price increase, and we have estimated that it will help reduce youth smoking by over 40 percent in five years.

2. FDA Regulation. The bill provides full authority to the FDA to regulate tobacco products. To respond to concerns from pharmaceutical companies about the effect of regulating tobacco under normal "drug and device" authority, we agreed to set up a separate chapter in the Food Drug and Cosmetic Act for tobacco products. We managed to do so, however, without ceding any of the authority the FDA has claimed over tobacco. This victory was hard-fought -- Senators Hatch and Jeffords argued strenuously for language defining the FDA's authority more narrowly -- and will be subject to challenge on the floor. Senators McCain and Frist, however, have committed to fighting off weakening amendments, so we are in the best position possible (given a Republican Congress hostile to the FDA) to emerge from the Senate with full FDA authority.

3. Farmers. The bill contains a plan to protect tobacco farmers and their communities, which has the support of Senators Hollings, Ford, and Robb. We do not yet know the full details of this piece of the legislation, but it is designed to address the concerns of both burley and flue-cured tobacco farmers. Needless to say, it will contain funds fully sufficient for these purposes, and accordingly meets your demand to protect tobacco farmers.

4. Lookback Penalties. The bill provides for non-deductible industry-wide lookback penalties capped at $3.5 billion per year. The industry will have to pay $80 million for each percentage point by which it misses youth smoking targets between 0 and 5 percent, $160 million for each percentage point between six and ten percent, and $240 million for each percentage point over 11 percent. The industry will hit the $3.5 billion cap at about a 20 percent miss, so any larger miss will be "free." There are no monetary penalties on individual companies for failing to meet youth smoking targets. The bill does contain a provision for taking away the liability protections of any company that misses the youth smoking targets by more than 20 percent, but this provision has a very large loophole and probably will have little effect as currently drafted.

As Erskine noted in his speech, the penalty provisions are the weakest part of the McCain

bill. We have raised serious concerns about both the $3.5 billion cap and the absence of any company-specific penalties. We also will try to tighten the provision that makes liability protections contingent on success in reducing youth smoking. We assume that such amendments should not come in committee, but during debate on the floor.

5. Liability Provisions. As late as Sunday, Senator McCain intended to include liability provisions very close to those in the proposed June 20 settlement. These provisions included a $6 billion cap on annual liability payments (with any judgments beyond the cap rolled over to the next year), as well as prohibitions on class actions and punitive damages. By Monday morning, however, the public health community (including the mainstream groups) had made clear to McCain that they would denounce the bill if it contained these provisions. McCain accordingly modified the legislation to permit class actions. We think the legislation now allows punitive damages as well, but we have not received the new language and are not entirely certain. Drs. Koop and Kessler and some liberal Democrats will oppose the bill because of the remaining liability limits.

A simple cap on damages -- without any limitations on class actions or punitive damage claims -- is the least objectionable form of liability protection for the industry. We will try, however, to raise the cap beyond the level set in the McCain legislation; you should note, for the sake of comparison, that the Harkin-Chafee bill's cap stands at $12 billion.

6. Budget Issues. The biggest issue left unresolved by the McCain bill is how to allocate tobacco funds. Although the bill takes care of tobacco farmers, and also provides money for smoking cessation, counteradvertising, and some research, it leaves other spending issues for the Senate floor. Senator Domenici's budget resolution would reserve all tobacco funds for Medicare, not even allowing the spending on farming and public health contained in the McCain bill. The Senate will take up amendments to this resolution tomorrow to make tobacco funds available for class size, child care, NIH, farmers, and other purposes. Many Republicans have raised concerns about the Domenici approach, but they may decide to vote for it, on the theory that as long as they have 60 votes for a tobacco bill, they can waive the budget rules anyway.

When the time comes to engage in serious negotiations over how to allocate tobacco funds, we expect bipartisan consensus on 75-80 percent of the spending ($10 billion over 5 years for farmers; $10 billion for cessation, counteradvertising, and other public health programs; $10-15 billion for NIH; and $20-25 billion for states). The battle will be over how to divide up the remaining $15 billion or so. Senate Republicans will seek money for Medicare; House Republicans may push Rep. Archer's proposal for health care tax deductions for small business and the self-employed; and Democrats will push for everything from child care to school construction.

* * * * * * * * * * *

The emergence of the McCain bill is a very positive development. It will attract

bipartisan support, and it is close to meeting your principles. We should continue, however, to press for real improvements -- particularly in the bill's penalty and liability provisions. Tomorrow, Erskine, Larry, and we will have meetings with Senators McCain, Hollings, and Daschle about how to move forward to enact the strongest possible tobacco legislation.

Comparison of Tobacco Proposals
March 30, 1998

	Attorneys General	McCain	President
Substantial Price Increase	No	Yes	Yes
Strong Industry and Company Penalties	No	No	Yes
Full FDA Authority	No	Yes	Yes
Strong Advertising and Access Provisions	Yes	Yes	Yes
Protections of Tobacco Farmers	No	Yes	Yes
Comprehensive Plan to Use Tobacco Revenue to Protect Public Health and Assist Children	Yes	No*	Yes
Strong Environmental Tobacco Smoke Provision	Yes	No	Yes
Liability Protections for Industry:			
1. Liability Cap	Yes	Yes	Only if bill meets President's public health principles.
2. Bar on Class Actions	Yes	No	Only if bill meets President's public health principles.
3. Bar on Punitive Damages	Yes	Uncertain	Only if bill meets President's public health principles.

* Does not attempt to address most spending issues.

NLWJC - KAGAN

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THE WHITE HOUSE

WASHINGTON

April 9, 1998

THE PRESIDENT HAS SEEN
4-13-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: McCain Legislation

With the overwhelming vote in favor of the McCain legislation in the Senate Commerce Committee and the subsequent announcement of the tobacco industry that it will fight this legislation, we have entered into a new phase of our effort to procure a comprehensive tobacco bill to reduce youth smoking. The Commerce Committee vote last week brought new momentum to this legislative effort. The industry's response should only add to that momentum, by making it even harder for Members of Congress to block legislation, lest they look as if they are doing the industry's bidding.

The broad consensus among your advisors is that we should aim for a strong, comprehensive bill that meets our core public health objectives and that the industry might reluctantly swallow in the end. Without industry consent, some provisions in comprehensive legislation (i.e., the most far-reaching advertising restrictions) would be impossible, while other provisions (e.g., narrower advertising restrictions and lookback penalties) would be in litigation for years. We should not compromise our objectives to secure that consent, but at the same time we should not ask for more than we need to achieve our public health goals and in the process destroy any chance of industry acquiescence. In any event, most of your advisors believe that efforts to push the price too far would be counterproductive, because tobacco-state Democrats will join with Republicans to derail a bill that goes as far as some in the public health community might like. Instead, we should try to address the aspects of the McCain bill that are most important to us and to securing broad Democratic support.

Copied
Reed
Kagan
Bowles

Your advisors also agree that the best way to get this kind of bill is to engage in negotiations with Senators Lott, Daschle, McCain, and Hollings that are designed to produce an agreed-upon bill to go to the Senate floor. The greatest danger we face is chaos on the Senate floor, in which some amendments roll back what we already have achieved (e.g., on FDA jurisdiction), while other amendments make the bill essentially unpassable (e.g., by stripping all liability protections while increasing the overall price of the deal).

We recommend against direct discussions with the industry at this stage; we doubt they would level with us anyway. Assuming Senator Hollings is in the room, we should have a decent sense of the industry's concerns, and of course we have more-than-adequate lines of communication to the public health community.

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THE PRESIDENT HAS SEEN
4-13-98

We list below several aspects of the McCain legislation in which we should seek changes during these negotiations. Note that FDA jurisdiction does not appear on this list; we were able to reach an agreement on this issue with Senators McCain and Frist, prior to the Commerce Committee vote, that satisfies all our regulatory needs and objectives.

I. Youth Lookback Penalties

We already have said that Congress must strengthen the lookback penalties in the McCain legislation, by incorporating some company-specific penalties and raising the cap on the industry surcharge. The incorporation of some company-specific penalties is a core demand of the public health community, and is strongly supported by HHS and Treasury. Such penalties, however, may be unacceptable to the industry, and especially to Phillip Morris because of its disproportionately large share of the youth market. (Unlike industrywide penalties, which can be passed on in the form of higher prices, company-specific penalties come straight out of a company's profits.) Bruce Lindsey has noted that even if we need to make demands in this area, we should not let the issue of company-specific penalties become grounds for vetoing the bill. We agree, but think it is important to try to find a way to address this issue.

A number of approaches are available, and we should not now tie ourselves down to any of them. A company-specific penalty developed by Treasury and HHS would impose a $500 fee for every child by which a company misses the targets (i.e., if a company misses the target by 10,000 children, it would pay a fee of $5,000,000). This per-child surcharge represents the present value of the profits a company would gain from addicting a teenager over his lifetime. Treasury estimates that the total cost of this penalty -- i.e., across all companies -- could reach as much as $500 million a year. Another approach, probably more acceptable to the industry, would be to allow suits between companies for redistribution of the industry-wide penalty. Such indemnification suits would create a potential for transforming the industry surcharge into a company-specific penalty scheme, without increasing the overall cost of the penalty provisions. We will continue to try to develop creative solutions in this area so that we can enter negotiations with a range of proposals.

Raising the cap on industry-wide penalties is obviously an easier matter. We would suggest proposing a change from the current $3.5 billion to $4 to $5 billion if possible.

II. Price per Pack and Spending

Price per Pack

We should not demand any increase in the McCain bill's funding levels in the first five years, because McCain essentially adopted our own budget numbers (while adding a $10 billion up-front payment). We recommend waiting until CBO scores the McCain bill before deciding whether to seek any increase in funding levels in later years. (McCain has asked CBO to score his bill by the time Congress returns.) Congressional scorekeepers may well estimate that the

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yearly payments in the bill will increase the price of cigarettes not by the $1.10 we estimated, but by the $1.50 that the public health community has most often demanded. The higher figure may result from assumptions by CBO that (1) states will use the opportunity to increase state excise taxes, further reducing the number of packs sold and (2) the bill will significantly increase the black market for cigarettes, resulting in fewer than expected packs sold through the legitimate retail market. By reducing the number of expected packs sold, both of these changes would increase the per-pack price estimate, because the annual industry payment set in legislation would be spread among fewer packs. Once we know the actual per-pack price increase calculated by Congressional scorekeepers, we will be in a better position to determine whether we should push for a small increase in funding levels after the fifth year.

Spending

We hope for bipartisan consensus on much of the spending: we think Members could agree on approximately $10 billion over 5 years for farmers; $10 billion for prevention, cessation, counteradvertising, FDA enforcement, and other public health programs; $10-15 billion for research (the Republicans may want to limit these funds to NIH); and $20-25 billion for states. This distribution leaves about $15 billion on the table, which Republicans will want to spend on Medicare or tax cuts and Democrats will want to spend on programs like child care and school construction.

One issue will concern the use of the state money. Our budget earmarked 57 percent of the state funding for child care, class size, and Medicaid outreach initiatives. As we go forward, we should argue at a minimum for a menu of state programs, such as child care and education, on which states would have to use a significant portion of their funds. For example, in the Harkin-Chafee bill, half of the state funds must be spent on one of 20 listed programs, which include child care, K-12 education, Medicaid, the Child Health Insurance Program, and Head Start.

Another issue, more important in the out-years, concerns the amount of money allocated to paying legal judgments. The June 20th settlement put only a few billion dollars into the tort fund in the first five years, on the theory that lawsuits against the industry would take some time to come to judgment. Congress may well use the same assumption, given competing spending priorities. But once this initial grace period is concluded, Congress must figure out how to fund legal judgments. The June 20th settlement placed a $5 billion annual cap on judgments, with $4 billion coming from the industry's base payments to the government and $1 billion (a kind of copayment) from the defendant companies' coffers. The McCain bill establishes a $6.5 billion cap; McCain contemplated that $5.2 would come from the industry's base payments, with $1.3 as a copayment, but his bill does not actually address this issue. Some in the public health world may begin to call for the entire amount to be paid by the companies, outside of their payments to the government. This change, however, would add an enormous amount to the total cost of the deal and could doom prospects for legislation. Room for a tort fund thus will have to be found in the out-years by squeezing some of the spending listed above.

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THE PRESIDENT HAS SEEN
4-13-98

III. Antitrust Exemption

The McCain bill contains antitrust exemptions for the tobacco industry that are not necessary to achieve the goals of the legislation and may have serious anticompetitive effects. As written, the bill exempts any and all agreements designed to "reduce the use of tobacco products by underage individuals." This exemption could cover (among other things) price-fixing agreements of all sorts. The Department of Justice believes strongly, and we agree, that we should oppose all antitrust exemptions, except possibly for a narrowly-drawn exemption designed to allow companies to agree to restrict their advertising and marketing to children.

IV. International Tobacco Control Efforts

As part of the public health spending noted above, we believe we should include significant funding ($200 million a year) for international tobacco control efforts. These funds should be spent on both governmental and non-governmental efforts to promote public health and smoking prevention efforts abroad.

The McCain bill has several additional international provisions that we would like to change so that they do not interfere with our diplomatic and trade priorities. For example, although we support the bill's effort to prohibit U.S. government support for promotion of tobacco overseas, we need to ensure that the language does not interfere with USTR's ability to negotiate tariff reductions or interfere with treatment of other products. In addition, the McCain bill contains a provision that the State Department and HHS consider problematic and unenforceable, which would require U.S. companies to abide by the new labeling and advertising requirements when doing business in other countries. The industry strongly objects to these provisions for a different reason, because it views them as a real threat to its international operations.

V. Environmental Tobacco Smoke

The McCain bill would exempt the hospitality industry (restaurants, bars, casinos, etc.) from its environmental tobacco smoke provisions, which ban smoking, except in enclosed and specially ventilated areas, in public facilities. In addition, the bill would allow individual states to "opt out" of all of the provisions, even if the state had no ETS protections of its own. Although HHS strongly opposes the hospitality exception (workers in the hospitality industry face grave risks from second-hand smoke), we doubt it is politically feasible to remove it. We should, however, try hard to eliminate the state opt-out provision, which could leave many of the nation's citizens without any protection from ETS. Alternatively, we might consider pushing the Harkin-Chafee approach to this issue, which rather than imposing a ban would provide funds to States that progressively reduce exposure to ETS.

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THE PRESIDENT HAS SEEN
4-13-98

VI. Liability Provisions

We believe we should adhere to the basic structure of the liability provisions in the McCain legislation. If we need to make these provisions a bit tougher, we can try to raise the cap from the current $6.5 billion to the $8 billion contained in Harkin-Chafee. Note, however, that doing so only compounds the budgetary issues surrounding the tort fund noted earlier in this memo: to the extent that money for tort judgments come from the industry's payments to the government, that money squeezes out funds for public health and other priorities; conversely, to the extent that money for tort judgments comes over and above the industry's payments to the government, the expected cost of the deal to the industry increases.

Finally, we may want to change the provisions in the McCain legislation that deny the liability cap to certain companies. The current provision, which has received almost no attention, lifts the cap for companies that miss the youth lookback target by more than 20 percentage points if they also have violated the Act or taken action to "undermine the achievement of youth smoking reductions." Because of the vagueness of this standard, the provision may have little or no effect. We should either tighten it (by linking the cap only to objective measures) or discard it entirely. Especially if we try to make the liability provisions tougher in other areas, agreeing to eliminate the provision may prove useful.

VII. Constitutional Issues

The Department of Justice is prepared to recommend changes to the advertising, marketing, and other speech-related provisions of the legislation in the event that the industry does not sign protocols agreeing to these restrictions. The Department also would like us to press for the elimination of all provisions regulating non-commercial speech, such as one that forbids companies from lobbying Congress, regardless whether the companies offer agreement.

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WJC HANDWRITING

Conclusion

In summary, we would recommend seeking these improvements:

Youth Lookback Penalties

- Incorporate some company-specific component in the penalty scheme
- Increase the industry-wide surcharge cap from $3.5 billion to between $4 and $5 billion

Price and Spending

- No change in annual payment amounts in first five years; wait until CBO scores before deciding whether to seek later changes
- Ensure spending on research, public health, and farmers, press for spending on child care and education, or at least a menu including these programs

Antitrust Exemption

- Eliminate the antitrust exemption

International Tobacco Control

- Support funding for governmental and non-governmental organizations
- Narrow provision prohibiting U.S. support for promotion of tobacco overseas to ensure it does not interfere with USTR authority to negotiate treaties
- Remove requirement that companies must abide by new labeling and marketing requirements when operating overseas

Environmental Tobacco Smoke

- Eliminate "opt-out" provision that allows states to adopt weaker laws

Liability

- Retain basic structure of liability priorities
- Consider modifying level of cap and relation of cap to youth reduction targets

Constitutional Issues

- Recommend changes to minimize Constitutional difficulties

Document No.

CLOSE HOLD

WHITE HOUSE STAFFING MEMORANDUM

Date: 4/11/98 ACTION / CONCURRENCE / COMMENT DUE BY: — —

Subject: McCAIN LEGISLATION

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	McCURRY	☐	☐
BOWLES	☐	☑	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☐	☑	REED	☐	☐
MATHEWS	☐	☑	RUFF	☐	☐
RAINES	☐	☐	SMITH	☐	☐
BEGALA	☐	☐	SOSNIK	☐	☐
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LEWIS	☐	☐	_____	☐	☐
LINDSEY	☐	☐	_____	☐	☐
MARSHALL	☐	☐	_____	☐	☐
			_____	☐	☐

REMARKS:

THIS HAS BEEN SENT TO POTUS

RESPONSE:

CLOSE HOLD

3/98

Staff Secretary's Office
Ext. 62702

THE WHITE HOUSE

WASHINGTON

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Comments:

THE WHITE HOUSE

WASHINGTON

April 9, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: McCain Legislation

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Raising the cap on industry-wide penalties is obviously an easier matter. We would suggest proposing a change from the current $3.5 billion to $4 to $5 billion if possible.

II. Price per Pack and Spending

Price per Pack

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yearly payments in the bill will increase the price of cigarettes not by the $1.10 we estimated, but by the $1.50 that the public health community has most often demanded. The higher figure may result from assumptions by CBO that (1) states will use the opportunity to increase state excise taxes, further reducing the number of packs sold and (2) the bill will significantly increase the black market for cigarettes, resulting in fewer than expected packs sold through the legitimate retail market. By reducing the number of expected packs sold, both of these changes would increase the per-pack price estimate, because the annual industry payment set in legislation would be spread among fewer packs. Once we know the actual per-pack price increase calculated by Congressional scorekeepers, we will be in a better position to determine whether we should push for a small increase in funding levels after the fifth year.

Spending

We hope for bipartisan consensus on much of the spending: we think Members could agree on approximately $10 billion over 5 years for farmers; $10 billion for prevention, cessation, counteradvertising, FDA enforcement, and other public health programs; $10-15 billion for research (the Republicans may want to limit these funds to NIH); and $20-25 billion for states. This distribution leaves about $15 billion on the table, which Republicans will want to spend on Medicare or tax cuts and Democrats will want to spend on programs like child care and school construction.

One issue will concern the use of the state money. Our budget earmarked 57 percent of the state funding for child care, class size, and Medicaid outreach initiatives. As we go forward, we should argue at a minimum for a menu of state programs, such as child care and education, on which states would have to use a significant portion of their funds. For example, in the Harkin-Chafee bill, half of the state funds must be spent on one of 20 listed programs, which include child care, K-12 education, Medicaid, the Child Health Insurance Program, and Head Start.

Another issue, more important in the out-years, concerns the amount of money allocated to paying legal judgments. The June 20th settlement put only a few billion dollars into the tort fund in the first five years, on the theory that lawsuits against the industry would take some time to come to judgment. Congress may well use the same assumption, given competing spending priorities. But once this initial grace period is concluded, Congress must figure out how to fund legal judgments. The June 20th settlement placed a $5 billion annual cap on judgments, with $4 billion coming from the industry's base payments to the government and $1 billion (a kind of copayment) from the defendant companies' coffers. The McCain bill establishes a $6.5 billion cap; McCain contemplated that $5.2 would come from the industry's base payments, with $1.3 as a copayment, but his bill does not actually address this issue. Some in the public health world may begin to call for the entire amount to be paid by the companies, outside of their payments to the government. This change, however, would add an enormous amount to the total cost of the deal and could doom prospects for legislation. Room for a tort fund thus will have to be found in the out-years by squeezing some of the spending listed above.

III. Antitrust Exemption

The McCain bill contains antitrust exemptions for the tobacco industry that are not necessary to achieve the goals of the legislation and may have serious anticompetitive effects. As written, the bill exempts any and all agreements designed to "reduce the use of tobacco products by underage individuals." This exemption could cover (among other things) price-fixing agreements of all sorts. The Department of Justice believes strongly, and we agree, that we should oppose all antitrust exemptions, except possibly for a narrowly-drawn exemption designed to allow companies to agree to restrict their advertising and marketing to children.

IV. International Tobacco Control Efforts

As part of the public health spending noted above, we believe we should include significant funding ($200 million a year) for international tobacco control efforts. These funds should be spent on both governmental and non-governmental efforts to promote public health and smoking prevention efforts abroad.

The McCain bill has several additional international provisions that we would like to change so that they do not interfere with our diplomatic and trade priorities. For example, although we support the bill's effort to prohibit U.S. government support for promotion of tobacco overseas, we need to ensure that the language does not interfere with USTR's ability to negotiate tariff reductions or interfere with treatment of other products. In addition, the McCain bill contains a provision that the State Department and HHS consider problematic and unenforceable, which would require U.S. companies to abide by the new labeling and advertising requirements when doing business in other countries. The industry strongly objects to these provisions for a different reason, because it views them as a real threat to its international operations.

V. Environmental Tobacco Smoke

The McCain bill would exempt the hospitality industry (restaurants, bars, casinos, etc.) from its environmental tobacco smoke provisions, which ban smoking, except in enclosed and specially ventilated areas, in public facilities. In addition, the bill would allow individual states to "opt out" of all of the provisions, even if the state had no ETS protections of its own. Although HHS strongly opposes the hospitality exception (workers in the hospitality industry face grave risks from second-hand smoke), we doubt it is politically feasible to remove it. We should, however, try hard to eliminate the state opt-out provision, which could leave many of the nation's citizens without any protection from ETS. Alternatively, we might consider pushing the Harkin-Chafee approach to this issue, which rather than imposing a ban would provide funds to States that progressively reduce exposure to ETS.

VI. Liability Provisions

We believe we should adhere to the basic structure of the liability provisions in the McCain legislation. If we need to make these provisions a bit tougher, we can try to raise the cap from the current $6.5 billion to the $8 billion contained in Harkin-Chafee. Note, however, that doing so only compounds the budgetary issues surrounding the tort fund noted earlier in this memo: to the extent that money for tort judgments come from the industry's payments to the government, that money squeezes out funds for public health and other priorities; conversely, to the extent that money for tort judgments comes over and above the industry's payments to the government, the expected cost of the deal to the industry increases.

Finally, we may want to change the provisions in the McCain legislation that deny the liability cap to certain companies. The current provision, which has received almost no attention, lifts the cap for companies that miss the youth lookback target by more than 20 percentage points if they also have violated the Act or taken action to "undermine the achievement of youth smoking reductions." Because of the vagueness of this standard, the provision may have little or no effect. We should either tighten it (by linking the cap only to objective measures) or discard it entirely. Especially if we try to make the liability provisions tougher in other areas, agreeing to eliminate the provision may prove useful.

VII. Constitutional Issues

The Department of Justice is prepared to recommend changes to the advertising, marketing, and other speech-related provisions of the legislation in the event that the industry does not sign protocols agreeing to these restrictions. The Department also would like us to press for the elimination of all provisions regulating non-commercial speech, such as one that forbids companies from lobbying Congress, regardless whether the companies offer agreement.

Conclusion

In summary, we would recommend seeking these improvements:

Youth Lookback Penalties

- Incorporate some company-specific component in the penalty scheme
- Increase the industry-wide surcharge cap from $3.5 billion to between $4 and $5 billion

Price and Spending

- No change in annual payment amounts in first five years; wait until CBO scores before deciding whether to seek later changes
- Ensure spending on research, public health, and farmers, press for spending on child care and education, or at least a menu including these programs

Antitrust Exemption

- Eliminate the antitrust exemption

International Tobacco Control

- Support funding for governmental and non-governmental organizations
- Narrow provision prohibiting U.S. support for promotion of tobacco overseas to ensure it does not interfere with USTR authority to negotiate treaties
- Remove requirement that companies must abide by new labeling and marketing requirements when operating overseas

Environmental Tobacco Smoke

- Eliminate "opt-out" provision that allows states to adopt weaker laws

Liability

- Retain basic structure of liability priorities
- Consider modifying level of cap and relation of cap to youth reduction targets

Constitutional Issues

- Recommend changes to minimize Constitutional difficulties

Document No.

CLOSE HOLD

WHITE HOUSE STAFFING MEMORANDUM

Date: 4/11/98 ACTION / CONCURRENCE / COMMENT DUE BY: — —

Subject: McCAIN LEGISLATION

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	McCURRY	☐	☐
BOWLES	☐	☑	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☐	☑	REED	☐	☐
MATHEWS	☐	☑	RUFF	☐	☐
RAINES	☐	☐	SMITH	☐	☐
BEGALA	☐	☐	SOSNIK	☐	☐
BERGER	☐	☐	SPERLING	☐	☐
BLUMENTHAL	☐	☐	STEIN	☐	☑
ECHAVESTE	☐	☐	STERN	☐	☐
EMANUEL	☐	☑	STREETT	☐	☐
GIBBONS	☐	☐	VERVEER	☐	☐
IBARRA	☐	☐	WALDMAN	☐	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	☐	☐	_____	☐	☐
LINDSEY	☐	☐	_____	☐	☐
MARSHALL	☐	☐	_____	☐	☐
			_____	☐	☐

REMARKS:

THIS HAS BEEN SENT TO POTUS

RESPONSE:

CLOSE HOLD

3/98

Staff Secretary's Office
Ext. 62702

THE WHITE HOUSE

WASHINGTON

April 9, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: McCain Legislation

With the overwhelming vote in favor of the McCain legislation in the Senate Commerce Committee and the subsequent announcement of the tobacco industry that it will fight this legislation, we have entered into a new phase of our effort to procure a comprehensive tobacco bill to reduce youth smoking. The Commerce Committee vote last week brought new momentum to this legislative effort. The industry's response should only add to that momentum, by making it even harder for Members of Congress to block legislation, lest they look as if they are doing the industry's bidding.

The broad consensus among your advisors is that we should aim for a strong, comprehensive bill that meets our core public health objectives and that the industry might reluctantly swallow in the end. Without industry consent, some provisions in comprehensive legislation (i.e., the most far-reaching advertising restrictions) would be impossible, while other provisions (e.g., narrower advertising restrictions and lookback penalties) would be in litigation for years. We should not compromise our objectives to secure that consent, but at the same time we should not ask for more than we need to achieve our public health goals and in the process destroy any chance of industry acquiescence. In any event, most of your advisors believe that efforts to push the price too far would be counterproductive, because tobacco-state Democrats will join with Republicans to derail a bill that goes as far as some in the public health community might like. Instead, we should try to address the aspects of the McCain bill that are most important to us and to securing broad Democratic support.

Your advisors also agree that the best way to get this kind of bill is to engage in negotiations with Senators Lott, Daschle, McCain, and Hollings that are designed to produce an agreed-upon bill to go to the Senate floor. The greatest danger we face is chaos on the Senate floor, in which some amendments roll back what we already have achieved (e.g., on FDA jurisdiction), while other amendments make the bill essentially unpassable (e.g., by stripping all liability protections while increasing the overall price of the deal).

We recommend against direct discussions with the industry at this stage; we doubt they would level with us anyway. Assuming Senator Hollings is in the room, we should have a decent sense of the industry's concerns, and of course we have more-than-adequate lines of communication to the public health community.

We list below several aspects of the McCain legislation in which we should seek changes during these negotiations. Note that FDA jurisdiction does not appear on this list; we were able to reach an agreement on this issue with Senators McCain and Frist, prior to the Commerce Committee vote, that satisfies all our regulatory needs and objectives.

I. Youth Lookback Penalties

We already have said that Congress must strengthen the lookback penalties in the McCain legislation, by incorporating some company-specific penalties and raising the cap on the industry surcharge. The incorporation of some company-specific penalties is a core demand of the public health community, and is strongly supported by HHS and Treasury. Such penalties, however, may be unacceptable to the industry, and especially to Phillip Morris because of its disproportionately large share of the youth market. (Unlike industrywide penalties, which can be passed on in the form of higher prices, company-specific penalties come straight out of a company's profits.) Bruce Lindsey has noted that even if we need to make demands in this area, we should not let the issue of company-specific penalties become grounds for vetoing the bill. We agree, but think it is important to try to find a way to address this issue.

A number of approaches are available, and we should not now tie ourselves down to any of them. A company-specific penalty developed by Treasury and HHS would impose a $500 fee for every child by which a company misses the targets (i.e., if a company misses the target by 10,000 children, it would pay a fee of $5,000,000). This per-child surcharge represents the present value of the profits a company would gain from addicting a teenager over his lifetime. Treasury estimates that the total cost of this penalty -- i.e., across all companies -- could reach as much as $500 million a year. Another approach, probably more acceptable to the industry, would be to allow suits between companies for redistribution of the industry-wide penalty. Such indemnification suits would create a potential for transforming the industry surcharge into a company-specific penalty scheme, without increasing the overall cost of the penalty provisions. We will continue to try to develop creative solutions in this area so that we can enter negotiations with a range of proposals.

Raising the cap on industry-wide penalties is obviously an easier matter. We would suggest proposing a change from the current $3.5 billion to $4 to $5 billion if possible.

II. Price per Pack and Spending

Price per Pack

We should not demand any increase in the McCain bill's funding levels in the first five years, because McCain essentially adopted our own budget numbers (while adding a $10 billion up-front payment). We recommend waiting until CBO scores the McCain bill before deciding whether to seek any increase in funding levels in later years. (McCain has asked CBO to score his bill by the time Congress returns.) Congressional scorekeepers may well estimate that the

yearly payments in the bill will increase the price of cigarettes not by the $1.10 we estimated, but by the $1.50 that the public health community has most often demanded. The higher figure may result from assumptions by CBO that (1) states will use the opportunity to increase state excise taxes, further reducing the number of packs sold and (2) the bill will significantly increase the black market for cigarettes, resulting in fewer than expected packs sold through the legitimate retail market. By reducing the number of expected packs sold, both of these changes would increase the per-pack price estimate, because the annual industry payment set in legislation would be spread among fewer packs. Once we know the actual per-pack price increase calculated by Congressional scorekeepers, we will be in a better position to determine whether we should push for a small increase in funding levels after the fifth year.

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Constitutional Issues

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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]

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b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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CM014

THE WHITE HOUSE

WASHINGTON

April 8, 1998

THE PRESIDENT HAS SEEN
4-9-98

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN
TOM FREEDMAN

SUBJECT: KENTUCKY TRIP AND ROUNDTABLE WITH TOBACCO FARMERS

On Thursday, April 9, you will travel to Carrollton, Kentucky to meet with tobacco farmers, community leaders, and children. During this trip, you will reaffirm your commitment to protect tobacco farmers and their communities, while also emphasizing the need to reduce youth smoking. The trip will also allow you to express support for a plan to protect tobacco farmers authored by Senator Ford that is included in Senator McCain's legislation.

Structure of the Trip

You will first travel to a tobacco warehouse where you will hold a roundtable discussion on how to protect farmers and their communities. In this discussion, you should note that Senator Ford's proposal on tobacco farmers, contained in Senator McCain's bill and detailed in this memo, is a strong proposal to protect tobacco farmers. You should not imply, however, that it is the only farming proposal you could support, or that you agree with every detail (or every dollar) of the proposal.

The participants in the discussion are expected to be: a local farmer; a farmer who represents growers statewide and has worked with the Campaign for Tobacco Free Kids; a minority farmer who has raised many foster children using her revenue from tobacco; the owner of the warehouse you are visiting, a student who wants to be a farmer; the head of the state farm bureau; a local religious leader; a community activist who has helped bring farmers and health advocates together; and Secretary Glickman. Governor Patton and Senator Ford will be present, but will not participate in the panel.

After the roundtable, you will travel to a school where you will talk to students about the need to reduce youth smoking. Governor Patton and Senator Ford will also speak at this event.

Background on Kentucky Tobacco Farmers

There are two main types of tobacco -- flue-cured and burley. Burley tobacco is the primary crop in Kentucky, with revenues of more than $800 million in 1997 for the nearly 450 million pounds grown. In 1997, approximately 70 percent of the burley tobacco produced in the United States came from Kentucky.

Tobacco is a major part of the Kentucky economy. Tobacco sales account for over 40 percent of the total crop revenue for Kentucky, and over 20 percent of all agricultural sales in Kentucky.

Many Kentucky tobacco farms are very small. The average Kentucky tobacco farm plants only 4.5 acres of burely tobacco. In contrast, flue-cured tobacco farms in North Carolina and South Carolina average 16.1 and 25.5 acres of tobacco per farm, respectively.

Notwithstanding the number of small tobacco farms in Kentucky, large farms dominate the State's burley tobacco business. Last year, 70 percent of the total burley sold came from only 26 percent of the farms.

According to USDA, Kentucky experienced an abnormal year for its 1997 burley tobacco crop. Adverse weather conditions resulted in tobacco with high moisture content that was of generally low quality and received a lower prices than expected.

Tobacco Program Background

Since the 1930s, tobacco prices have been supported and stabilized by the federal government's commodity support program. One part of the program involves limiting supply through a quota program. A quota -- which can be sold, rented, or leased -- entitles the owner to grow a certain percentage of the national supply of tobacco for that year. Under the quota program, the government determines each year how much tobacco the companies expect to buy, how much will be sold overseas, adds a modest reserve, and then divides up the right to grow that full amount among the quota holders.

The tobacco program also guarantees an acceptable price at which farmers can sell their tobacco. The price-support system ensures that farmers can sell tobacco at a statutory minimum price to their cooperatives if companies cease to buy on the open market. In this program, the government loans funds to the cooperatives to purchase tobacco, with the loans repaid from the proceeds of future sales.

Producers of the different kinds of tobacco vote in triennial referenda to determine if they wish to continue the federal tobacco program for their kind of tobacco. In a referendum in late February, 97.5 percent of burley producers voted to continue the price support-production control program.

The AG's Settlement Agreement

The settlement agreement with the Attorneys General did not outline a plan to compensate farmers for the diminished domestic tobacco sales that might result from comprehensive legislation. In evaluating the settlement agreement and laying out your five principles for comprehensive tobacco legislation, you insisted on the need to protect tobacco farmers and their communities.

Legislative Background

Two main approaches to the tobacco farming issue have emerged in Congress. The first seeks to maintain some kind of production control and price support system (though perhaps in a modified form), while compensating farmers for any decrease in the amount of tobacco sold due to tobacco legislation. The tobacco section of Senator McCain's bill, sponsored by Senators Ford, Hollings, and Frist, and detailed further below, is the primary example of this approach. The second, advocated by Senator Lugar, would buy out all current quota holders, and then subject tobacco prices to the free market. Senator Lugar's approach has little support among tobacco producers, but may become part of the Congressional debate as tobacco legislation moves forward.

Farmers' Legislation Included in McCain Tobacco Bill

Senators Ford, Frist, and Hollings, the three members of the Senate Commerce Committee from tobacco-growing states, joined together to include a generous farmer provision in the McCain tobacco legislation. Their proposal also has the support of Senator Robb. While maintaining a production control system for all tobacco farmers, this package sets up somewhat different systems for burley and flue-cured tobacco.

For burley tobacco (grown mostly in Kentucky), the package includes an optional buy-out for quota holders at $8 per pound, while retaining the basic quota system for those who do not take the buyout. To the extent that the national quota declines, the bill provides transition payments to remaining quota holders, lessees, and tenants.

For flue-cured tobacco, the plan provides for a mandatory buyout of existing quota holders, and replaces the quota system with a permit system that gives the new no-cost permits to active producers, regardless of whether they previously held a quota. This transfer of quotas from inactive quota holders to actual producers is intended to allow active farmers to sell tobacco without incurring the cost of buying or renting quota.

The McCain package also provides approximately $500 million for assistance to tobacco-producing communities. The entire package costs $2.1 billion per year for the first ten years and $500 million for years 11-25 for a total of $28.5 billion. For the most part, tobacco farmers are very pleased with the proposal included in the McCain legislation.

Below is a table with the major provisions for tobacco farmers in the McCain legislation.

Payments to Tobacco Farmers Under Proposed Legislation		
	Burley, fire-cured, and dark air-cured tobaccos	**Flue-cured tobacco**
Buy-out	Optional one-time buy-out at $8/lb over 10 yrs or less	Mandatory buy-out of all quota holders at $8/lb over 10 yrs or less
Those who remain in program --quota or permit	Those who do not take the optional buy-out retain their existing quota	Active producers will be issued a permit at no cost -- changing the old quota system to a new permit system for flue-cured tobacco, and allowing only active producers to stay in program. Permits may not be sold or leased, but may be transferred to descendants.
Payments to remaining quota holders who remain in system	Remaining quota holders get payments to the extent quota falls equal to $4/lb for every pound quota drops, with a lifetime limit of $8/lb times the entire quota	No remaining quota holders
Lessees (burley), renters (flue-cured), and tenants (essentially sublessees)	Lessees and tenants get (1) option to acquire relinquished quota (if any), and (2) payments to the extent quota falls equal to $2/lb for every pound quota drops, with a lifetime limit of $4/lb times the entire quota	Renters and tenants get (1) permits to produce future crops, and (2) payments to the extent national quota falls equal to $2/lb for every pound quota drops, with a lifetime limit of $4/lb times the entire quota

Other Provisions:

Tobacco Community Economic Development Grants: Block grants to tobacco states will be made annually for rural business enterprise grants, farm ownership loans, initiatives to create farm and off-farm employment, long-term business technical assistance, supplemental

agricultural activities, value-added agricultural initiatives, and compensation to warehouse owners. The program is authorized for $375 million. At least 20 percent of the funds must be spent on agricultural activities, 4 percent on long-term technical assistance, and 6 percent on warehouse owners.

Benefits for Dislocated Workers: Up to $25 million annually for 10 years will be made available to provide benefits based on the NAFTA displaced workers program. This program will be administered by the Secretary of Labor.

Farmer Opportunity Grants: Quota holders and active tobacco producers and their families are eligible for higher education grants of up to $1,700 per academic year, adjusted upward every five years by $300. Academic eligibility is modeled after Pell grants, and the program is administered by the Secretary of Education.

Total Costs: $2.1 billion per year for the first ten years, $500 million for years 11-25, for a total of $28.5 billion.

- Annual payments to tobacco farmers set at $1.65 billion annually for first ten years.
- Economic development grants set at $375 million annually for first ten years.
- Assistance for dislocated workers set at $25 million annually for first ten years.

Secretary Glickman's Trip to Kentucky

Secretary Glickman traveled to Lexington, Kentucky last Friday to attend a Farm Forum at Gentry Tobacco Warehouse with 600 to 700 farmers, government officials, and agribusiness leaders. The farmers were generally supportive of the Administration. Their main concerns were that the tobacco program be kept in place and that small farmers not be adversely affected.

Attachments

- Background on General State of the Tobacco Industry (prepared by USDA)
- Background on Farmer Portion of the McCain Legislation (prepared by USDA)
- Highlights of Kentucky Tobacco Farmer Survey from February 10-19, 1998 (Campaign for Tobacco-Free Kids and the Kentucky Health and Agriculture Forum)
- Maps showing the distribution of tobacco production in Kentucky
- Regional Press Clips from Secretary Glickman's Trip to Kentucky

KENTUCKY TRIP

and

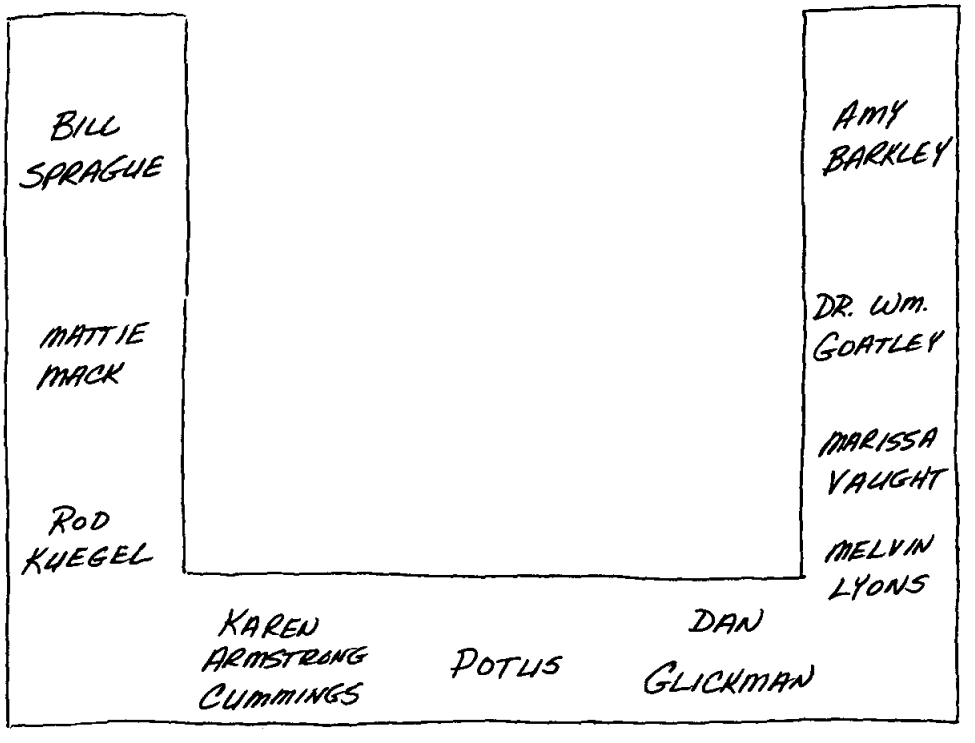
ROUND TABLE WITH TOBACCO FARMERS

April 9, 1998

Phil · should we copy Josh on 2nd page?

Deb

No - different Josh - Josh Berg doesn't work here anymore



AKNOWLEDGE

Senator Wendell Ford
Rep Scotty Baesler
Governor Paul Patton
Secretary Dan Glickman

THE PRESIDENT HAS SEEN
4-9-98

STATE

Lt Gov Stephen Henry
Auditor Edward Hatchett
Senate President Larry Saunders
State Senator Walter Blevins
House Speaker Jody Richards
~~**Agriculture Commissioner Billy Ray Smith**~~

LOCAL

Mayor Bill Welty, Carrollton
~~**Mayor Roxanne Qualls, Cincinnati**~~
Gene McMurry, Carroll County Judge Executive

OTHER

[redacted]

- JACQUELINE JONES, INTRODUCER, CARROLL COUNTY SENIOR
- DR ROBERT BIGGIN, SUPERINTENDENT
- RANDY MARCUM, PRINCIPAL
- DR ~~WILLIAM~~ WILBERT GOATLEY, PASTOR - EMINENCE, KY BAPTIST CHURCH
- [illegible]

THE PRESIDENT HAS SEEN
4-9-98

Event Participants:
Secretary Glickman
Melvin Lyons, Owner of the Kentuckiana Tobacco Warehouse.
Rod Kuegel (KEE-gull), President of the Burley Tobacco Growers Cooperative, Inc.
Amy Barkley, Director of the Coalition for Health and Agricultural Development, Inc.
Mattie Mack, Owner of a small tobacco farm who has raised many foster children.
Karen Armstrong Cummings, Director of the Commodity Growers Cooperative.
Bill Sprague, President of the Kentucky Farm Bureau, the largest farm organization in KY.
Marissa Vaught, Carroll County High School Junior who is active in anti-smoking activities.
Dr. William Goatley, Pastor of the First Baptist Church of Eminence, Kentucky.

*Governor Patton, Senator Ford and several other state and local elected officials will be present, but not participate in the round table discussion. However, you should feel free to call on Governor Patton and/or Senator Ford to make comments at the conclusion of the round table discussion. [Note: Governor Patton and Senator Ford will be speaking in the program at the Carroll County High School following this event.]

IV. PRESS PLAN

Pool Press.

V. SEQUENCE OF EVENTS

- **YOU** will enter the room and greet each of the round table participants and elected officials present.
- Once **YOU** have taken your seat, the pool will enter the room.
- **YOU** will make an opening statement.
- **YOU** will then invite the participants to speak by posing a question to each person.
- **YOU** will first call on Melvin Lyons, the owner of the Kentuckiana Warehouse, to thank him for hosting you and describe the work that takes place at the warehouse.
- **YOU** will then pose questions to each of the participants, concluding with Secretary Glickman.

[*SEE ATTACHED SCRIPT]

- **YOU** will then make brief informal closing remarks and then depart.

VI. REMARKS

Talking points for opening statement provided by Speechwriting.

- Speech
- pose a ? to each speaker

- Glad to end

PHOTOCOPY WJC HANDWRITING

TOBACCO ROUND TABLE PARTICIPANTS

(IN SUGGESTED SPEAKING ORDER)

Melvin Lyons, Owner of the Kentuckiana Tobacco Warehouse.

> ***SUGGESTED QUESTION*: *Thank you for hosting us here today. Could you please explain for everyone here today what work goes on in this warehouse?***

Rod Kuegel (KEE-gull), President of the Burley Tobacco Growers Cooperative, Inc. He currently farms 70 acres of tobacco, as well as other crops. He has worked closely with the Campaign for Tobacco Free Kids in developing the Core Principles against youth smoking between the tobacco producers and the public health community. He is very supportive of Senator Ford's bill to continue the tobacco program. He is also the Chairman of Secretary Glickman's Burley Advisory Committee.

> ***SUGGESTED QUESTION*: *Do you think that we can reduce youth smoking while protecting tobacco farmers and their communities?***

Amy Barkley, Director of the Coalition for Health and Agricultural Development, which is a statewide organization of public health advocates and farmers who work together to address both economic development and public health issues relating to tobacco.

> ***SUGGESTED QUESTION*: *How does the public health community work together with the farming community here in Kentucky?***

Mattie Mack, Owner of a small tobacco farm. She has raised 38 foster children and four of her own children through the success of her farm. She is adamantly opposed to youth smoking and is proud that none of the children she has raised smoke.

> ***SUGGESTED QUESTION*: *You bring new meaning to the phrase "family farmer." What has your farm meant to you and the children you have raised?***

Karen Armstrong Cummings, Managing Director of the Commodity Growers Cooperative, which develops markets for family farm products to help protect the future of small farms. She is very active locally against teen smoking.

> ***SUGGESTED QUESTION*: *What can the government do to help protect the small farmer?***

Bill Sprague, President of the Kentucky Farm Bureau, the largest farm organization in the state. He is a fifth generation farmer and has 3,000 acres of tobacco crop.

> ***SUGGESTED QUESTION*: *Do you think it is crucial to farmers in Kentucky for tobacco legislation to be passed soon? Can you tell us what impact the lack of resolution is having?***

Marissa Vaught, Carroll County High School Junior. Her grandmother died of lung cancer from smoking, and she has since become very active in her high school to prevent teen smoking.

> ***SUGGESTED QUESTION*: *What prompted you to get involved in efforts to reduce teen smoking at your school?***

Dr. William Goatley, Pastor, First Baptist Church, Eminence, Kentucky

> ***SUGGESTED QUESTION*: *Do you believe there is a role for the religious community in the fight against youth smoking?***

Secretary Dan Glickman

> ***SUGGESTED QUESTION*: *Do you have further comments before we close?***

THE PRESIDENT HAS SEEN
4-9-98

Carroll City HS—

RESULTS OF SMOKING SURVEY

	NINTH GRADE (136)	TWELFTH GRADE (51)
PERCENT WHO DO NOT SMOKE	63.9%	64.7%
SMOKERS		
Family smokes Friends smoke	81.6%	61%
Family smokes Friends don't	4%	0%
Family doesn't Friends do	12%	38.8%
Family doesn't Friends don't	2%	0%
Percent of smokers who would like to quit	48.9%	50%
Percent of smokers whose family depends on tobacco	12.5%	21.5%
NON-SMOKERS		34%
Family smokes Friends smoke	24%	12%
Family smokes Friends don't	27.5%	9%
Family doesn't Friends do	18%	30%
Family doesn't Friends don't	29.9%	48%
Percent whose family depends on tobacco	21%	23.5%

44.5%

PHOTOCOPY WJC HANDWRITING

THE PRESIDENT HAS SEEN
4-9-98

Lyons

Kuegel
↳ Farm - Tradeoff crops

K Armstrong

~~**~~ Mkt Concentration

PHOTOCOPY WJC HANDWRITING

(1) Protect, Prev 21st c
(2) min, fam
(3) cost, benefit, counts
(4) Fin Sec, income, disabled
(5) Ethical, discipline

THE WHITE HOUSE

EXPERTS

MARILYN MOON

- URBAN INSTITUTE

THE PRESIDENT HAS SEEN
4-9-98

GARY BURTLESS

- BROOKINGS INSTITUTION

FRED GOLDBERG

- SKADDEN ARPS FIRM

DAVID WALKER

- ARTHUR ANDERSON

SEN KERREY REP HULSHOF
SEN SANTORUM REP POMEROY

PHOTOCOPY WJC HANDWRITING

1.71 → Investment

1. Savings
2. Durable
3. Bank Deposits
4. Retirement Savings
5. Other Savings

→ Budget
↳ Return
→ Risks

THE PRESIDENT HAS SEEN
4-9-98

Risk: payroll taxes in
: Budget
: Risks/Return

1/5 × 68,400

193

1.45%

6.2%

PHOTOCOPY WJC HANDWRITING

THE PRESIDENT HAS SEEN
4-9-98

Additional points on individual accounts

PROS

- **Higher Returns.**
- **Greater Sense of Control.**

CONS

- **Risk Borne By Individual**
- **Administrative Costs**
- **Transition Costs Could Be Significant**
  -- Social Security taxes pay for your parents' or grandparents' benefits.
  -- Some forms of individual accounts have significant transition costs: one generation pays twice (once for their parents, and once for their own individual accounts), or many generations to share those costs.

Raise Ret Age
cut CPI
inc. income limits
~~cut~~ shift 1%

2.25

THE PRESIDENT HAS SEEN
4-9-98

2.23

PHOTOCOPY
WJC HANDWRITING

INDIVIDUAL ACCOUNTS

Many Ideas Are on the Table As Part of a Comprehensive Plan. Overall Plan Must Meet Principles.

Opposed to Radical Privatization, but Not Necessarily All Individual Accounts. Radical privatization means that the Social Security system would no longer meet one of my principles.

Don't want to pass judgment on all forms of accounts. Need fair hearing.

ISN'T SOCIAL SECURITY A LOUSY DEAL? WOULDN'T I DO BETTER INVESTING MYSELF?

- **Social Security is More Than a Retirement Program.**
  -- It provides disability insurance and survivors' insurance.
  -- For example, typical 35-year old worker with a spouse and one young child, earning roughly $27,000 a year. If worker either becomes disabled or dies, the worker's family receives up to $17,500 a year under Social Security.
  -- Social Security's benefit always there for you, no matter what happens to stocks, interest rates, inflation.

- **Second, Your Payroll Taxes Do Two Things: They Are Your Contribution to Your Later Benefits, But They Also Pay *Now* For Your Granparents' and Parent's Benefits.**

INVESTING TRUST FUNDS IN EQUITIES

Important Issue to Be Discussed.

Pros:

1. **Higher Returns.** Over long period of time, stock market yielded more.
2. **Low Administrative Cost.** Social Security's costs only 0.8 percent of annual payments.
3. **Canadian Example.** Canada recently moved to invest Social Security in stock market.

Cons

1. **Concerns Over Government Interference in the Stock Market.**
2. **Higher Risk.** Blessed with strong stock market. But need to remember that stock markets fluctuate. Stocks have higher risk.

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AREN'T YOU RAIDING THE TRUST FUNDS?

- **When Social Security receives more money than needs to pay benefits, receives bonds which are paid back later when it needs the money.**

  -- Bonds backed by full faith and credit of United States
  -- Congress would have to change the law *not* to make good on Trust Funds' bonds.

- **Prior to 1993, some concerned that we could not afford to pay back bonds later, when Social Security needed money.**

- **But put fiscal house back in order -- making it easier to repay bonds without squeezing other parts of the budget.**
  -- Cut deficit from $290 billion in 1992 to roughly balance now
  -- Surplus of over $1 trillion over the next decade
  -- Can pay back bonds held by the Social Security Trust Funds through 2029.

DISABILITY INSURANCE

- There are currently 6 million disabled workers and their dependents receiving Social Security benefits -- 14 percent of the total.

- 1.7 percent of the 12.4 OASDI tax goes to disability benefits. The other 10.7 percent goes to retirement and survivors benefits.

- The probability of becoming disabled between age 20 and age 65 is 26 percent. That is, 1/4 of 20 year-olds would be expected to be disabled during their working life.

- Consider a typical 35-year old worker with a spouse and one young child (under 18). The worker is earning roughly $27,000 a year. If the worker either becomes disabled or dies, the worker's family will receive up to $17,500 a year.

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BACKGROUND ON SOCIAL SECURITY

- Social Security represents main source of income for 2/3 of elderly beneficiaries, and are *only* source of income for 18 percent.

- Elderly poverty rate down from more than 35 percent in 1959 to 10.8 percent in 1996. Even today, would be 48 percent without Social Security. Social Security benefits lift roughly 15 million *elderly* Americans out of poverty (and another 1 million non-elderly Americans out of poverty).

- Very important to women -- for single elderly women, poverty rate would be 60 percent without Social Security (relative to 20 percent with Social Security).

- Nearly one-third of Social Security's 44 million beneficiaries are either disabled or survivors (or their dependents).

- 3.8 million children receive benefits: 1.9 million as survivors of deceased parents; 1.4 million as children of disabled workers; and 0.4 million as children of retired workers.

MOYNIHAN

- **Year of Debate.**
  -- This year should be used to elevate the debate on Social Security.
- **Deserve Credit for Putting Forward a Full Comprehensive Plan.**
  -- Regardless of specific proposals, deserve credit for putting forward a full comprehensive plan.
- **Generated Real Debate.**
  -- Already provoked real debate.
- *If pushed:* One of my principles is that need to preserve financial security for low-income and disabled. Want to ensure that under any plan, those at the bottom end up with a strong benefit.

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GINGRICH, KASICH, AND ROTH

- **Gratified That They Are Coming Forward With Proposals.**
  -- Answering my call to make this a year of debate on Social Security.

- **But We Must Save Social Security First: Do Not Drain the Surplus Before We Achieve Comprehensive Reform.**
  -- Republican plans for individual accounts are not comprehensive.

- *If pressed:* A major question -- which I am not ready to decide yet -- is whether individual accounts can form part of an overall plan that meets my principles.

GENERAL TALKING POINTS ON TAX ISSUES

- **Should Not Have to Raise Payroll Tax *Rate* as Part of Comprehensive Plan.**

- **But Don't Want to Take Things Off the Table -- Give Everything a Fair Hearing.**

- **Bipartisan Process for Fair and Workable Solution. Confident can come up with a fair and workable bipartisan solution.**

THE WHITE HOUSE

WASHINGTON

ORM OPTICAL DISK NETWORK

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✓ Remainder of case not scanned.

____ Oversize attachment not scanned.

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____ Proclamation not scanned.

____ Incoming letter(s) not scanned.

____ Proposal not scanned.

____ Statement not scanned.

____ Duplicate letters attached - not scanned.

____ Only table of contents scanned.

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____ Photo(s) not scanned.

____ Bill not scanned.

____ Resolution not scanned.

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db1547

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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]
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P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[001]

THE TOBACCO PROGRAM

ISSUE:

Most tobacco produced in the United States is under the Federal price support-production control program. The tobacco program operates under permanent legislation, and does not have to be renewed by 5- or 7- year Farm Bills.

IMPORTANCE:

Tobacco provides $3 billion in income annually to producers. The price support-production control program stabilizes production and income for small and large producers.

TALKING POINTS:

- Producers of different kinds of tobacco vote in triennial referenda to determine if they wish to continue the Federal tobacco program for their kind of tobacco.

- In a referendum in late February, 97.5 percent of burley producers voted to continue the price support-production control program, as they have for many years.

- In 1997, over 600 million pounds of burley tobacco was produced in the United States - 70 percent in Kentucky.
- Including sales from fire-cured and dark air-cured tobacco, Kentucky tobacco producers received over $800 million from the 1997 crop. Tobacco sales represent over 40 percent of crop sales receipts and over 20 percent of all agricultural sales in Kentucky.

BACKGROUND:

In spite of the controversy surrounding the Federal program, tobacco-state congressmen were able to obtain permanent legislation. However, numerous changes have been made to the program via amendments to Farm Bills or other legislation. The most notable is the No-Net-Cost Tobacco Program Act of 1982, which requires the tobacco price support program to operate at no-net-cost to taxpayers. This program is currently under additional criticism as the Congress acts on the tobacco settlement.

SUMMARY:

The Federal tobacco program is under permanent legislation, which has provided production and income stability for tobacco producers since the late 1930's. Tobacco is a key source of income for several states, especially Kentucky.

CONTACT: Verner Grise, Tobacco and Peanuts Division, FSA 202-720-5291; home P6/(b)(6)

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2

FARM AND FOREIGN AGRICULTURAL SERVICES

ISSUE:

Proposed provisions to help tobacco farmers in the Ford Bill ("Leaf Act") section of the McCain Bill in relation to the proposed National Tobacco Settlement.

DISCUSSION:

The tobacco settlement will have a wide reaching impact on all segments of the tobacco industry, but a disproportionate effect on small and minority tobacco quota owners and producers. Of the 338,000 individual tobacco quotas nationwide, nearly 66 percent are considered small farm operations. Five percent of all quotas are owned by minorities, the majority of which run small and family-sized operations. If a settlement is reached, cigarette prices would increase sharply because of manufacturer payments or increased taxes, and tobacco production would decline with a concomitant reduction in income. Limited resource farms would be especially vulnerable because of their already low level of income and significant dependence on tobacco as a source of family income.

BACKGROUND:

Several bills have been introduced to compensate tobacco quota holders and producers for the reduced income resulting from a tobacco settlement. The three bills that received the most attention were the Ford Bill (as known as the Leaf Act), the Lugar Bill, and the Robb Bill. The Leaf Act would continue the current program with payments for lost production, the Lugar Bill would buy out quotas and eliminate the current program, and the Robb Bill would shift the program from a Federal to privatized program. The tobacco farm leadership has adopted the Ford Bill/Leaf Act as a model and incorporated some provisions of the Robb Bill, especially for flue-cured tobacco.

The Ford Bill has been incorporated in the McCain Bill (S.1415) as the farmer portion of the McCain Bill. On April 1, the Senate Commerce Committee approved the bill, 19 to 1, and Senator McCain said he hoped the Bill would be before the full Senate before memorial Day. A few modifications were made during the markup, but the thrust of the farmer portion of the Ford Bill remained intact.

TALKING POINTS:

As we understand the current compromise, the following are the main points included in the farmer portion of the McCain Bill:

- **Payments to Farmers for:**

    * **Burley, fire-cured, and dark air-cured tobaccos** - (In Kentucky, more than 95 percent of the quotas are for burley tobacco).

- All quota holders given a one-time option to relinquish quota and get $8.00 per pound over 10 years or less.

- Remaining quota holders get payments to the extent quota falls below the base level equal to $4 per pound for every pound quota drops, with a lifetime limit of $8 per pound times the entire base quota.

- Quota lessees and tenants get (1) option to acquire relinquished quota and (2) payments to the extent quota falls below the base level equal to $2 per pound for every pound quota drops, with a lifetime limit of $4 per pound times the base quota.

* **Flue-cured tobacco** - (Not produced in KY, but produced in NC, SC, GA, FL, VA, and AL)

  - All quota holders relinquish quota and get $8 per pound over 10 years or less.

  - Active quota holders will be issued permits limiting right to produce future crops.

  - Quota renters and tenants get (1) permits limiting right to produce future crops and (2) payments to the extent national quota falls below the base level equal to $2 per pound for every pound quota drops, with a lifetime limit of $4 per pound times the entire base quota.

- **Base Quota Years** - Years upon which payments will be based are the average of 1996 through 1998 crop years.

  * Burley - base quota 657 million pounds.

  * Flue-cured - base quota 885 million pounds.

- **Costs Incidental to the Tobacco Program** - All USDA costs associated with tobacco are paid out of a tobacco growers trust fund, including administrative costs, crop insurance, cooperative extension service costs, and any other costs, as calculated by the Secretary of Agriculture.

- **Farmer Opportunity Grants** - Quota holders and active tobacco producers and their families are eligible for higher education grants of up to $1,700 per academic year, adjusted upward every five years by $300. Academic eligibility is modeled after Pell grants, and program is administered by the Secretary of Education.

- **Benefits for Displaced Workers** - Up to $25 million annually for 10 years will be made available to provide benefits for displaced workers program. The program is

administered by the Secretary of Labor.

- **Tobacco Community Economic Development Grants** - Block grants to tobacco States will be made annually for rural business enterprise grants, farm ownership loans, initiatives which create farm and off-farm employment, expanding infrastructure, long-term business technical assistance, supplemental agricultural activities, value-added agricultural initiatives, and compensation to auction warehouse owners.

- **Total Costs of the Farmer Portion of the McCain Bill** - $28.5 billion total over 25 years, $2.1 billion per year for the first ten years, $500 million for years 11-25.

  * Annual payments to tobacco farmers set at $1.65 billion for up to ten years.

  * Economic development grants set at $375 million minus administrative costs for first ten years. Six percent of economic development funding is earmarked for auction warehouse owners for ten years.

- **Total Cost to Industry/Cigarette Price Increase**

  * Total cost to tobacco manufacturers over the 25 year period are projected to be $516 billion.

  * An increase in cigarette prices of $1.10 per pack over five years was anticipated. Sixty-five cents of that increase occurs in 1999.

  * Consumption would fall nine to ten percent because of the 65 cent cigarette price increase. Demand for U.S. flue-cured and burley would decline by a similar amount or even more as manufacturers attempted to trim costs by using greater quantities of cheaper imported leaf.

- **Other Provisions of the McCain Bill** -

  * Civil liabilities damages capped at $6.5 billion per year.

  * Marketing and advertising aimed at children would be curtailed.

  * Goals of reducing youth smoking of 15 percent in three years and 60 percent in 10 years were established.

  * The Food and Drug Administration would be given broad latitude in regulating tobacco products.

3

HIGHLIGHTS OF KENTUCKY TOBACCO FARMER SURVEY

A new survey of 400 Kentucky tobacco farmers shows strong support for provisions of a national tobacco plan to discourage tobacco use by young people and to provide assistance to tobacco-dependent communities. While most of the farmers would prefer to continue growing tobacco as they have for years under the current tobacco program, they express some uncertainty about the future of tobacco farming and are therefore willing to explore alternatives. The farmers surveyed also question how concerned the tobacco companies are about the well-being of tobacco farmers.

Support for National Tobacco Control Measures

Almost three-fourths of Kentucky tobacco farmers support establishing a national minimum age of eighteen for buying tobacco products, with the requirement that retailers check identification of all young buyers. Just 15 percent oppose this provision as part of a national tobacco policy. Sixty-four percent support prohibiting tobacco companies from marketing or advertising to children, with just 22 percent opposed.

The farmers are also want consumers to know what is in tobacco products. Eighty-three percent support a requirement that tobacco companies provide accurate information about the ingredients of their products.

The tobacco farmers clearly believe they should be part of any national tobacco policy. Nearly three-fourths (73%) of those surveyed say a national tobacco policy should provide economic development assistance to tobacco-dependent communities. Sixty-eight percent support allocating a portion of revenues from a federal excise tax on tobacco products to tobacco-dependent communities.

This level of support for public health measures is somewhat surprising given that large majorities of the farmers surveyed agree that health groups (84%) and restrictions on smoking (76%) are a threat to tobacco farmers.

Opinions on the Tobacco Program

While most Kentucky tobacco farmers (82%) agree Congress should leave the tobacco program alone, a majority (59%) believe the program will be eliminated within the next five years. Thus, it is not surprising that just 41 percent of the farmers surveyed say it is very likely that they or someone in their family will be growing tobacco on their farm in ten years; another 19 percent say it is somewhat likely. Fifty-nine (59%) say that if they had children, they would encourage them to grow tobacco.

This uncertainty about the tobacco program leads 57 percent of Kentucky tobacco farmers to favor a voluntary buyout, where they could either decide to keep their quota or sell it. Another 7 percent support a mandatory buyout that would end the current quota and price

support system for everyone. About one-fourth (27%) oppose a burley buyout of any kind, saying the current program should be maintained. When asked what a fair buyout price would be, the median response was $12, although almost 20 percent offered no response.

Forty-eight percent of the tobacco farmers said they are very (16%) or somewhat (31%) interested in trying additional non-tobacco activities on their farms. Forty-three percent said they are somewhat (8%) or very (35%) uninterested. Reflecting this split, 43 percent said they would use money from a buyout to expand or diversify their farming operation. The most popular uses of the funds were to invest in a savings or retirement plan (71%) and pay off debts (69%).

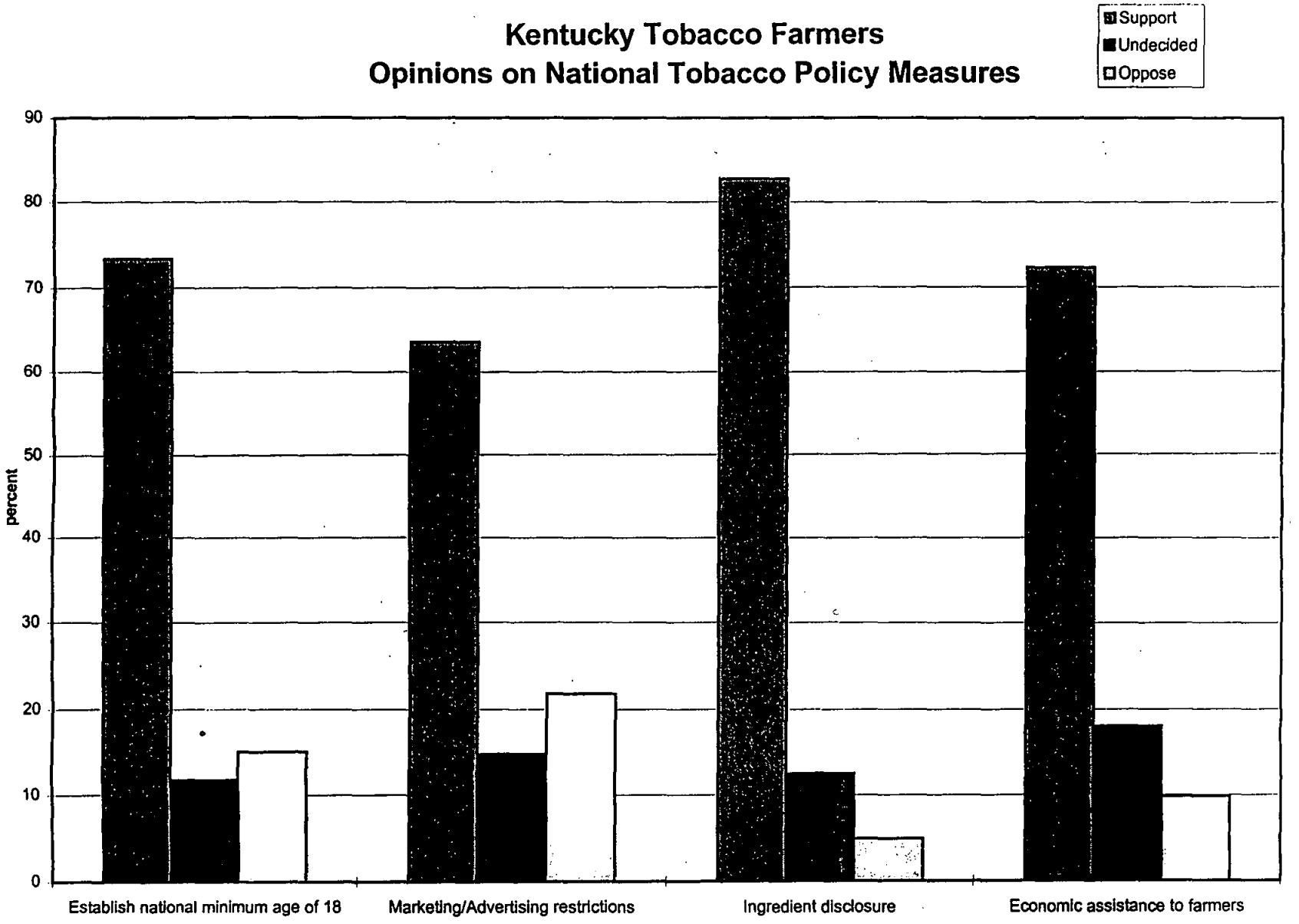
Opinions of Tobacco Companies

The uncertainty on the part of tobacco farmers about the future of the enterprise may reflect, in part, their apparent ambivalence toward the tobacco companies. One-half of those surveyed disagree strongly (32%) or somewhat (18%) that tobacco companies are concerned about the well-being of tobacco farmers, while 41 percent agree strongly (19%) or somewhat (23%) that the tobacco companies are concerned about them.

Fifty-nine percent of the tobacco farmers agree that if tobacco companies do well, tobacco farmers do well. Thirty-seven percent disagree with this assertion.

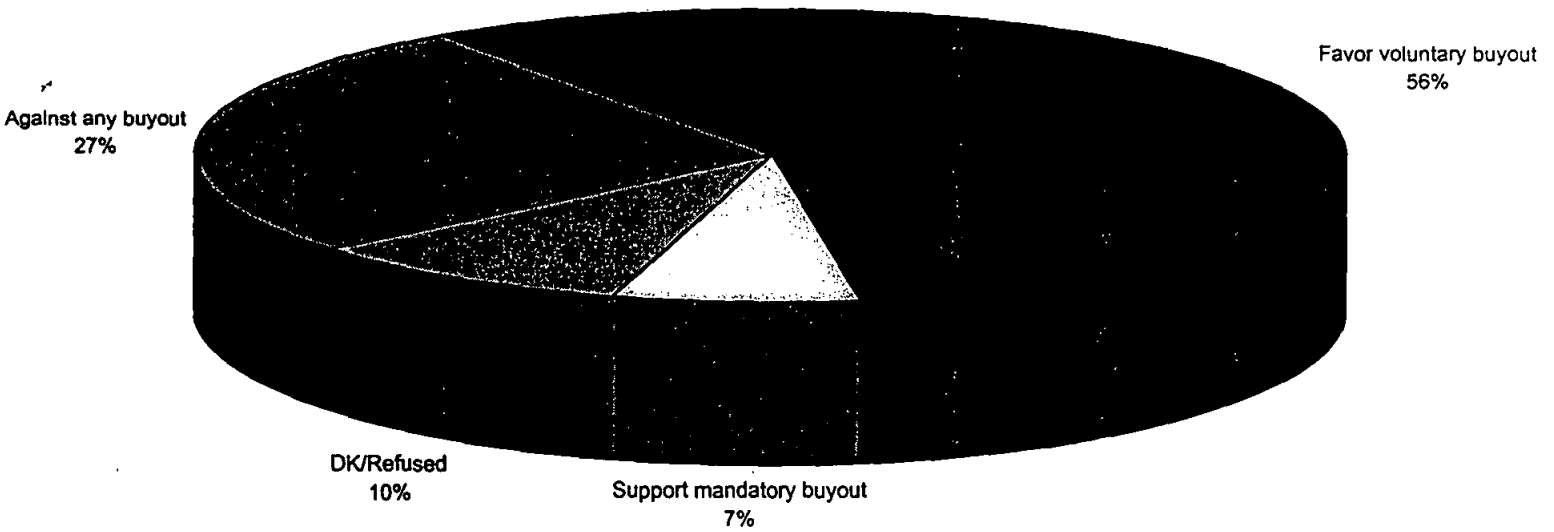
The Survey

The telephone survey of 400 Kentucky tobacco farmers was a cooperative effort between the Campaign for Tobacco-Free Kids and the Kentucky Health and Agriculture Forum. It was conducted by Global Strategies, Inc. with a random sample of burley quota holders from a list provided by the United States Department of Agriculture. Qualified respondents live in the state of Kentucky and have an effective burley quota of 2200 pounds (roughly one acre) or more. The sample of 400 has a margin of error of plus or minus 4.9 percentage points.



Campaign for Tobacco-Free Kids survey of 400 Kentucky Tobacco Farmers, February 1998

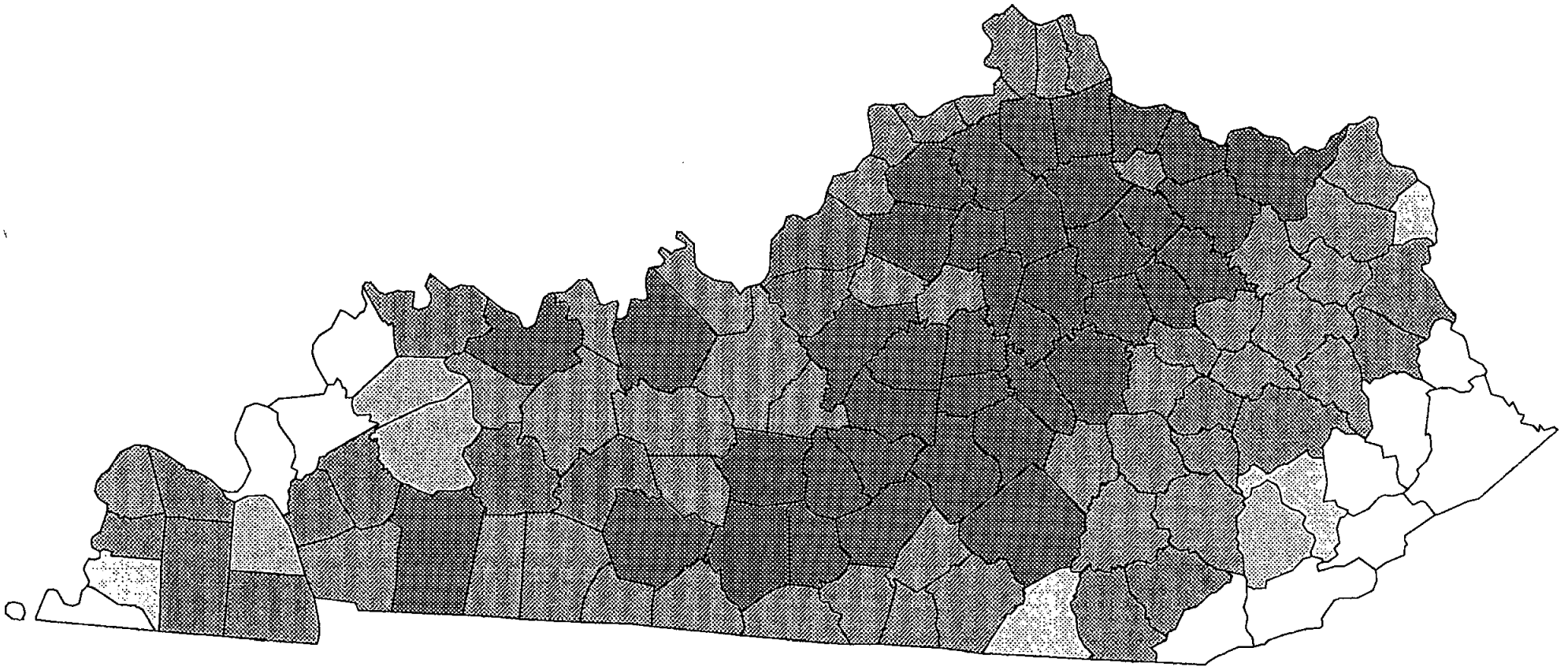
Kentucky Farmers' Opinions on a Burley buyout



Campaign for Tobacco-Free Kids survey of 400 Kentucky Tobacco Farmers, February 1998

4

1997 Burley Quota - Kentucky



KY Quota (Pounds)

- Up to 50,000 Lbs
- 50,001 - 100,000 Lbs
- 100,001 - 500,000 Lbs
- 500,001 - 1,500,000
- 1,500,001 - 5,000,000 Lbs
- 5,000,001 - 10,000,000 Lbs
- 10,000,001 and over
- No Burley Quota

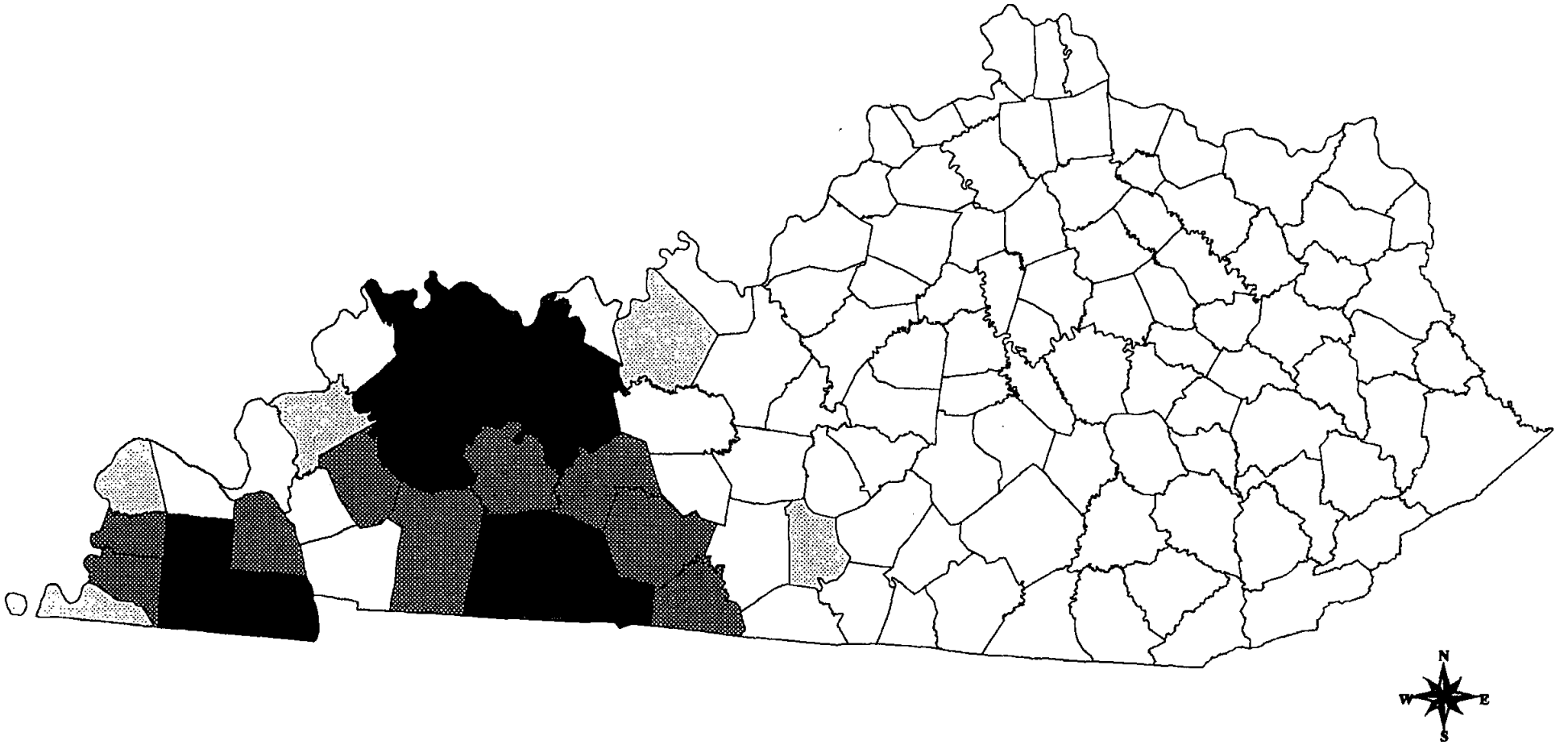
N W E S

Prepared by
Farm Service Agency

March 6, 1998

USDA

1997 Dark Air-Cured (Types 35-36) Tobacco Pounds
Kentucky



Ky Dark-Air Cured (Types 35-36)

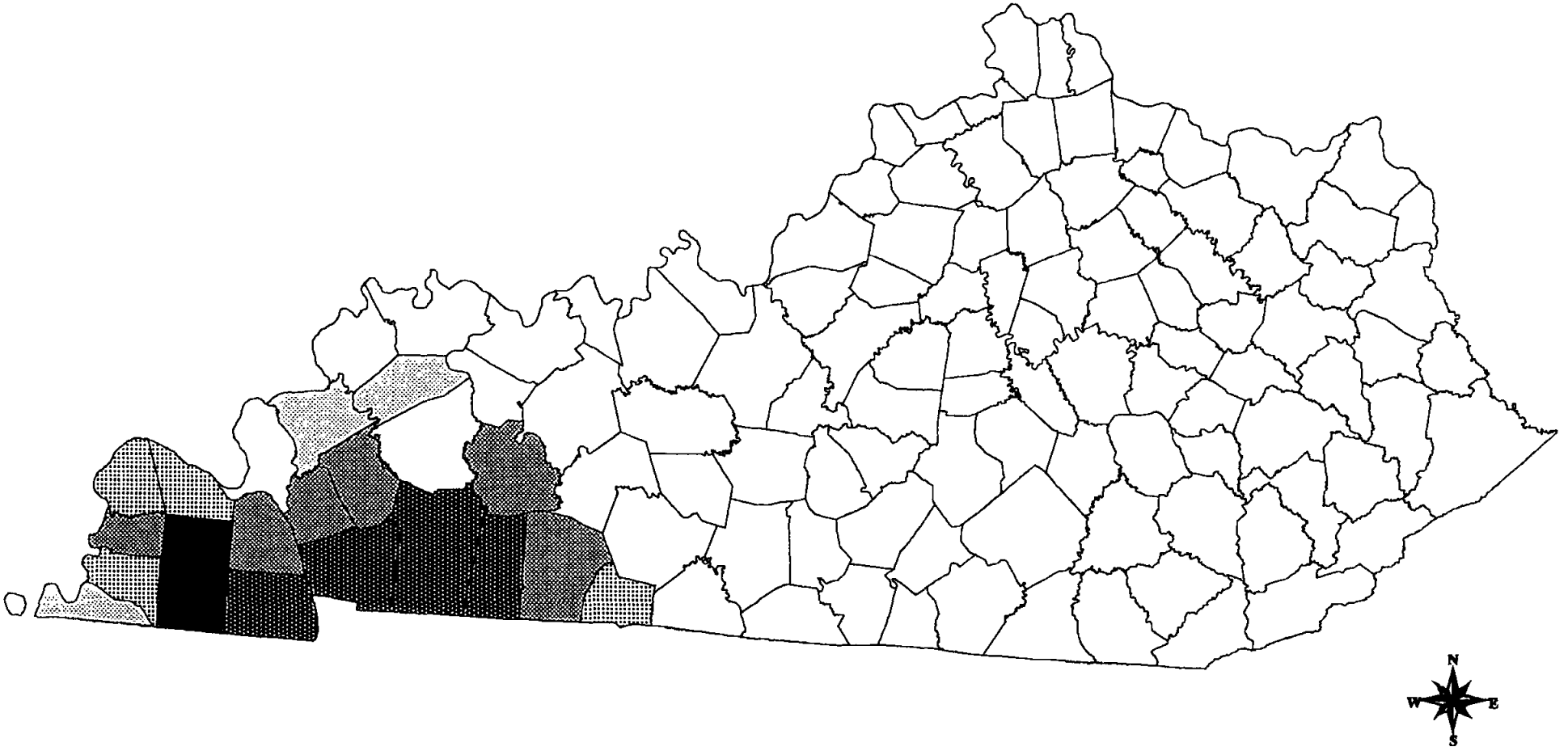
- Up to 5,000 lbs
- 5,001 -50,000 lbs
- 50,001 - 150,000 lbs
- 150,001 - 1,000,000 lbs
- Over 1,000,001 lbs
- No Dark Air Cured

Source: USDA FSA
County File Upload 370
Other Kinds of Tobacco
1997 Farm Crop File
Summarized by County

USDA

Prepared by
Farm Service Agency
March 30, 1998

1997 Fire-Cured (Types 22-24) Tobacco Pounds
Kentucky



Ky Fire Cured (Types 22-24)

- Up to 20,000 lbs
- 20,001 to 300,000 lbs
- 300,0001 to 1,000,000 lbs
- 1,000,001 to 5,000,000 lbs
- Over 5,000,001 lbs
- No Fire-Cured

Source: USDA FSA
County File Upload 370
Other Kinds of Tobacco
1997 Farm Crop File
Summarized by County

USDA

Prepared by
Farm Service Agency
March 30, 1998

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THE COURIER-JOURNAL
SATURDAY,
APRIL 4, 1998

Price-support program called crucial safety net

PHOTOS BY MICHAEL HAYMAN, THE COURIER-JOURNAL

Robert Richardson of Versailles, right, introduced U.S. Secretary of Agriculture Dan Glickman to other farmers.

Agriculture chief says president won't abandon tobacco farmers

Richardson and Glickman examined weather-damaged leaf from last year's tobacco crop.

By JOE WARD
The Courier-Journal

LEXINGTON, Ky. — U.S. Secretary of Agriculture Dan Glickman told farmers gathered in a tobacco warehouse in Lexington yesterday that the federal tobacco program has served as a safety net for the family farm — and that the stability it provides must be preserved.

He pledged that President Clinton will sign no tobacco bill that doesn't protect the farmers.

It was what the farmers wanted to hear.

At the warehouse forum, attended by 600 to 700 farmers and government officials and employees, and during an earlier visit by Glickman to a Woodford County tobacco farm, the main thrust of farmer commentary was the same: Kentucky farmers need the tobacco price-stability program.

"We're not here to save tobacco," Daviess County farmer and Burley Co-op president Rod Kuegel said at the forum.

"We're here to save the family farm. What people need to realize is that you can't do one without the other here in Kentucky."

Earlier, as Glickman talked with farmers on a grassy slope on Robert and John Richardson's farm on Steele Road, Woodford County farmer Rusty Thompson told him the furor over tobacco in the Congress and the news media is wearing on tobacco farmers.

"As tobacco farmers, we're getting shot all to pieces every day," Thompson said.

"We've played by the rules all of our lives, and so did my father and grandfather," and don't believe punishment is in order, he said.

Glickman told the farmers that the aim of tobacco legislation pending in Congress is to reduce smoking among the nation's young people, which he said is a worthy goal.

But he said it also is important that the legislation protect the "tens of thousands of farmers" who have been the beneficiaries of the federal tobacco program — which he said has worked better over several decades than most other federal agriculture programs.

"We need a solution that provides stability and is fair to the farmers and the small communities," he said.

Congress is considering a massive tobacco bill that would extract several hundred billion dollars from the tobacco industry, and in exchange provide them with some limited protection against lawsuits from parties alleging

See GLICKMAN
Page 7, col. 1, this section

THE COURIER-JOURNAL
SATURDAY,
APRIL 4, 1998

Glickman reassures growers

Continued from Page F 1

they were injured by smoking.

The legislation has been in the works since last June, when tobacco companies and attorneys general for 40 states worked out a tentative agreement involving payment of $368 billion by the industry and curbs on advertising.

Tobacco farmers have long believed that any time Congress considers any tobacco legislation, the federal tobacco program that keeps their prices stable is in jeopardy. The program long has been a target of anti-smoking forces.

The pending legislation also holds the potential of drastically reducing the amount of tobacco consumed, which could seriously cut farm income.

Farmers have had difficulty deciding among themselves what they should seek from Congress. Some favor a buyout that would give farmers who have depended on the program enough money to move to other crops.

Others say tobacco will be grown as long as it is legal, and they want to keep growing it, but they need the program to do it.

The program basically keeps prices up by limiting supply through quotas. The government finds out each year how much tobacco the companies expect to buy and how much can be sold overseas, and then divvies up the right to grow it among the farmers.

That way, the farmers don't overproduce and drive prices down. A price-support mechanism that involves government loans makes sure the farmers get an acceptable price even when the companies buy less than they said they would.

Kuegel and others — including U.S. Sen. Wendell Ford of Kentucky, who long has been tobacco's premiere champion in Congress — say the program enables families to make a living on much smaller farms than would otherwise support them.

Picking up that theme at yesterday's forum, Kentucky Gov. Paul Patton urged that Glickman, when dealing with tobacco and other farm issues, "take into account the cultural value of small farms."

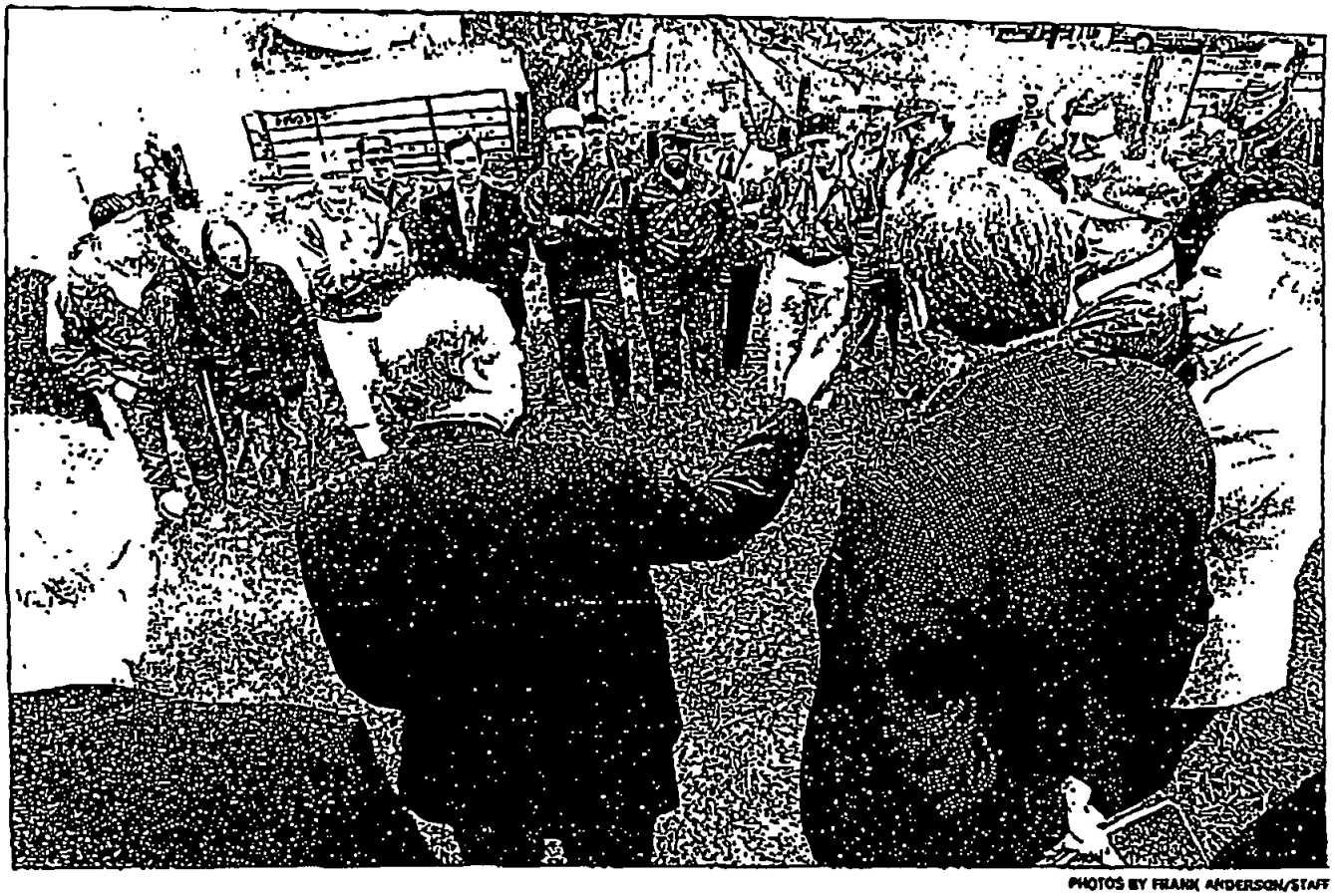
"Tobacco is the reason we have so many family farms, and so many Kentuckians enjoy the value of rural living," the governor said.

Glickman told reporters at a brief press conference after the forum that he assumes the President and legislators who champion tobacco will accept nothing less than a continuation of the program for farmers who want to keep growing tobacco, and a reasonable price for those who want out.

The pending legislation would do just that, buying quotas from those who want to opt out at $8 a pound over 10 years.

Lexington Herald-Leader
Saturday, April 4, 1998

Finding facts firsthand about family farms



PHOTOS BY FRANK ANDERSON/STAFF

Agriculture Secretary Paul Glickman, with hand outstretched, addressed about 25 Woodford County tobacco farmers yesterday, during a visit to the farm of Robert Richardson. Later, he held a USDA forum in a tobacco warehouse in Lexington.

U.S. agriculture secretary visits farms, hosts forum

By Kit Wagar
HERALD-LEADER STAFF WRITER

U.S. Agriculture Secretary Dan Glickman came to Central Kentucky yesterday to take the pulse of American agriculture, and farmers let him know that Kentucky lives and dies by tobacco price supports.

"We are not here to save tobacco," said Owensboro tobacco grower Rod Kuegel. "We are here to save the family farm. But you can't do one without the other in Kentucky."

Kuegel's comments set the tone for yesterday's farm forum, the first of seven such meetings Glickman is holding across the country to see firsthand how new federal farm policies are working. Sitting in a warehouse filled with the pungent aroma of cut tobacco, officials could not have gotten away from tobacco if they had tried.

Kuegel, who is president of the Burley Tobacco Growers Cooperative Association, told Glickman and other federal agriculture officials that some farms in Kentucky have only 6 to 10 tillable acres.

"It's tobacco that makes them viable," Kuegel said.

Glickman said he understood the role that tobacco price supports had played in creating a nearly unique culture of small farms in Kentucky. He promised that tobacco farmers would not be left out of a national tobacco settlement.

"The president has said that a fair and reasonable settlement for tobacco farmers is a linchpin of any settlement," Glickman said.

But he declined to endorse a specific plan to protect farmers, saying only that the proposal by Democratic Sen. Wendell Ford of

See GLICKMAN, B2

Gov. Paul Patton, left, listened to Glickman speak at the USDA forum yesterday.

GLICKMAN: Talk covers tobacco, hemp, ostriches

Lexington Herald-Leader
Saturday, April 4, 1998

From Page B1

Kentucky was a positive step. The administration, he said, wants to see a consensus in Congress before endorsing a specific plan.

Ford has proposed a plan that would allow farmers to sell their tobacco quota to the government for $8 a pound, paid over 10 years. Growers who lease quota could receive $4 a pound. Farmers who chose to continue growing tobacco would still participate in a price-support system.

The farm forum, which attracted several hundred growers from across Kentucky, included questions that ran the gamut from ostrich farming to hemp growing.

Glickman said he was trying to end the Agriculture Department's traditional bias toward large operations by emphasizing research into ways that small and medium-size farms can be competitive.

He said he was concerned about overconcentration in the beef processing industry, where four firms have 80 percent of the market. In 1980, that portion of the market was shared by 12 firms. He said he is seeking tougher enforcement of antitrust laws to stop monopolistic practices.

He assured growers that the controversial proposed standards for organic foods would be changed. When the standards were issued for comment, he said, they generated some 15,000 responses, more than any other issue in modern history.

The proposed standards included many practices that organic farmers considered heresy. At $4 billion a year, the organic foods industry can no longer be considered a fringe business, he said.

One farmer asked why the government was not moving to help the U.S. hemp industry. Hemp is legal in Germany and Canada, which is providing $50 million in assistance to get the hemp industry up and running.

"That issue is to some extent above my pay grade," Glickman said, prompting laughter. He acknowledged that farmers in other states also had inquired about the possibility of growing hemp, a cousin of marijuana that lacks THC, the substance that causes marijuana to get high.

He said the future of hemp is tied up in anti-marijuana issues, so the Agriculture Department has made no decision on whether hemp promotion would be a good idea.

"All I can tell you is: Keep the information flow coming," he said.

Earlier in the day, Glickman visited the Woodford County tobacco farm of Robert Richardson. He told local growers they need to make their voices heard. All of agriculture faces a tough political situation, he said, because farmers make up only 2 percent of the population.

Under new farm policies, which phased out most price supports, the ultimate safety net is export markets, Glickman said. The Agriculture Department was trying to ensure that farm credit remained plentiful and that barriers to U.S. farm exports were eliminated. Farming, he said, is a growth industry because the world's population is exploding and people everywhere want U.S. farm products.

John Richardson, who raises cattle and with his brother grows 120 acres of tobacco, was unimpressed.

"It was about the same thing they say all the time," Richardson said.

"They talk more about grain farmers than tobacco farmers. It gets them off the subject of tobacco."

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United States
Department of
Agriculture

National
Commission on
Small Farms

USDA

A Time to Act

A Report of the USDA National Commission on Small Farms

January 1998

National
Commission
on
Small Farms

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This report is dedicated to the memory, life and work of Dr. Martin Luther King, Jr., who gave his life for expanding opportunities for all Americans; and to Thomas Jefferson, who envisioned the "yeoman" farmer as the bedrock of American democracy.

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USDA

A Time to Act

A Report of the USDA National Commission on Small Farms

January 1998

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A Time to Act

A Report of the USDA National Commission on Small Farms

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Letter of Transmittal

January 1998

Secretary Glickman,

The National Commission on Small Farms is pleased to submit to you our report – *A Time to Act.* It is the product of considerable discussion and deliberation based on extensive oral and written testimonies and suggestions gleaned from the Commission's many regional hearings, as well as from written materials submitted to the Commission.

USDA's administrators and staff made themselves accessible to the Commission and provided much useful information about the Department's many and varied agencies, programs, and policies. And USDA staff who worked with the Commission were indispensable in facilitating the Commission's work.

Having gone through the process of developing this report, we are now even more convinced of the necessity to recognize the small farm as the cornerstone of our agricultural and rural economy. We feel that a sustainable rural renaissance can be anchored in a vibrant, dynamic, small farm sector and we believe that the Commission's recommendations, if implemented, will contribute to this renaissance.

We wish to acknowledge and applaud your decisive action in appointing this Commission and in responding to concerns and recommendations made in the Civil Rights Action Team Report.

We look forward to joining with you and others in helping to fashion policies, programs, and partnerships that will bring economic vibrancy to rural communities, wholesome and nutritious food for consumers, stability to our small farm enterprises, and an improved quality of life to our small farmers and our farmworkers.

Respectfully signed and submitted by:

Harold L. Volkmer, Chair, Missouri

Charles Woodrow Albertson, North Carolina

Desmond Ansel Jolly, Vice Chair, California

Karen S. Armstrong-Cummings, Kentucky

Kathleen Sullivan Kelley, Vice Chair, Colorado

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James B. Neely, Sr., Arkansas

Jackyn K. Reid, Washington

Greg E. Smitman, Montana

Ronald A. Stewart, Oregon

Toulu Thao, California

Thomas J. Trantham, Jr., South Carolina

John Zippert, Alabama

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II. Executive Summary

Not since Secretary of Agriculture Bob Bergland initiated a study of the structure of agriculture in 1979 has USDA made the effort to examine the condition of farming and its place in our food system. The USDA Civil Rights Action Team that recommended formation of a commission recognized that, in addition to racial discrimination, government policies and practices have discriminated against small farm operators. In July of 1997, nearly 20 years later, Secretary of Agriculture Dan Glickman appointed a 30-member National Commission on Small Farms to examine the status of small farms in the United States and to determine a course of action for USDA to recognize, respect, and respond to their needs.

The Commission began its work in Memphis, Tennessee, on July 28. Subsequent public hearings and meetings were held in Sioux Falls, South Dakota, on August 21 and 22; Washington, DC, on September 10 and 11; and Sacramento, California, on September 15 and 16. Three smaller meetings were held in Albany, New York; Albuquerque, New Mexico; and Portland, Oregon. The results of the Commission's work are embodied in the 146 recommendations in this report, *A Time to Act*.

When Secretary Bergland's report, *A Time to Choose*, was published, it warned that "...unless present policies and programs are changed so that they counter, instead of reinforce or accelerate the trends towards ever-larger farming operations, the result will be a few large farms controlling food production in only a few years."[1]

Looking back now nearly 2 decades later, it is evident that this warning was not heeded, but instead, policy choices made since then perpetuated the structural bias toward greater concentration of assets and wealth in fewer and larger farms and fewer and larger agribusiness firms. Federal farm programs have historically benefited large farms the most. Tax policies give large farmers greater incentives for capital purchases to expand their operations. Large farms that depend on hired farmworkers receive exemptions from Federal labor laws allowing them the advantage of low-wage labor costs.

Today, we have 300,000 fewer farmers than in 1979, and farmers are receiving 13 percent less for every consumer dollar. Four firms now control over 80 percent of the beef market. About 94 percent of the Nation's farms are small farms, but they receive only 41 percent of all farm receipts.

Like most major industries, the ownership and control over agricultural assets is increasingly concentrated in fewer and fewer hands. Farmers have little to no control over setting the price for their products. The basic tenets of a "competitive" market are less and less evident in crop and livestock markets today.

The recent passage of the 1996 Federal Agricultural Improvement and Reform Act was a watershed event in the history of Federal farm policy. It signals the reduction and eventual elimination of government intervention in commodity markets as a means to provide income and price stability for the farming sector.

[1] A Time to Choose: Summary Report on the Structure of Agriculture. USDA. Washington, DC. January 1981. p. 142.

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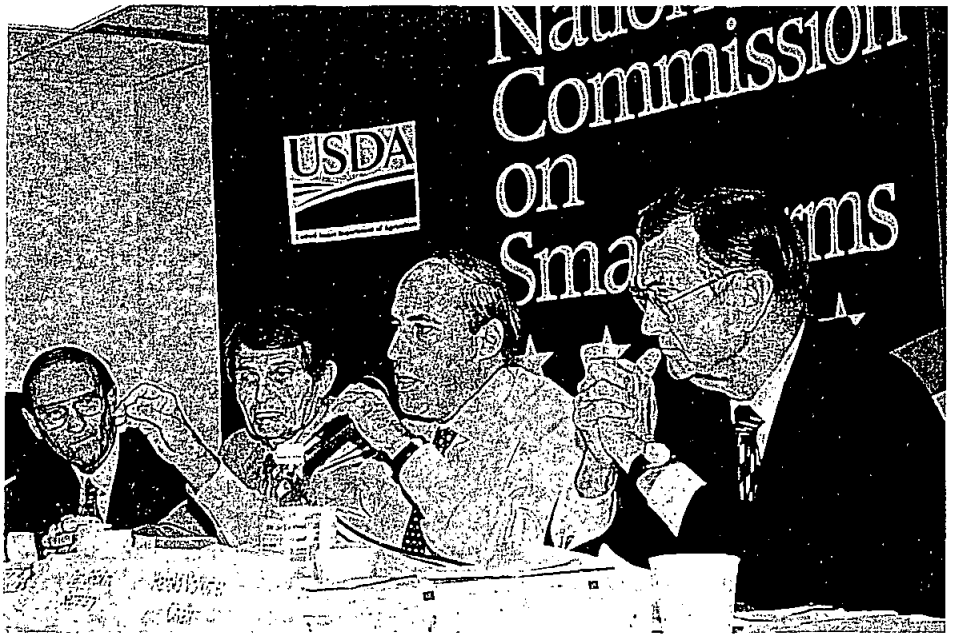

Agricultural technologies have emerged that use ever greater levels of capital to enable fewer people to produce the Nation's food. As a result, income and opportunities have shifted from farms to the companies that produce and sell inputs to farmers. As farmers focused on producing undifferentiated raw commodities, food system profit and opportunities were shifted to the companies that process, package, and market food. Consequently, from 1910 to 1990 the share of the agricultural economy received by farmers dropped from 21 to 5 percent.[2]

The pace of industrialization of agriculture has quickened. The dominant trend is a few, large, vertically integrated firms controlling the majority of food and fiber products in an increasingly global processing and distribution system. If we do not act now, we will no longer have a choice about the kind of agriculture we desire as a Nation.

A Vision for Small Farms in the 21st Century

The National Commission on Small Farms is certain about its choice for the future of American agriculture:

Small farms have been the foundation of our Nation, rooted in the ideals of Thomas Jefferson and recognized as such in core agricultural policies. It is with this recognition of our Nation's historical commitment to small farms that we renew our dedication to the prominence of small farms in the renewal of American communities in the 21st century. Black, Hispanic, Native American, Asian, women, and other minorities have contributed immensely to our Nation's food production and their contributions should be recognized and rewarded.

It is our resolve that small farms will be stronger and will thrive, using farming systems that emphasize the management, skill, and ingenuity of the individual farmer. We envision a competitive advantage for small farms realized through a framework of supportive, yet responsible, government and private initiatives, the application of appropriate research and extension, and the

[2] Smith, Stewart, "Farming: It's Declining in the U.S.," Choices, First Quarter 1992.

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stimulation of new marketing opportunities. As small farms and farmworkers succeed in this nurturing environment, not only will they continue their valuable contribution to the Nation's food supply, but they will also fuel local economies and energize rural communities all across America. In the process of flourishing, small farms will contribute to the strengthening of society, providing communities and the Nation with opportunities for self-employment and ownership of land, and providing a cultural and traditional way of life as well as nurturing places to raise families.

We emphasize public policies that recognize the value of small farms and actively encourage their growth and continuation. These policies are essential to the realization of this vision; so too, are policies that recognize and reward the contributions of farmworkers and their families. Toward this end, the Commission has articulated goals and made specific recommendations to guide the decision-making of the Secretary of Agriculture, the Executive Branch and Congress into the next century.

This vision is focused on those farms with less than $250,000 gross receipts annually, on which day-to-day labor and management are provided by the farmer and/or the farm family that owns the production or owns, or leases, the productive assets.

Policy Goals for Our Nation's Small Farms

The Commission outlined 8 policy goals for a national strategy for small farms:

Policy Goal 1: Recognize the importance and cultivate the strengths of small farms

- USDA's Research, Education and Economics Mission Area should design and implement a small farm research initiative dedicated to optimizing the labor and ingenuity of small farm operators and the biological assets of their farms using less capital-intensive investments.
- USDA should re-commit itself as the "lender of last resort" by focusing greater attention to serving the credit needs of small, minority, and beginning farmers; reversing the shift to guaranteed loans; and accelerating action on pending credit regulations.
- Congress should repeal the provisions that prohibit farmers who have previously had "debt forgiveness" from receiving any future USDA loans or credit assistance.
- USDA policies, programs, and regulations should be reviewed to identify program rules and regulations that are either intentionally or unintentionally biased against small farms, including the Environmental Quality Incentives Program, the Business and Industry Loan Program, and Forestry Stewardship Programs.

Policy Goal 2: Create a framework of support and responsibility for small farms

- Establish an Administrator of Small Farm Programs that reports to the Secretary and has Senior Executive Service status.

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- USDA should develop a Department-wide Small Farm and Ranch Policy that encompasses the vision and the guiding principles set forth by the Commission and that must be reflected in the services, programs, and materials delivered by each agency.

Policy Goal 3: Promote, develop, and enforce fair, competitive, and open markets for small farms

- USDA's Rural Business – Cooperative Service should give priority to the development of farmer-owned, value-added cooperatives and farm-based businesses where profits flow to and within the community; where wage-laborers are paid a living wage; where the efforts results in more local and regional competition in the cash market, not less; and where natural resource stewardship is rewarded through the market.
- The Secretary should propose legislation clarifying the authority of the Grain Inspection, Packers and Stockyards Administration (GIPSA) to prohibit discriminatory pricing on the basis of volume.
- The Secretary should consider Federal production contract legislation to address issues such as contract termination, duration, and re-negotiation; prohibition against discriminatory practices; and responsibility for environmental damages.
- The Commission endorses the proposed rule to prohibit packers from procuring cattle for slaughter through the use of a forward contract, and from owning and feeding cattle, with limited exceptions.
- USDA should investigate the processing and retailing segments of the dairy industry to determine if excessive profits are being made at the expense of farmers and consumers.
- USDA should develop an interagency initiative to promote and foster local and regional food systems featuring farmers markets, community gardens, Community Supported Agriculture, and direct marketing to school lunch programs.

Policy Goal 4: Conduct appropriate outreach through partnerships to serve small farm and ranch operators

- Farm Service Agency State Executive Directors, Rural Development State Directors, Natural Resources Conservation Service State Conservationists, and State Cooperative Extension program administrators should support the formation of farmer networks and mentoring programs for small farmers.
- USDA should collaborate with and jointly fund community-based organizations to train people to be farmer advocates.
- Educational efforts by the Risk Management Agency should address sustainable agriculture practices as a means of managing risk on small farms.

Policy Goal 5: Establish future generations of farmers

- USDA should launch an interagency Beginning Farmer Initiative dedicated to researching, developing, and disseminating farm management models that emphasize low-capital investment, optimal use of skilled labor and management potential of beginning farmers, and high-value crop and livestock production and marketing methods.

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- The Farm Service Agency should clearly define the eligibility requirements for beginning farmers and recognize the farming experience of persons who were raised on family farms, who worked as hired farm labor, or who received training from apprenticeships.
- Congress should authorize the Farm Service Agency to guarantee tax-exempt First Time Farmer Bonds used to make loans to beginning farmers and ranchers.
- USDA should seek legislative authority to create a Beginning Farmer Matching Grant program for the purpose of supplying equity funds for entry farmers in lieu of loans.

Policy Goal 6: Emphasize sustainable agriculture as a profitable, ecological, and socially sound strategy for small farms

- The USDA Office of Communications should conduct a communications campaign to inform farmers of the new farming strategies emerging from the 10 years of sustainable agriculture research.
- The Secretary of Agriculture should support policies that preserve the grazing and water use rights of the small and traditionally underserved public land permittees.
- USDA's Risk Management Agency should develop an affordable Whole Farm Revenue Insurance pilot project for diversified small farms using sustainable farming practices.
- The Secretary should exercise restraint in approving exceptions to the 1,000 animal units eligibility limit on EQIP funding for livestock manure storage structures.

Policy Goal 7: Dedicate budget resources to strengthen the competitive position of small farms in American agriculture

- Increase appropriations for the Sustainable Agriculture Research and Education program by $10 million each year over 3 years to reach $40 million.
- Increase the Outreach and Technical Assistance Program for Socially Disadvantaged and Minority Farmers (Sec. 2501) program to the current authorized level of $10 million annually.
- Increase funding to the maximum authorized levels of $85 million for Farm Ownership Direct Loans and $500 million for Farm Operating Direct Loans.
- Increase Rural Technology and Cooperative Development Center Grant Program funding to $20 million.
- Ensure GIPSA appropriated funding at $3 million for reorganization, $1.65 million for increased staff, and $750,000 for investigation into unfair market practices in the poultry industry.

Policy Goal 8: Provide just and humane working conditions for all people engaged in production agriculture

- President Clinton should establish an interdepartmental task force led by Secretary Glickman involving the Departments of Education, Labor, Health and Human Services, and Environmental Protection Agency, as well as the Internal Revenue Service and the Immigration and Naturalization Service, to address the laws, regulations, and enforcement affecting farmworkers.

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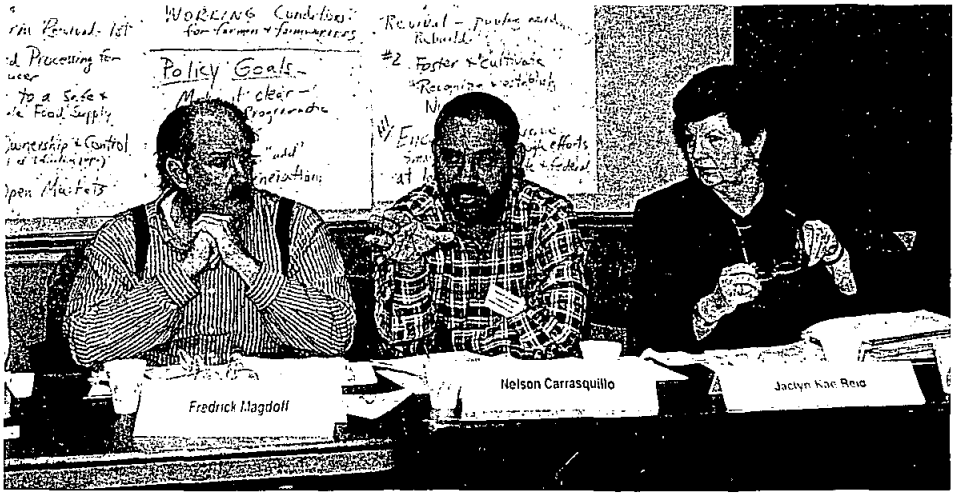

- A Farmworker Coordinator position should be created within the USDA Office of Outreach.

The Public Value of Small Farms

The dominant belief in agriculture is that large farms are more efficient than small farms. However, Professor Willis L. Peterson from the University of Minnesota found that factors other than size influence the unit costs in agriculture. Peterson asserts that "small family and part-time farms are at least as efficient as larger commercial operations. In fact, there is evidence of diseconomies of scale as farm size increases."[3]

In addition, our economic accounting systems do not take into account the "hidden" costs of large farms. An agricultural system characterized by a limited number of large-scale farms does not take into account the loss of market competition when production is concentrated in oligopsonistic markets. The environmental consequences of concentrating a large number of animals in limited areas is rarely considered.

Small farms contribute more than farm production to our society. Small farms embody a diversity of ownership, cropping systems, landscapes, biological organization, culture, and traditions. Since the majority of farmland is managed by a large number of small farm operators, the responsible management of soil, water, and wildlife encompassed by these farms produces significant environmental benefits. Decentralized land ownership produces more equitable economic opportunity for people in rural communities, and offers self-employment and business management opportunities. Farms, particularly family farms, can be nurturing places for children to grow up and acquire the values of responsibility and hard work.

In 1980, Secretary Bergland proposed a "Time to Choose" the future direction for our Nation's agriculture. However, policy choices made since then have diminished the role and relevance of small farms in this country.

On more than one occasion, farmers who spoke at the public meetings referred to the Commission as "our last hope." It is with conviction and hope that the National Commission on Small Farms is asking the Congress and USDA to *act* on the needs of America's small farmers.

[3] Peterson, Willis L., "Are Large Farms More Efficient?" Staff Paper P97-2. University of Minnesota, Department of Applied Economics. January 1997.

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III. Introduction

Not since Secretary of Agriculture Bob Bergland initiated a study of the structure of agriculture in 1979 has USDA made the effort to examine the condition of farming and its place in our food system. In July of 1997, nearly 20 years later, Secretary of Agriculture Dan Glickman appointed a 30-member National Commission on Small Farms to examine the status of small farms in the United States and to determine a course of action for USDA to recognize, respect and respond to their needs through changes in policies, practices, and programmatic approaches.

Early on in the process, members of the National Commission on Small Farms recognized that its focus was not limited to the viability of "small farms," but rather their efforts were to include an examination of the structure of agriculture and how it affects small farm viability. The focus of the Commission was "How do farms, of modest investments, owned and operated by families who supply the majority of labor, remain profitable in an agricultural structure that is increasingly bi-polar?"

When providing the newly formed National Commission on Small Farms with its assignment to develop a National Strategy for Small Farms, Secretary of Agriculture Dan Glickman outlined the challenges facing small farmers today:

> *Its no secret out in farm country that things are changing...and fast. Agriculture, like every other major sector of our economy, is concentrating. From defense to retail stores, to health care, to railroads, to farms and ranches — we're seeing fewer and larger operations, mergers and buyouts, larger market shares and fewer people in those markets.*

At the time of the first meeting, the Commission recognized that there was seemingly a national consensus that larger farms are more efficient and, therefore, in the national interest. However, members of the Commission believe that the primary values of small farms were to be found in our national heritage and that heritage is important to keep alive for future generations. As eloquently stated during the first hearing: "The greatest thing that agriculture furnished this country is not food or fiber, but a set of children with a work ethic and a good set of values."[4]

During the several months since the initial public meeting in Memphis, the Commission heard oral testimony from literally hundreds of owners of small farms and people in the agriculture sector. They have read and studied written testimonies and research papers which stack up over a foot thick. The Commission has engaged in freewheeling debate and in-depth discussions among themselves and with experts on numerous issues affecting all aspects of the American agriculture community. Commission members also spent hundreds of workhours with USDA staff studying various programs. Most importantly, the Commission learned.

[4] Ron Macher, of Clark, Missouri. Editor of Small Farm Today Magazine, testimony at Memphis public meeting, July 28, 1997.

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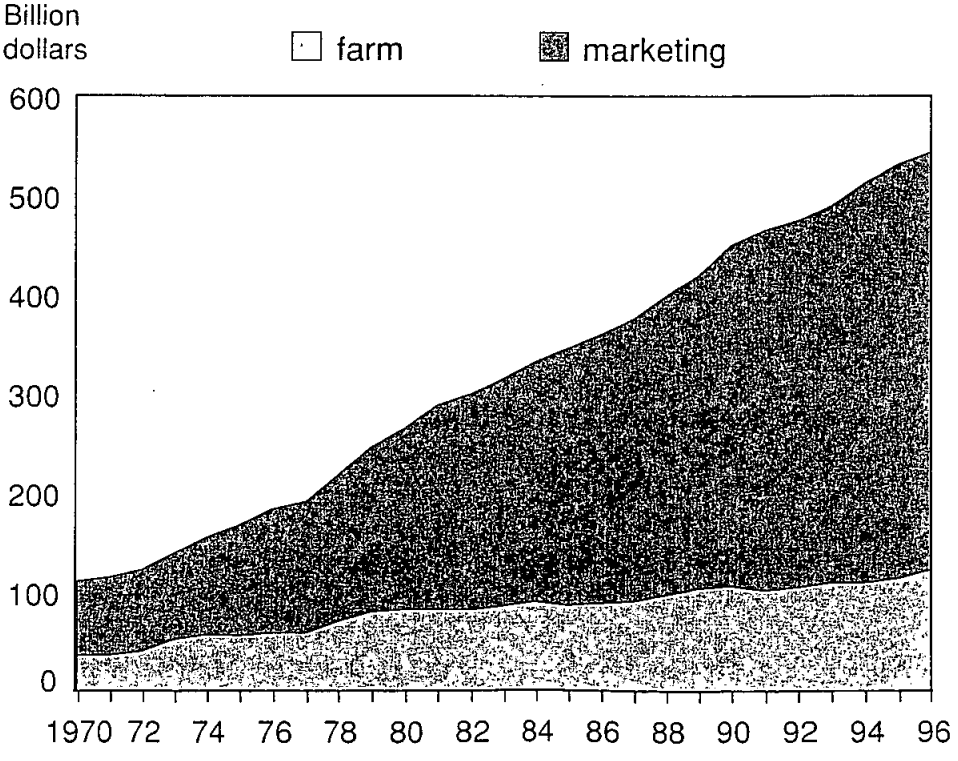
The Commission learned that larger farms are not more efficient than small farms at producing crops.[5] They learned that as small farms are consolidated into larger farms, the economic basis of America's rural communities decline, and rural towns are lost.[6] Trends have also been revealing. The land base of America is being concentrated into fewer and fewer owners, in large part due to the concentration of agriculture, and that large agricultural processors are actively acquiring highly productive farm land in some regions, like the Central Valley of California. Another trend which was repeated throughout the written and oral testimony is the tendency of the large agricultural integrators to avoid capital investment in the means of production and pass both the risk and costs on to their contract growers or to society at large in the form of water and soil pollution and increased Federal assistance to those rural communities. Finally, and importantly, a trend which appears in all sectors of American agriculture is a widening spread between what farmers received for their production and what consumers pay at the supermarket (See Figure 1). The

Figure 1

Distribution of food expenditures

The marketing bill is 77 percent of 1996 food expenditures



Data for foods of U.S. farm origin purchased by or for consumers for consumption both at home and away from home

Source: Agriculture Fact Book 1997

[5] Peterson, W.L. 1997. Are Large Farms More Efficient? Staff Paper p97-2. University of Minnesota

[6] Lobao, Linda M., *Locality and Inequality: Farm and Industry Structure and Socioeconomic Conditions*, State University of New York Press, Albany. 1990. p. 56-57

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setting of prices under near monopoly conditions allows the major processors and retailers of agricultural products to capture an increased price spread, bankrupting farmers while providing the financial ability for these agricultural industries to buy their competition, further concentrating markets and eliminating the free market on which our society depends.

The U.S. Department of Agriculture, established by President Lincoln as the "People's Department," has numerous agencies and programs whose purposes are to ensure an abundant and safe national food supply. Historically, these programs adopted a mission of assisting American small farmers and provided locally driven Federal support to millions of farm families in rural America. Lending programs were established to provide services as the lender "of last resort" when other credit sources were not available. Extension services assisted farmers and their families with crop selection, food preservation, home economics, and youth development through the 4-H program. Conservation programs focused on assisting individual farmers in improving the long-term productivity and sustainability of their lands. Research focused on improved crop cultivars and on-farm improvements to improve production.

The Result of Choices Made

Secretary Bergland committed a year and a half of public hearings, research, and analysis to the structure and performance of agriculture, culminating in a report entitled *A Time to Choose*, published in January 1981, on the eve of a new Administration. The report described the historical trends and changes in the structure of agriculture over time and warned, "...unless present policies and programs are changed so that they counter, instead of reinforce or accelerate the trends towards ever-larger farming operations, the result will be a few large farms controlling food production in only a few years."[7] Looking back now nearly 2 decades later, it is evident that this warning was not heeded, but instead policy choices made since January of 1981 perpetuated the structural bias toward greater concentration of assets in fewer and larger farms and fewer and larger agribusiness firms.

A few statistics illustrate the effects of Federal agricultural policies since Secretary Bergland's study:

In 1978, there were 2.3 million farms in the United States.[8]
Today, there are 2.0 million farms in the United States.[9]

In 1980, 4 firms controlled 36 percent of the beef slaughter.
Today, 4 firms control 80 percent of the beef slaughter.[10]

[7] A Time to Choose: Summary Report on the Structure of Agriculture. USDA. Washington, DC January, 1981. p. 142.
[8] Ibid. p. 42
[9] Structural and Financial Characterstics of U.S. Farms, 1994. USDA Economic Research Service. p. 18.
[10] Refers to steer and heifer slaughter only. GIPSA, Packers and Stockyards Statistical Report, 1995 Reporting Year, SR-97-1, September, 1997. p. 49

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In 1980, the farmer received 37 cents of every consumer dollar spent on food. Today, the farmer receives 23 cents of every consumer dollar spent on food.[11]

Within a few years of printing *A Time to Choose*, American agriculture experienced the worst economic crisis in farming since the Great Depression due to record crop production, falling export demand, and the Federal Reserve's anti-inflationary measures of high interest rates and high exchange rates. Many farmers faced a credit crisis, having borrowed on rising land values in the 1970's to expand operations, resulting in high numbers of bankruptcies and foreclosures among farms of all sizes, bank closings, and agriculture-related business failures. The economic stress took its toll on farm families, sometimes resulting in suicide and divorce, and tore at the fabric of rural community life.

Historical large-farm bias

The 1981 farm bill largely continued the design of the farm programs of the 1970's, despite opposition from a new Administration committed to reducing government intervention in agriculture. Domestic grain surpluses soared due to low acreage set-asides and export markets dampened by high exchange rates. Farm subsidy costs were unprecedented. The new Administration, committed to reducing government spending in agriculture, proposed major cuts in farm price support levels in the 1985 farm bill. However, the farm debt crisis made these proposals politically impossible and they were rejected by the Congress. During this same time, "economic emergency" loans were made to highly leveraged large farms; many of these loans would ultimately go uncollected. It is these loans which constitute 78 percent of currently reported 23 percent delinquency in USDA Direct Lending programs. The final 1985 farm bill retained the basic farm policy mechanisms, but began to put downward pressure on farm prices by freezing target prices, lowering loan rates and subsidizing exports. In 1987, the Administration, under the leadership of Secretary Clayton Yeutter, took its proposals for cutting agriculture spending to the General Agreement on Tariffs and Trade (GATT) and eventually succeeded in winning reductions in agricultural subsidies worldwide.[12]

Following record spending on farm subsidies, and the passage of the Gramm-Rudman deficit reduction law, the 1990 farm bill set in motion a movement to reduce government payments to farmers by instituting the "triple base," which reduced the amount of acreage eligible for payments. This set the course for the most recent policy change in the 1996 Federal Agriculture Improvement and Reform Act (FAIR), which decoupled planting decisions from payments and instead provided "transition" payments scheduled to cease in 2002.

[11] 1997 Agriculture Fact Book. USDA. p 10. Includes food eaten at home and away from home based on an average market basket survey. Twenty-three cents represents the gross cash income received by farmers, before farm expenses and labor are subtracted. See also Description of a Small Farm. page 24.

[12] For a comprehensive history of Federal farm policy, see Chapter 3 of "Reforming Farm Policy: Toward a National Agenda," by Willard C. Cochrane and C. Ford Runge. Iowa State University Press. 1992.

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Even though only about one-third of U.S. farmers have participated in Federal farm programs, these programs have historically been structurally biased toward benefiting the largest farms. Farm payments have been calculated on the basis of volume of production, thus giving a greater share of payments to large farms, enabling them to further capitalize and expand their operations. Attempts to place caps on the amount of payments per farm have not resulted in their intended effects.

The present system of "transition" payments perpetuates the large-farm bias because the amount of payment is based on historical payment levels. A new risk management tool, "revenue insurance," also perpetuates a large-farm bias through its provisions of coverage for the few major program commodities with no limit on the amount of coverage provided. Additionally, recent changes in Federal tax policy provide disproportionate benefits to large farms through tax incentives for capital purchases to expand operations. Large-scale farms that depend on hired farmworkers for labor receive exemptions from Federal labor law afforded workers in every other industry, allowing them the advantage of low-wage labor costs.

The Structure of Agriculture Today

The most widely used description of the structure of agriculture is based on the statistic of gross farm sales. USDA Economic Research Service labels three-fourths of the Nation's farms that have annual gross sales under $50,000 as "non-commercial" farms, meaning they do not generate enough sales to be commercially viable on their own. Half of these farmers rely on off-farm income. Many dismiss these farmers as "hobby farmers," implying that their goals do not include making a profit. This categorization fails to recognize that for some of these farmers, off-farm jobs are not a choice, but a necessity due to the inability to obtain an adequate return from farming. And in some places, such as Indian reservations, off-farm jobs are not available at all. Even for farmers in the next highest sales class, from $50,000 gross sales to $250,000 gross sales, where 86 percent of these farmers count farming as their primary occupation, the average return on equity is negative.[13]

Another popular statistic used to describe the structure of agriculture is the contribution of value of production per sales class. Farms with gross sales under $250,000 make up 94 percent of all farms. However, these farms receive only 41 percent of all farm receipts. In other words, out of 2 million farms, only 122,810 of the super-large farms receive the majority of farm receipts.

[13] Structural and Financial Characterstics of U.S. Farms, 1994. USDA Economic Research Service. p. 20.

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There is a danger in relying on gross sales statistics to provide the whole picture of the structure and performance of agriculture today. While agriculture has become more segmented and specialized, most analyses of gross sales statistics have failed to distinguish between the differing, and often value-adding levels of production. Of course farms with higher levels of gross sales would appear to be more productive. Yet a closer examination shows many of those high-end operations are dependent on primary-level production constituting cow/calf, lambing, farrowing, or grain production. A simple indicator of the differences can be shown in cattle production. The average size cow/calf operation in the United States is 49 head. A medium-sized feedlot operation averages 10,000 head, yet depends upon the primary calf production as its source for feeder cattle. Without more precise indicators to measure the contribution of the primary level of production, an appreciation of the productive contributions of small farms is diminished.

When a gross sales statistic is used combining all agricultural sectors, it can generate the conclusion that large and super-large farms produce most of the food and fiber in this country, when, in fact, the most critical production occurs at the primary level. Conclusions and policies which focus on the large and super-large farms as an inevitable result of economic progress may be ignoring the small farm as the most vital component of all food production.

Many people consider a few, large farms an inevitable result of economic progress. For example, a Wall Street Journal writer recently expressed with a fair amount of conviction that "In fact, local dairies aren't necessary anymore. Megafarms are springing up in such places as New Mexico and Idaho that produce milk far more cheaply than the postcard pretty Vermont dairy farm. In addition, processors are experimenting with filters to remove the water from milk, which makes shipping it cross-country cheaper."[14]

The "get big or get out" policy drives of the past fail to recognize the real cost of this kind of "economic progress." This perspective does not consider the loss of market competition when production is concentrated in a monopoly market. It does not consider the cost of potential environmental consequences of concentrating a large number of animals in limited areas. It does not consider the risk to the security of our milk supply should disease or natural disaster strike these few megafarms. It does not consider the cost of increased use of fossil fuels to ship milk across the country. It does not consider the increase in bacteria when water is extracted. Contrary to popular belief, large

[14] Kilman, Scott. "Inside the Byzantine World of Milk Prices." Wall Street Journal. November. 25, 1997.

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farms do not produce agricultural products more efficiently than small farms, especially when real costs are taken into account.

Furthermore, the assumption that large farms are more efficient because of economies of scale was challenged by presenters at the Commission's public meetings. Statistical analysis conducted by Professor Willis L. Peterson from the University of Minnesota examined the factors that make up the Census of Agriculture statistical measure of economies of size. Peterson found that factors other than size influence the unit costs in agriculture. After accounting for the quality of land and farm management, subtracting the contribution of the farmhouse to farm output, and considering the effect of opportunity costs related to off-farm employment on farm output and production costs, Peterson asserts "that small family and part-time farms are at least as efficient as larger commercial operations. In fact, there is evidence of diseconomies of scale as farm size increases."[15]

Small farms cannot exist in a vacuum as relics of days gone by preserved for the tourists or nostalgia for how most everyone's great grandparents lived. Small farms are a vital functioning part of a working landscape that includes Jeffersonian entrepreneurs of all kinds—locally owned grocery stores, garages, machinery dealerships and other businesses operating on a similar scale as the farmers they both serve and depend on.

—Clark Hinsdale, Vermont

The "diseconomies of scale" extend beyond the farmgate to affecting the farming community. There is a substantial body of literature that suggests that large-scale agricultural production does not bode well for conditions in farming communities. University of California anthropologist Dean MacCannell wrote, "As farm size and absentee ownership increase, social conditions in the local community deteriorate. We have found depressed median family incomes, high levels of poverty, low education levels, social and economic inequality between ethnic groups, etc.... associated with land and capital concentration in agriculture.... Communities that are surrounded by farms that are larger than can be operated by a family unit have a bi-modal income distribution, with a few wealthy elites, a majority of poor laborers, and virtually no middle class. The absence of a middle class at the community level has a serious negative effect on both the quality and quantity of social and commercial service, public education, local governments, etc.[16]

The public value of small farms

The Wall Street Journal writer did not consider the benefits that result from a large number of farms under a system of widespread ownership rather than concentration of our food supply in a few megafarms. Economic statistics speak only to the "product output" of farms by measures of crop and livestock sales and they likely underestimate the economic contributions of small farms stated earlier. These numbers do not reflect the social and environmental goods produced by a large number of small farms. Some of the public values generated by small farms include:

[15] Peterson, Willis L., "Are Large Farms More Efficient?" Staff Paper P97-2. University of Minnesota, Department of Applied Economics. January 1997.
[16] MacCannell, Dean. "Agribusiness and the Small Community," Background paper to Technology, Public Policy and the Changing Structure of American Agriculture, Office of Technology Assessment, U.S. Congress, Washington, DC. 1983.

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- **Diversity:** Small farms embody a diversity of ownership, of cropping systems, of landscapes, of biological organization, culture and traditions. A varied farm structure contributes to a diversity of cropping systems and, therefore, to biological diversity. A large number of smaller farms contributes to a diverse and esthetically pleasing rural landscape and open space, particularly appreciated by urban people as well as rural neighbors. Connection to the land has always been central to the spiritual and cultural values of our country's indigenous people. Additionally, widespread ownership of land is an essential principle of our Nation's earliest public policies. And land ownership and farming provided a foundation for community and tradition for the new settlers and pioneers who often fled from oppressive regimes to seek greater opportunity in America.

- **Environmental benefits:** Approximately 60 percent of all farms are less than 180 acres in size, indicating that the majority of farmland is managed by a large number of small farm operators.[17] Responsible management of the natural resources of soil, water, and wildlife encompassed by these operations produces significant environmental benefits for society to enjoy. Therefore, investment in the viability of these operations will yield dividends in the stewardship of the Nation's natural resources.

- **Self-empowerment and community responsibility:** Decentralized land ownership produces more equitable economic opportunity for people in rural communities, as well as greater social capital. Owner-operated farm structures offer individual self-employment and business management opportunities. This can provide a greater sense of personal responsibility and feeling of control over one's life, characteristics that are not as readily available to factory line workers. Land owners who rely on local businesses and services for their needs are more likely to have a stake in the well-being of the community and the well-being of its citizens. In turn, local land owners are more likely to be held accountable for any negative actions that harm the community.

- **Places for families:** Farms, particularly family farms, can be nurturing places for children to grow up and acquire the values of responsibility and hard work. The skills of farming are passed from one generation to another under family ownership structures. When farm children do not return to farming because of their desire for more financially secure careers, a generation of farming knowledge, skills, and experience is lost.

[17] 1995 Farm Costs and Returns Survey. USDA Economic Research Service.

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- **Personal connection to food:** With less than 2 percent of the Nation's population engaged in farming, most consumers have little connection to agriculture and food production. As a consequence, they have little connection with nature, except as a place for recreation, and lack an appreciation for farming as cultivation of the earth for the production of food that sustains us. Through farmers markets, Community Supported Agriculture, and direct marketing strategies of small farmers, people are beginning to connect with the people growing their food. Consumers are developing meaningful, direct relationships with farmers and a connection with food as a product of a farmer's cooperation with nature.

- **Economic foundations:** In some States and regions of the country, dispersed farm operations are key to economic vitality. Historically, decline in U.S. farm numbers were more than offset by increases in productivity and output. However, this does not appear to be the case in places like Wisconsin, a State whose farm economy has been characterized by a large number of moderate-sized family-operated dairy farms. Since 1988, total volume of milk produced in the State has dropped and the real value of gross sales has also decreased. The loss of dairy farms in this case has meant a loss to the State's economic output.

Our elders say that money is just money for it is the land and water that will house, feed, and nourish the Hopi people in the distant future. It is the land that will remain to remind the children about traditions, beliefs, customs and life ways. It is this land that we will call home.

— Michael Elmer, Hopi Tribe

Why are small farms at risk?

As with most major industries, ownership and control over agricultural assets are increasingly concentrated in fewer and fewer hands. Concentration translates into the loss of open and competitive markets at the local level. Farmers operate in a market made of many sellers and few buyers. Farmers have little to no control over setting the price for their products. The basic tenets of a "competitive" market are less and less evident in crop and livestock markets today.

The recent passage of the 1996 FAIR Act is a watershed event in the history of Federal farm policy. It signals the reduction and eventual elimination of government intervention in commodity markets as a means to provide income and price stability for the farming sector.

Finally and most importantly, technology and market changes have shifted economic opportunities off of farms and into the agricultural input and post-harvest sectors. As research was focused on developing technologies that use ever greater levels of capital to enable fewer people to produce the Nation's food, income and opportunities shifted from farms to the companies that produce and sell inputs to farmers. As farmers focused on producing undifferentiated raw commodities, food system profit and opportunities were shifted to the companies that process, package, and market food. Consequently, from 1910 to 1990 the share of the agricultural economy received by farmers dropped from 21 percent to 5 percent.[18]

[18] Smith, Stewart, "Farming: It's Declining in the U.S.," Choices, First Quarter 1992.

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The combination of increased concentration among food processing companies, loss of competitive markets, and reduction of price stabilizing tools of government will place farmers in increasingly vulnerable situations. Farmers will find themselves with less and less control over their economic security.

A Time to Act

It is with full recognition of this increased economic vulnerability that the National Commission on Small Farms conducted its work. The Civil Rights Action Team report established the rationale for the Commission by recommendation No. 36. In addition to racial discrimination, government policies and practices have discriminated against small farm operators and poor farmers. In some cases, such as commodity program policies, this discrimination was explicit. In other cases, the bias was less intentional and reflected simple ignorance of the specific needs of small farms. This problem was affirmed by the many hours and pages of testimony received by the Commission.

This report addresses both forms of bias. It recommends changes in policies, programs, and administrative management practices that explicitly disadvantage smaller farms. It also recommends changes that will give due recognition to the benefit of small farms to society.

In 1980, Secretary Bergland proposed a "Time to Choose" the future direction for our Nation's agriculture. The National Commission on Small Farms has outlined in the contents of this report, an opportunity for Congress and the USDA to act on these recommendations to improve the well-being of our Nation's small farms and support the contributions they make to our American society.

On more than one occasion, farmers who spoke at the public meetings referred to the Commission as "our last hope." A choice was made nearly 20 years ago to diminish the role and relevance of small farms in this country. It is with conviction and hope that the National Commission on Small Farms is asking Congress and the USDA to *act on the needs of America's small farmers.*

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IV. The USDA National Commission on Small Farms

In February 1997, USDA released a report by the internal USDA Civil Rights Action Team (CRAT). The CRAT report included 92 recommendations on changes in management, program delivery, and employment practices to address the long-term bias and discrimination against minority farmers and minority employees at USDA. The CRAT also identified discrimination against small farmers and recommended to Secretary Glickman that he "appoint a diverse commission to develop a national policy on small farms."[19]

In July 1997, Secretary Glickman appointed a 30-member Commission of volunteers from across the country. The Commission consisted of people who are farmers and ranchers, staff of nonprofit farm and farmworker advocacy organizations, Extension professionals, current and former public officials, and philanthropic foundation program staff.

The Commission began its work in Memphis, Tennessee, on July 28 by receiving testimony from farmers and small farm advocates. Subsequent public hearings and meetings were held in Sioux Falls, South Dakota, on August 21 and 22; Washington, DC, on September 10 and 11; and Sacramento, California, on September 15 and 16. Three smaller meetings were held in Albany, New York; Albuquerque, New Mexico; and Portland, Oregon. Additional meetings were conducted by individual Commission members in various locations, including Fresno, California; Lihue, the Island of Kauai, Hawaii; and South Carolina. The meetings were attended by approximately 800 people. In total, the Commission heard oral testimony from 200 people and received written testimony by mail and facsimile from 165 people.

The Commission divided into 5 topical committees: Conservation, Credit, Research and Extension, Marketing, and Definition. Each committee developed recommendations relating to the specific functions of USDA before integrating the recommendations under 8 policy goals. While the Commission could not possibly respond to each individual issue raised in testimony, they deliberated on many issues and identified those most critical to the well-being of small farms.

The time constraint placed upon the Commission did not allow for the conduct of any original research or analysis of the effects of USDA's current programs, practices, and policies on the Nation's small farms. There was not time to conduct in-depth reviews of USDA programs, rules, and regulations. Instead, the Commission evaluated the problems and solutions suggested by the testimony received and relied on their own experience, knowledge, and creativity to craft this set of recommendations for consideration by Secretary Glickman. The Commission feels a strong need for continued dialogue about the status of small farms in this country and USDA's responsiveness to their needs. Therefore, the Commission submits its first recommendation as follows:

[19] Recommendation No. 36. Civil Rights at the United States Department of Agriculture. A Report of the Civil Rights Action Team. February 1997.

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Recommendation

Secretary Glickman should prepare a progress report and reconvene the Commission within 9 months of receipt of this report to assess progress in bringing about changes consistent with the recommendations, and to provide input on emerging concerns within the Commission's domain. Upon immediate transmission of this report to Secretary Glickman, Commission members should meet with key Subcabinet members, Agency Administrators, and program staff to review the recommendations in dialogue with USDA officials. If at all possible, the Commission should remain activated through its chartered ending date of 1999. A public and written progress report should be presented at the National Conference on Small Farms scheduled for 1999.

The Commission also recognizes that State and local government policies, programs, and regulations affect the viability of small farms throughout the country. Issues such as property taxes and State assistance programs administered by the State departments of agriculture, land-grant universities and other publicly funded colleges and schools, all impact agriculture and the probabilities of success for small farms in each State. The Commission encourages the Nation's governors, legislatures, State departments of agriculture, and land-grant universities and colleges to examine how their institutions might better serve the needs of small, beginning, women, and minority farmers in their States. This might be accomplished by an appointed commission of diverse stakeholders, community-based organizations, farmers, and public officials, modeled after the USDA National Commission on Small Farms.

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V. A Vision for Small Farms in the 21st Century

Small farms have been the foundation of our Nation, rooted in the ideals of Thomas Jefferson and recognized as such in core agricultural policies. It is with this recognition of our Nation's historical commitment to small farms that we renew our dedication to the prominence of small farms in the renewal of American communities in the 21st century. Black, Hispanic, Native American, Asian, women, and other minorities have contributed immensely to our Nation's food production and their contributions should be recognized and rewarded.

It is our resolve that small farms will be stronger and will thrive, using farming systems that emphasize the management, skill, and ingenuity of the individual farmer. We envision a competitive advantage for small farms realized through a framework of supportive, yet responsible, government and private initiatives, the application of appropriate research and extension, and the stimulation of new marketing opportunities. As small farmers and farmworkers succeed in this nurturing environment, not only will they continue their valuable contribution to the Nation's food supply, but they will also fuel local economies and energize rural communities all across America. In the process of flourishing, small farms will contribute to the strengthening of society, providing communities and the Nation with opportunities for self-employment and ownership of land, and providing a cultural and traditional way of life as well as nurturing places to raise families.

We emphasize public policies that recognize the value of small farms and actively encourage their growth and continuation. These policies are essential to the realization of this vision; so too are policies that recognize and reward the contributions of farmworkers and their families. Toward this end, the Commission has articulated goals and made specific recommendations to guide the decision-making of the Secretary of Agriculture, the Executive Branch, and Congress into the next century.

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VI. Guiding Principles for Federal Farm Policy

We recommend that farm policy decisions adhere to the following guiding principles for affecting the structure of the U.S. agricultural system:

Safe and healthy food – Farm policy should encourage farming systems that produce safe, healthy, and diverse food.

Relationships between farmers and consumers – Farm and food policy should create greater opportunities to connect farmers with consumers directly to enable farmers to respond to changes in consumer demand and stimulate increased interest in agriculture among consumers.

Community – Farm policy should support an agriculture that sustains and strengthens rural communities and celebrates cultural diversity and a traditional way of life.

Stewardship of natural resources – Farm policy should give incentives to reward responsible stewardship and care of the land, water, and air.

Safe, responsible conditions for farmers and their workers – Farm policy should enable farmers and their workers to work in safe and responsible working environments.

Fair and open markets – Public policy should result in vigorous competition in open markets that are fair to producers of all sizes and devoid of price discrimination. It should strive to create a diversity of markets for a diversity of unique products, producers, and consumers.

Provide opportunity for many – U.S. agricultural policy should open opportunity for more American people to own and operate farms as a livelihood. It should enable people who want to farm to gain access to land and other productive assets whether by lease or purchase. A person's options and abilities to participate in farm ownership or operation should not be compromised or abrogated on account of their ethnicity, gender, or other non-merit related, demographic characteristics.

Farm income – Farm policy should enhance opportunities for people to generate farm incomes comparable to other economic sectors. That must involve efforts to reverse the long-term trend toward a declining share of food system income accruing to farmers and ranchers, in relation to the input and post-harvest sectors.

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VII. Description of a Small Farm

In developing its recommendations, the Commission describes small farms as farms with less than $250,000 gross receipts annually on which day-to-day labor and management are provided by the farmer and/or the farm family that owns the production or owns, or leases, the productive assets.

This description is not intended for use as an eligibility guideline. It is intended only to generally describe the farms that we believe should be given priority consideration by USDA, with special emphasis on those with the greatest need to improve their net farm incomes.

We recognize that small farms vary by region and commodity. While $250,000 in gross receipts may not sound small, and in fact may be high for some commodities, in other areas, it is barely sufficient to provide a net farm income comparable to the income of the average non-farmer and farms up to that size are among those whose survival is most endangered. For example, the average farm with annual gross sales between $50,000 and $250,000 has a net cash income of only $23,159. Over 80 percent of a farmer's gross sales are absorbed by farming expenses. (See Figure 2 and Box below.)[20]

This description of small farms includes approximately 94 percent of all U.S. farms. These farms own 75 percent of the total productive assets in agriculture, mostly land, and receive 41 percent of all agricultural receipts. This description includes 41 percent of all farmers who consider farming their primary occupation and an equal percentage of farmers work part-time on the farm and rely on non-farm jobs as their primary source of income. Most of the farm units usually referred to as "family farms."

Looking at farms with gross sales between $100,000 and $250,000, there is great variety in gross sales based on the value of the commodities grown and the mix of commodities, fixed and variable expenses, and ultimately, in net farm income. For example, a typical wheat farm in 1993 received gross cash income of $153,219 but after cash and fixed expenses, depreciation and labor were paid for, the net farm income was $28,575. Cattle producers in 1993 did not fare as well. A typical beef operation received gross cash income of $150,092. But after cash and fixed expenses, depreciation and labor were paid for, the net farm income for a typical beef operation was $13,509.

Prepared by the Economic Research Service from the 1991-1994 Farm Costs and Returns Survey.

[20] Prepared by the Economic Research Service from the 1991-1994 Farm Costs and Returns Survey.

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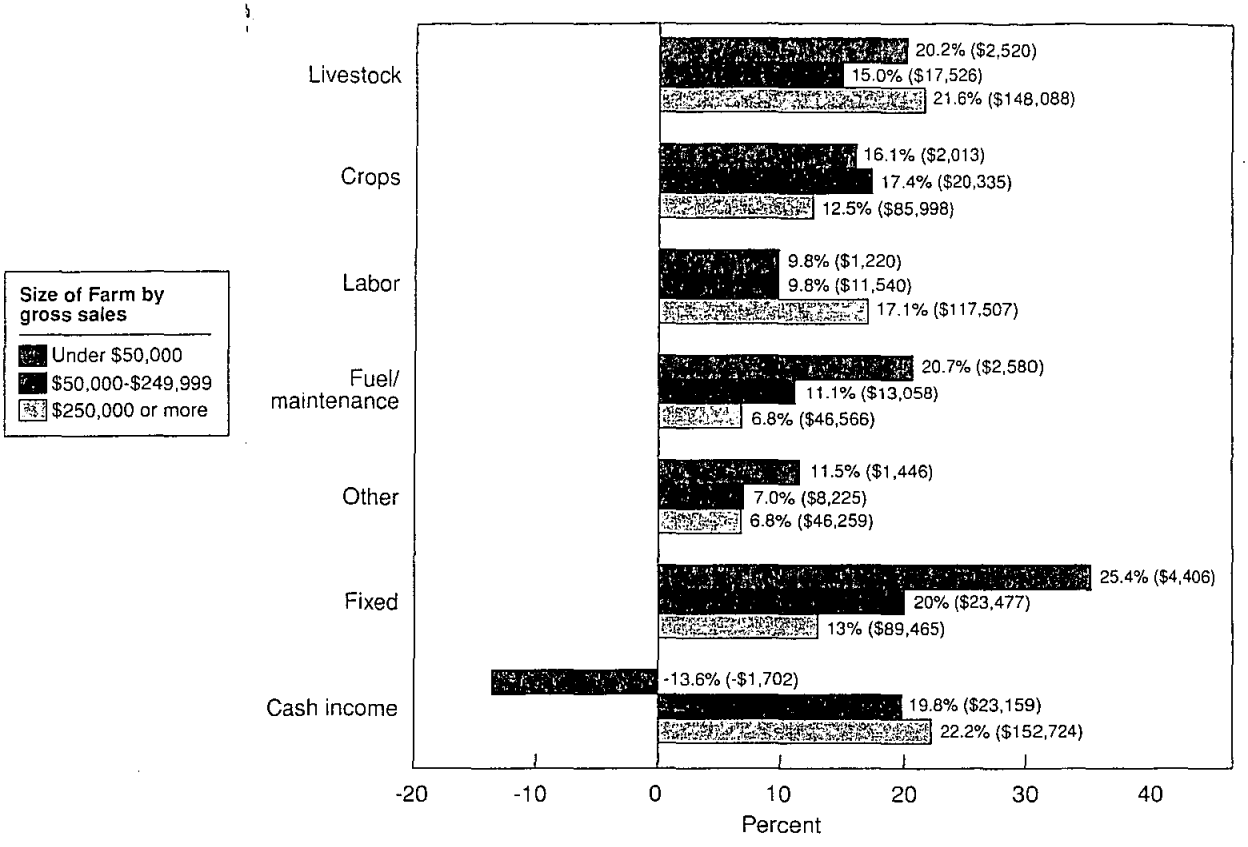
Figure 2

Cash Expenses and Income as a Percent of Gross Cash Income, By Size of Farm, 1995



Source: 1995 Farm Costs and Returns Survey

Note: Dollar amounts are a national average.

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Policy Goal 1
Recognize the Importance and Cultivate the Strengths of Small Farms

As outlined in the Introduction, small farms possess unique potential to "produce" not only foodstuffs, but a variety of economic, social, and environmental goods. Small farms are in a better position to respond to specialty products for a narrow consumer taste than larger, more standardized farming operations. When small farms optimize their small landholdings with a variety of crops farmed in rotation and integrated with livestock production, they produce a source of biological diversity and ecological resilience not found in larger, monocropping operations. When they directly market their production to consumers through farmers markets, pick-your-own or Community Supported Agriculture[21] methods, they provide urban people with a social connection to farming, farmers, and rural people and a health, fresh food supply.

The challenge, therefore, is to develop a national policy initiative that builds on the strengths and unique capabilities of small farms, that recognizes the social and ecological benefits of small farms, and that capitalizes on the labor and ingenuity of small farm operators to improve economic opportunity and benefits to rural communities. In situations where farmers have pursued off-farm employment for reasons of lack of farm profitability, the challenge is to create new opportunities for these farmers to increase their farm earnings. Innovative business strategies need to be designed to optimize the mix of labor, capital, and natural resources appropriate to the size and scale of small farms. Opportunities for farmers to use more knowledge and management-intensive production systems, rather than capital-intensive methods, are needed. Methods are needed that generate and sustainably utilize the natural productivity found in biologically diverse farming systems and more inputs can be derived from on-farm biological resources. For example, in some instances, livestock manure or cover crops can replace purchased nitrogen fertilizer.

At the same time, those policies that frustrate the potential of small farms should be identified and removed. In particular, policies that favor large farms disproportionately should be restructured to level the playing field among farms of all sizes and scales.

Some USDA programs disproportionately benefit those farms that are the least in need of government assistance. While about one-third of all farms participate in the Federal commodity programs, they have historically been designed to benefit larger farms. In 1995, the 11 percent of small farms which had gross sales between $100,000 and $249,999 received 28 percent of commodity program payments. Large farms (6 percent of all farms), with gross sales of

[21] Community Supported Agriculture refers to a farm operation where customers buy shares in the annual production of the farm in exchange for a given amount of food on a weekly basis.

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more than $250,000, received 31 percent of commodity program payments. Small farms averaged payments of $11,174 per farm, while large farms received an average of $20,048 per farm. The larger the farm, the larger the payment. Government payments account for only 2.4 percent of gross cash farm income for the very large farms, but are more critical to the smallest farms that rely on government payments for 41 percent of their gross cash farm income.[22]

The opportunities that exist for small-scale agriculture have to do with relatively minor crops, specialty crops, high-value crops, in many cases, organic fruit and vegetable production, and those types of commodities are not currently served by traditional experiment station structure or traditional USDA programs.

– Mark Gaskell, California

Federal farm policy should recognize that large-scale agriculture is not and should not be the only model for agricultural production, but that multiple and diverse models are necessary for economic, ecological, and social stability in our food and agricultural system. This approach requires a new way of thinking about the contributions of small farms. It requires recognition that small farms produce social and environmental goods of value to society that warrant public support.

Research and Extension

A great deal of agricultural research has focused on improving efficiency by utilizing ever greater levels of capital to enable fewer people to produce the Nation's food and fiber. Some of these technological applications demand investments that require increased scale of operation to achieve reasonable rates of return on investment. In other words, farms have grown in acreage to spread capital costs across more units of production and more of the profit has been captured by companies that sell inputs to farmers. The resulting gains in productivity, as measured in units of land or labor, have been the great success story of publicly funded agricultural research and technological innovation and adoption. But, relatively little research has focused on improving farm efficiency and income by developing new knowledge that enables farmers to use their management to reduce capital expenditures, produce products of higher value, and capture a larger share of the food dollar.

Recommendation 1.1

USDA's Research, Education and Economics (REE) Mission Area should design and implement a small farm research initiative dedicated to optimizing the skilled labor and ingenuity of small farmers and the biological assets of their farms using less capital-intensive investments. The research design should include biological, economic, and social research as an interdisciplinary approach. The initiative should respond both to the threats to small farm viability as well as to future opportunities not yet explored.

Recommendation 1.2

The Economic Research Service (ERS) should analyze the systems, strategies, and technologies used by successful small farms, to learn how USDA can better assist small farm operators in achieving success. Using existing farm records systems, ERS should identify small farms that are performing well

[22] Structural and Financial Characteristics of U.S. Farms, 1994/AIB-735. Economic Research Service, USDA. p. 21. "Government payments" includes all receipts from State and Federal governments, including deficiency payments, storage payments, disaster payments, conservation cost-share payments, CRP payments, etc.

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(have a low cost of production and are earning attractive family incomes) and conduct in-depth analysis of those farms, including their production systems, management strategies, technologies employed, and marketing approaches. Market research should analyze consumer preference trends that provide opportunities for small farms and identify the potential markets for exports from small-scale producers. For example, sales of organic produce, including exports, have grown 20 percent per year recently and are expected to rise with implementation of the National Organic Standards, but USDA's research portfolio includes only one-tenth of 1 percent of research relevant to organic farming.[23] The results should be used to identify research and other programs that could contribute to small farm success. This analysis should be conducted in partnership with land-grant universities, nonprofit organizations, and farmers themselves. The results of this research should be published in suitable format for reference and use by all farmers who may choose to implement the findings.

The fact that we have fewer and fewer extension agents and fewer and fewer dollars going into our genetic preservation and into research and education, it's just tragic. The privatization of information and technology is the greatest hurdle faced by agriculture.

– John Happala, Oregon.

At the same time, ERS should assess the impact of national economic and policy forces influencing the prospects for small-scale agriculture. In particular, ERS should examine the threats and opportunities for small farms in the context of the 1996 FAIR Act and the North American Free Trade Agreement. This study should determine how these policies affect risk to small farms on a regional and commodity basis.

Recommendation 1.3

After identifying the principles of successful models, the Agricultural Research Service (ARS) and the Cooperative State Research, Education, and Extension Service (CSREES) should design research according to the principles in order to meet the specific needs of small farmers that maximize the potential productivity of their mix of assets. The research agenda should include the development of technologies appropriate for small-scale farms.

Recommendation 1.4

The ARS should commit to research strategies that will strengthen small farms. By the year 2002, at least two-thirds of the ARS research portfolio should consist of projects that have been determined to contribute to the income-earning capacity of small farms and their competitiveness in an increasingly industrialized agricultural economy. Adjustments in research directions should be made as needed to ensure that the overall impact of each major initiative is neutral or positive with respect to small farm opportunities. This initiative can be formulated by taking the following steps:

a) Utilize results from the ERS study (1.2 above) to identify technological models that work for small farms and afford future market opportunities for small farms.

b) Seek input on priority small farm research needs from small farmers, nonprofit organizations that work with small farmers, and land-grant scientists whose work is focused on strengthening small farms.

[23] Written testimony of Mark Lipson, Organic Farming Research Foundation, Santa Cruz, CA. September 22, 1997.

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c) Conduct technology assessments to identify program areas and research directions most helpful to small farmers, including beginning farmers.

d) Increase research to strengthen the competitiveness of small farm livestock production, address the plant breeding needs of small farmers using low-capital sustainable production systems, and develop integrated farming systems for small farms.

Recommendation 1.5

USDA competitive grants programs for agricultural research and extension should prioritize research that contributes to the income-earning capacity and competitiveness of small farms in an increasingly industrialized agricultural economy. Assessments of the impact of alternative research directions should be conducted to determine their impact on small farm viability. The assessments, together with input from small farm operators, nonprofit organizations and land-grant scientists who work with small farm operators, should be used to develop Requests for Proposals that emphasize small farm needs. Qualified small farm operators, and nonprofit organizations and land-grant scientists who work with small farm operators, should be included on proposal review panels. Program guidelines should be reviewed and barriers removed to participation by nonprofit institutions. A goal should be set to devote two-thirds of CSREES production and marketing research by the year 2002 to projects that contribute to the income-earning capacity and competitiveness of small farms. Progress toward that goal should be measured annually.

Recommendation 1.6

The Research portion of the Fund for Rural America should be refined to more effectively support small farm opportunities by:

a) Making clear, through the Requests for Proposals, as well as instructions to review panels, that increasing opportunities for small and beginning farmers are a priority of the rural development objectives of the Fund;

b) Directing review panels to give equal importance to scientific merit and project relevance when evaluating proposals;

c) Directing review panels to give highest scores to projects that address all three of the core Fund objectives — community, environment, and farm competitiveness — in determining the relevance of project proposals to solve real-world problems;

d) Directing reviewers to give priority to projects that, where appropriate, involve participation of small farm operators and partnerships with nonprofit organizations that work with small farm operators; and

e) Inviting small farm operators, representatives of nonprofit organizations that work with small farms, and land-grant scientists whose work addresses small farm concerns to serve on the review panels that make the final recommendation (not just as outside reviewers).

Recommendation 1.7

Rural Development's Appropriate Technology Transfer for Rural Areas program (ATTRA) and other small farm programs should develop a clearinghouse of available equipment and systems and a means to identify unmet

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I would strongly urge the remarriage of agriculture as an engine of change in rural development. It would culminate in a much more comprehensive approach to rural development.

– Michael Sligh, North Carolina

needs. ATTRA should be formally consulted on a regular basis to provide analysis of what the small farm research needs are to REE agencies. With this information, USDA should collaborate with land-grant colleges, private companies, and small farmers to design machinery, equipment, and systems appropriate for small-scale agriculture.

Agriculture-based rural development

Up until the 1950's, the economy of rural America was based primarily on agriculture. Today, agriculture is the dominant industry in only one-fourth of rural counties. Nonetheless, there are 556 counties, mostly in the Great Plains States, that derive 20 percent or more of their earned income from farming and are therefore classified by ERS as "farming dependent." From 1980 to 1990, 80 percent of farming-dependent counties lost population and farm jobs declined by 111,000. Young people left these communities in search of greater economic opportunity in careers other than farming. The 18- to 34-year-old population in farming-dependent counties declined 17 percent on average from 1980 to 1990.[24]

Farming-dependent counties, particularly those in the Great Plains, are generally suppliers of raw commodities that are typically shipped out of their communities for processing and value-adding activities elsewhere. Only about 10 cents of the consumer dollar spent on cereal and bakery products are returned to the producers in the grain-growing States of the Great Plains. These communities do not share in the full economic gains from the food industry.

There is a growing recognition among small farmers that if they are to boost their economic returns from farming, they need to find ways to earn a greater share of the consumer dollar by adding value to their own products. These strategies can include farmer-owned cooperatives and other business ventures for the purpose of value-added processing, production, and marketing of crops and livestock.

Because farming is a narrow-margin and high-risk business, rural economic development agencies and professionals have either dismissed or ignored agriculture as an industrial base with potential for growth in rural communities. For example, when contacting some of the State USDA Rural Development offices about upcoming meetings of the Commission in their region, more than once the staff responded by saying, "We no longer do farm programs." While they were referring to the farm credit programs that were moved to FSA, this response was an indication that the rural development programs are not perceived as relevant to farmers. Where agriculture is an important industry, job development could be enhanced through value-added processing, production, and marketing activities.

[24] Understanding Rural America. Research report. 25 pp. February 1995. Stock # ERS-AIB-710.

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USDA should dedicate a significant portion of its Rural Business – Cooperative Development loan, grant, and cooperative programs and Extension programming to agricultural-based rural development activities. These activities should be specifically tailored to the generation of greater economic opportunities from the products and potential of small farms in their rural communities.

Recommendation 1.8

USDA Rural Development State Directors should include small farm operators and community-based and nonprofit organizations in their strategic planning processes, particularly with respect to the use of their rural business development programming for purposes of agricultural development. The strategic plan should be reviewed annually, with feedback and input from a variety of customers. Special outreach should be done to involve small farm operators, minorities, women, and non-English-speaking cultures. The strategic plans for the rural business development grant and loan programs should include development of agriculture-based businesses, as well as projects that strengthen a local food and agriculture economy through community farmers markets, public markets, and locally owned, value-added food processing businesses and microenterprises.

Recommendation 1.9

Where Rural Development (RD) State Directors have discretion to add additional priorities to the funding criteria for judging the Rural Business Enterprise Grant (RBEG) and Business & Industry (B&I) loan applications,[25] State Directors should develop a process for receiving input from stakeholders, including small farmers interested in pursuing value-added agricultural development. This process might include one or more of the following options:

a) Establish State Small Farm-Business Councils to first assess current small farm needs and then develop methods of addressing those needs through the State Rural Development strategic plans. Membership in these Councils should include but not be limited to Farm Service Agency State Executive Directors; Resource Conservation and Development Councils; State economic development agencies; Cooperative Extension Small Farm directors, administrators, and agents; State departments of agriculture; Small Business Development Centers; district offices of the Small Business Administration; small farmers, American Indian and Alaska Native tribes, community-based and nonprofit organizations, and other farming interests.

b) Set up a process similar to that described above, but utilize the infrastructure of the State Food and Agriculture Council (FAC).

c) Solicit ideas for determining the kinds of agricultural development that should be funded with the RBEG and B&I funding within any given State. A "request for comment" period could be publicized in all rural newspapers within a State, asking for input in setting the priority criteria for these programs. Public meetings could also be held to gather input. The RD

[25] RD Instruction 1942-G, 1942.305 (b) (3) and RD Instruction 4279-B, 4279.156 (b) (5), respectively.

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State Director would set the criteria based on input received and announce the criteria, available funds, and information for obtaining applications in State and local rural newspapers.

Recommendation 1.10

Exclusively target Rural Business development funds including Rural Business Enterprise Grants, Business & Industry Loans, and the Intermediary Relending Program, to assisting the development of farmer-owned cooperatives for small farm operators and small business concerns as defined by the Small Business Act.[26] At least 50 percent of all RBEG grant funds should be targeted to give priority to projects that primarily benefit small farm operators, including farmer-owned, value-added businesses, cooperatives, and farmland transition programs. A small farmer-owned value-added business and cooperative should be defined as one in which over two-thirds of the throughput comes from small farms.

Recommendation 1.11

Extension should emphasize market development education and technical assistance to small farmers in addition to production assistance. These educational efforts should be directed at exploring new marketing avenues for small farms, like direct farm-to-consumer markets, local value-added processing, and farmer-owned cooperatives. Market development efforts like those undertaken in the Sustainable Agriculture Research and Education (SARE) program should be used as a model and expanded to other Extension programming. Extension efforts could assist small farmers by developing entrepreneurial training and development in natural resource-based industries. This kind of effort should focus on learning from established farmers and small business entrepreneurs with Extension participating as co-learners with potential entrepreneurs. Extension agents could be most helpful by serving as a facilitator of information and resource providers. This training should include the development of community-based entrepreneurial networks to provide continuous training, mentoring, and support for new business startups within a community. (See also Policy Goal 3, recommendation 3.27).

Farm credit

Agricultural operations require high levels of committed capital to achieve success. The capital-intensive nature of agricultural production makes access to financial capital, usually in the form of credit, a critical requirement. Small farms are no different from larger farms in this regard, but testimony and USDA reports received by this Commission indicate a general under-capitalization of small farms, and increased difficulty in accessing sources of credit.

The reduction of price and income support resulting from the 1996 FAIR Act can directly reduce income levels for farmers reliant on government payments and interject increasing instability in agricultural markets. Increased price

[26] Sec. 3(a) (1) For the purposes of this Act, a small-business concern, including but not limited to enterprises that are engaged in the business of production of food and fiber, ranching and raising of livestock, aquaculture, and all other farming and agricultural related industries, shall be deemed to be one which is independently owned and operated and which is not dominant in its field of operation: Provided, that notwithstanding any other provision of law, an agricultural enterprise shall be deemed to be a small business concern if it (including its affiliates) has annual receipts not in excess of $500,000.

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volatility decreases the attractiveness of farm lending among commercial lenders. Lenders lose some assurances that their clients will have a reliable source of income to meet loan repayment levels. When commodity prices drop, as is the case currently in the dairy industry, lower on-farm prices combined with the reduction in transition payments from the Federal farm programs, might sharply increase the risk in agricultural lending and increase reluctance in the financial sector to extend agricultural credit.

Direct lending programs of the Federal Government have been increasingly curtailed by Congressional budget actions, diminishing the ability of the USDA to carry out its mission of assistance to America's small farmers. The shift from direct lending to guaranteed lending has been more beneficial to lenders than to farmers. The commercial banks realize virtually the same paperwork and out-of-pocket costs to create a $10,000 FSA guaranteed loan as to create a $250,000 loan under the same program, while income is 25 times higher for the larger loan in this example. The result is that small-sized loans and loans which banks are not comfortable with, are increasingly rare. The USDA farm credit program was created to provide a "lender of last resort" to America's small farmers; however, the move away from the direct lending portion of the program has increasingly thwarted this original purpose. Line-of-credit loans authorized in Section 614 of the 1996 FAIR Act were created in recognition of the long-term nature of agriculture, but are not yet implemented. The "Preferred Lender" and "Short Form Application" for guaranteed loans under $50,000 as required in the 1992 Agriculture Credit Act Amendments are not yet implemented either.

Recommitment to USDA's mission as the "lender of last resort" is needed by focusing greater attention to serving the credit needs of small, minority, and beginning farmers. It should reverse the trend of shifting to guaranteed loans and accelerate action on pending credit regulations to the benefit of small farmers.

Recommendation 1.12

The FSA Administrator should continue a national direct lending and guaranteed lending policy that focuses these programs on small farmers, especially minority and beginning farmers. The policy should include a requirement that repayment periods of the direct acquisition loans reflect the expected useful life of on-farm improvements, equipment, or chattel purchased with loan proceeds.

Recommendation 1.13

Regulatory policy should be changed to limit the FSA County Committee to determining basic eligibility of the borrower as a *farmer*, and not to review credit histories, farm loan applications, or other involvement in the credit process.

Recommendation 1.14

The FSA Administrator should take immediate action to implement the Line-of-credit loans authorized in Section 614 of the 1996 FAIR Act. Line-of-credit loans should be used for all routine and recurring operating loans using either

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direct or guaranteed authorities and be targeted to small, beginning, or traditionally underserved farmers. This will extend production credit for a 5-year term without the need for re-application, enable production through good and bad years without interruption, and dramatically reduce staff work required to re-issue production loans yearly.

Recommendation 1.15

The FSA Administrator should give highest priority to the promulgation of regulations to fully implement the "Preferred Lender" and "Short Form Application" for guaranteed loans under $50,000 as required in the 1992 Agriculture Credit Act amendments.

Debt collection and offsets

Statutory provisions defining borrowers' rights and methods of collection of FSA and other USDA debts have been provided in the 1987 Agricultural Credit Act, the 1992 Farm Credit Improvement Act amendments, the 1996 FAIR Act, and the 1996 Debt Collection Improvement Act. The debt collection and offsetting regulations have created unsolvable conditions for small farmers and left some with no options but bankruptcy.

For example, a livestock producer in North Dakota who suffered severe losses in the 1997 blizzards and excessive feed costs will still owe some unpaid balance on the principal of his operating loan due in the spring of 1998. Offset policy requires that the expected Livestock Indemnity Program payments, implemented by Congress to ease this producer's financial crisis, as well as any FAIR Act transition payments, be held by the FSA against the unpaid portion of his debt. This producer, being delinquent and offset, cannot seek operating capital from any other source as he has no assignable source of income, and the 1996 farm bill prevents USDA from providing any continuing credit, loan servicing, or new loans. If this borrower was a client of a commercial bank he could negotiate a longer repayment term and remain in business, eventually repaying his entire note with interest. But, because he is a client of the Federal Government under current Federal collection policies, the result of the bad winter must be bankruptcy and farm dissolution. Legislative and administrative actions are necessary to correct the credit laws that are in conflict and that act together to the disadvantage of small farmers.

Recommendation 1.16

USDA should propose legislation to repeal the provisions that prohibit farmers who have previously had "debt forgiveness" from receiving any USDA loans or credit assistance.

Recommendation 1.17

USDA should propose legislation to re-instate the loan servicing methodologies and timelines provided in the 1992 Farm Credit Improvement Act amendments.

Recommendation 1.18

The Secretary should request the necessary waiver from the Treasury Department to eliminate the offsets in the following conditions:

a) debt collection, until all loan servicing options have been exhausted (otherwise offset eliminates loan servicing options);

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b) all loan proceeds, including Commodity Credit Corporation loans and emergency loans;

c) all emergency program proceeds, including the Livestock Indemnity program;

d) where a previously approved assignment of proceeds is in place, existing assignments should be honored prior to offset in order to maintain the integrity of the FSA programs and their acceptance in the community.

Recommendation 1.19

The U.S. Attorney should observe the moratorium on foreclosures pending case reviews issued by Secretary Glickman. This action is necessary because, despite assurances to individuals and groups, in many States the U.S. Attorney's Office is continuing to process and enforce foreclosures and indicate that the Secretary of Agriculture's moratorium has "no force or effect" on the U.S. Attorney.

Recommendation 1.20

The Farm Service Agency should develop new lending procedures which substantially reduce the application process and form requirements for direct and guaranteed loans so that all loans can normally be approved or disapproved within 30 days of application; publish a formal check-list of application requirements so that applicants are fully aware of what is needed for a complete application; expeditiously allocate appropriated direct loan funds to the appropriate State FSA Offices with an absolute minimum held at national headquarters in Washington, DC; and, for loans under $50,000, develop a separate short loan application form and a less intensive review process.

Recommendation 1.21

The FSA Administrator should issue a national policy directive to reinforce or establish that an FSA appraisal shall remain in force for 1 full year; that all FSA appraised values for land, equipment, and chattel shall always be based on current agricultural use, not other potential development; that farmers shall be provided with copies of appraisals and supporting documents within 5 working days of completion of the appraisal; that appraisal reports shall be appealable decisions; and the proper method of contesting an appraisal shall be the existing formal USDA appeal process.

Recommendation 1.22

The Secretary should take immediate action to mitigate the pending credit crisis in the shared appreciation cases by asking Congress to extend the 10-year shared appreciation period for small farmers until the land is sold. In addition, the FSA Administrator should issue a national policy that specifies that for purposes of determining the value of shared appreciation, on-farm improvements made during the life of appreciation plus any overall increase in the value as a result of the improvement, shall be subtracted from the appraised value, and that non-program loan fund authorities shall be used to extend appropriate payment terms for small farm operators with shared appreciation debts.

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Indifference and discrimination

There has been an indifference to the needs explicitly unique to small farms, including minority and women-owned farms, for the last several decades. While there are USDA programs that assist small farms, they are generally underfunded and at levels that pale in comparison to the needs of the clientele and are not at all commensurate with the number of small farms. An explicit policy focus on small farms is needed to ensure that USDA's research, extension, marketing, credit, rural development, and conservation programs will undergird the performance of these farms.

Most disturbing are the indifference and blatant discrimination experienced by minority farmers in their interactions with USDA programs and staff. The Civil Rights Action Team, through its set of hearings and its report, boldly identified specific concerns of African-American and other minority farmers regarding relations with USDA's agencies with respect to credit, extension, applied research, and outreach. The history of discrimination by the U.S. Department of Agriculture in services extended to traditionally underserved[27] farmers, ranchers, and small farmers, and to small forestry owners and operators, is well documented. Discrimination has been a contributing factor in the dramatic decline of Black farmers over the last several decades. (See Figure 3). It was the complaints of discrimination against Black farmers in December of 1996 that gave rise to the creation of the National Commission on Small Farms. The Commission heard testimony in Tennessee, California, and Hawaii regarding the need for USDA, the land-grant university system, and nonprofit organizations to specifically target underserved minority farmers. The National Commission on Small Farms makes the following recommendations relative to civil rights and equal opportunity at USDA:

Recommendation 1.23

The Commission supports the full implementation of all 92 recommendations of the CRAT report and urges the Secretary of Agriculture to move expeditiously to take all actions necessary to implement these recommendations. USDA should give full support to legislation sponsored in Congress by members of the Congressional Black Caucus to make statutory changes to facilitate implementation of the recommendations. The Secretary should make sufficient funding available in budgetary requests and pursue these through the Congressional appropriations process. The Secretary should take discretionary actions to fully implement the CRAT recommendations and institutionalize the process of civil rights implementation, compliance, and enforcement within the USDA. In various sections of our report, the Commission supports, emphasizes, and builds upon various recommendations of the CRAT report. These include: CRAT recommendations 9, 38, 39, 40, 60, 61, 62, 63, and 64.

Recommendation 1.24

The Commission strongly endorses CRAT recommendation No. 28 to develop a national registry of minority farmers and landholdings. The registry will be an important source of information to conduct outreach and support services to

[27] "Traditionally underserved" generally refers to ethnic minority farmers, including African-American, American Indian, Hispanic or Asian Pacific Islanders, as well as women farmers.

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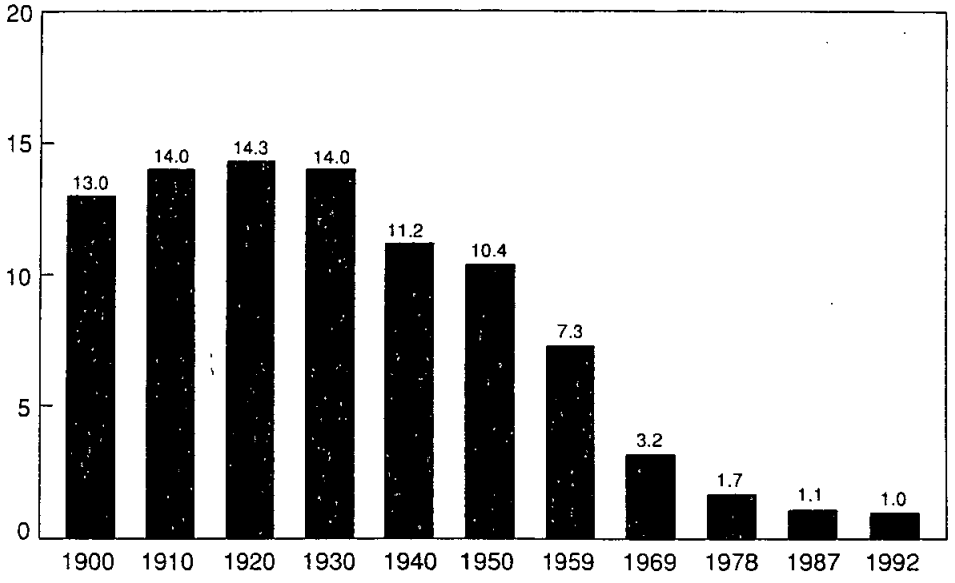
Figure 3

Share of Farms Operated by Blacks, Selected Census Years, 1910-92

Percent of all farms



Source: Census of Agriculture, various years.

traditionally underserved farmers nationwide. This action will support the Commission's principles of wider opportunities for and pluralism in the ownership of land in our Nation. The registry should be used as a baseline to record the current ownership of farmland by the traditionally underserved and be used to measure the progress toward expansion of minority land ownership in the future.

Recommendation 1.25

There has been a history of under-allocation of resources to institutions that have served minority farmers. These institutions have developed extensive experience, professional expertise, and grassroots programs to serve this clientele. The Commission recommends that a significant share of any new resources directed at serving these traditionally underserved farmers be allocated to and provided in partnership through the 1890 Land-grant Colleges and Universities, the 1994 Tribal Colleges, and those 1862 Land-grant Universities with demonstrated programs of support for traditionally underserved farmers, and community-based organizations that have a history, demonstrated experience, and expertise in serving minority farmers.

Recommendation 1.26

The failure to elect minority farmers to positions on the Farm Service Agency (FSA) County Committees is disgraceful. Only 192 of 1,849 voting members of FSA County Committees are minority farmers. Therefore, the Commission recommends that in counties or multi-county areas where more than 10

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percent of the farm owners and operators registered with the FSA office are minority farmers, one or more members of the FSA committee be a traditionally underserved person, selected by one or a combination of the following methods:

a) direct election for this specific seat by minority farmers;

b) cumulative voting to allow minorities to fill seats on the FSA committee in proportion to their involvement in the farm population; or

c) the county committee be expanded by at least one seat and appointed by the FSA State Executive Director, based on nominations by traditionally underserved farmers in the area or by organizations that represent these farmers.

Recommendation 1.27

The National Commission on Small Farms urges the Secretary of Agriculture to settle all outstanding claims of discrimination by farmers and employees against the USDA. The Secretary of Agriculture should seek to resolve all court cases as expeditiously as possible.

Recommendation 1.28

USDA should recognize the distinct differences and needs of small farmers in the U.S. territories and possessions, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and the Commonwealth of the Mariana Islands. Because of the difference in climate, soils, topography, cultures, and farming traditions, USDA programs applied on the mainland are not always appropriate to serving the needs of farmers in U.S. territories and possessions. The Secretary should assemble a team of field staff from these areas, along with USDA administrators of research, extension, conservation, forestry, and marketing programs, to assess the program barriers to small farm operators from U.S. territories and possessions and make necessary changes to meet their needs.

Tobacco settlement

Farm families and their communities in the tobacco-producing States are experiencing a dramatically uncertain future. For over five decades, small farmers, African-American farmers, and new and beginning farmers in these States were cushioned from many of the economic pitfalls facing other farmers, by a tobacco price support and production control program operated through a partnership with the Federal Government and tobacco farmer organizations. The tobacco program, not simply the crop itself, has enabled small farmers to experience a comfort unlike any other farm group —assurance and certainty based on a system that worked. As they participate in other agricultural markets, count the dwindling profits from other products, and watch neighboring dairy, livestock, and grain farmers failing, tobacco farmers are perplexed by well-intentioned, though profoundly faulty, offerings for their options. It's not the tobacco crop for which there is no alternative, but the tobacco program itself.

It is no accident that the tobacco States and communities, including North Carolina, Kentucky, Tennessee, South Carolina, West Virginia, Virginia, and

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Maryland, also represent among the highest concentrations of small and African-American farms. Tobacco income is particularly important to limited-resource farmers, African-American farmers, and the Appalachian mountain regions of the upper South. According to the 1992 Census of Agriculture, tobacco accounts for half or more of total farm sales on nearly one-third of African-American-operated farms in the east coast States from North Carolina to Maine. In these same areas, again particularly in the mountain regions, off-farm income is extremely limited, poverty rates are high, and tobacco farm income constitutes a greater proportion not only of agricultural income, but of overall economic income. In the Appalachian counties of Kentucky, the tobacco-income-dependent counties include those farmers most at risk in the Nation. In eastern Kentucky's Owsley County, for example, the poverty rate in 1990 was 50 percent. Because of the limited availability of off-farm jobs, agriculture is the area's dominant income and the dominant agriculture is tobacco. Welfare reform has only further increased tobacco's importance to the communities.

In the 18th Annual Family Farm Report to Congress, 1993, the USDA reported that although the Corn Belt had the largest number of farms in 1993, the Appalachian Region (Kentucky, North Carolina, Tennessee, Virginia, and West Virginia) was second with 299,000. "Farms, however, were considerably smaller in the Appalachian Region than in the Corn Belt in terms of average acres, average gross cash income, and average gross sales," the report stated, adding that 85 percent of America's tobacco farms are in this region. The USDA reported 91,787 tobacco farms, with 147 acres (mean acres operated), producing $32,000 (mean gross cash income); and as shown in the following table, the tobacco States correspond to those States with large numbers of small farms.

Share of small farms within tobacco states[a]

State	Percentage of Small Farms in the State
Indiana	55
Kentucky[b]	73
North Carolina[b]	63
Maryland	61
Missouri	67
Ohio	61
South Carolina	76
Tennessee[b]	82
Virginia[b]	74
West Virginia[b]	88

Source: 1992 Census of Agriculture

[a] This listing does not include States such as Connecticut and Pennsylvania where tobacco accounts for only a very small proportion of overall agricultural production.

[b] Indicates Appalachian Region State where 85 percent of tobacco is produced.

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Although tobacco production has been a source of controversy for years, the tobacco program more recently became the focus of more concerted and serious examination with the landmark "global settlement" between the States' attorneys general and the tobacco companies in June of 1997. This $368 billion settlement, if approved by Congress, will drastically change Federal regulatory and health policy regarding tobacco sales, distribution, and, by all predictions, tobacco production. The tobacco farmers and the tobacco price support program were not addressed in the proposed tobacco settlement.

Since June 1997, several major Congressional proposals have been introduced affecting both the tobacco product sales, tobacco production and the tobacco program. Since the Commission's single meeting in tobacco country, held in Memphis shortly after the settlement was announced, Congressional hearings have begun on the tobacco settlement and bills have been introduced to end the tobacco program. If Congress proceeds to cut this safety net out from under them, all tobacco farmers, their communities and urban centers who rely on the tobacco economy will be at great risk, the extent of which is currently only speculative. Agricultural economists in Kentucky estimate that as many as 50 percent of the tobacco farms will be eliminated if the tobacco program is terminated, primarily the small farms.

Recommendation 1.29

The Commission recommends that USDA, the Office of the President, and Congress carefully examine the success of the tobacco program and clearly evaluate the economic, social, and environmental impact of program changes. USDA should proceed immediately to develop a comprehensive assessment of the social, economic, and environmental impact of the Federal price support's 50-year program in the tobacco-producing States, particularly with respect to the farmers and the communities, towns, and cities directly affected by a tobacco economy, reporting to the President and Congress within 60 days of receipt of the Commission's report. The assessment should examine both long-term and short-term options and impacts of these options, particularly on small and limited-resource farms and African-American farmers. The study should assess the complex range of social and economic factors associated with the tobacco price support and develop recommendations for systems and processes to stimulate and sustain local economies in the event that the tobacco program is phased out. USDA should conduct this review jointly with other partners and agencies concerned with the full range of a healthy community, including other Federal agencies, such as the Appalachian Regional Commission; Department of Commerce; Environmental Protection Agency; Departments of Health and Human Services, Housing and Urban Development, and Labor; Tennessee Valley Authority; State and local governments, including associations such as the Southern Governors Association, the National Association of Counties, National League of Cities, which provide liaison with State and local governments; private sector representatives including farm service and supply businesses, banks and other lending institutions, manufacturers and small businesses, and organizations which work with local private sector groups; regional and locally based community development corpora-

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tions; farm organizations and cooperatives; and nonprofit organizations working with farmers, rural development, public health, and community economic development.

As part of this initiative, USDA should request and assist the Office of the President, jointly with States' Governors and Congressional delegations, in convening town meetings and community gatherings throughout the tobacco-producing States to solicit input and recommendations for sustaining healthy tobacco communities, particularly where small and limited- resource farmers, African-American farmers, and new and beginning farmers operate, with recommendations for the systems and programs for ensuring farmer-based, locally driven community development consistent with good stewardship of the region's natural resources.

Recommendation 1.30

The Commission further recommends that USDA, Congress, and the Office of the President target the Commission's suggestions and recommendations which concern access to credit, market development and opportunities, and new farmer initiatives to the tobacco-producing States and communities for priority testing and implementation in 1998. The targeting should be based on the lessons learned from the assessment described above and the process for its development.

Loan performance reporting

Economic Research Service data on USDA loan performance received by the Commission indicates very high levels of delinquencies, with a 23-percent past due rate on principal and interest in direct loans. Highest delinquencies were reported for emergency loan programs, and loss figures for the program are reported at over $1 billion for the past 2 years, a figure projected to remain virtually constant. In contrast, guaranteed loan delinquencies and loss figures are reported at significantly lower levels of 2 percent delinquent and annual loss of $46 million in 1996. With the Commission's increased emphasis on direct lending for small farm operators, it is important to try to determine a reasonable process to improve collections.

In reviewing the data to develop specific recommendations, as well as conferring with representatives of the commercial banking industry, the Commission found that, for numerous critical reasons, the data from commercial lenders and the guaranteed program banks is not comparable with the FSA direct lending data. Federal commercial banking regulations place strict limits on the amount of non-performing or risk-rated loans a bank may have on the books at any one time. These same regulations place specific time limits on the bank's ability to collect unpaid loan balances. It is in the best interest of bank managers to minimize their non-performing portfolio in reports to management and stockholders.

For these simplified reasons, commercial banks take aggressive action to resolve delinquencies, including restructuring loans, re-appraising collateral

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when necessary, entering into long-term repayment agreements and, finally, turning over non-performing loans for collection and taking them off their books. The end result is that banks do not report non-performing loans more than a couple years old; these are written off, sold for collection, or otherwise disposed of to keep the bank's balance sheet in compliance with prudent banking practices and Federal regulation. This is a routine, if undesirable operation which is figured into risk equations for determining interest rates and profit, but because it is a constant, ongoing process, no single year results in delinquency of loss figures above acceptable minimums.

The former Farmers Home Administration credit programs, currently included in FSA, never implemented "prudent banking practices" or other procedures to eliminate bad debts or reflect transfer to collection processes. Additionally, at various times Congress has acted to prevent or modify collection actions. The result is FSA records that include as "delinquent balances" forgiven balances from loans that were written down, debt settled, or foreclosed many years ago. Also included is continuously accruing interest on these amounts, leaving an artificial unpaid balance. Finally, the reports received by the Commission from ERS state that emergency loan programs "account for two-thirds of total deficiencies" and "losses continued to be concentrated in the Economic Emergency and EM (emergency disaster loans) programs." The Economic Emergency Loan program is no longer an active program. It is nearly impossible to determine how to improve FSA collection efforts because direct loan records are not in any way comparable with guaranteed loan records or commercial bank records, and a huge proportion of reported delinquencies are so old and tainted as to be totally uncollectable. This problem will continue to create confusion and Congressional opposition to increased appropriations for direct lending until the books are corrected and comparisons of programs can be based on commonalities.

Recommendation 1.31

The FSA Administrator should enter into a short-term contract with a private firm to audit the FSA direct loan records. The purpose of this audit shall be to develop a process to purge these records of old and uncollectable loans; setup

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a procedure for FSA lending programs to implement prudent banking practices in its collection and recordkeeping process; and maintain records acceptable to and comparable with the banking industry. The result of this audit may include recommendations that can be administratively implemented, as well as those which will require statutory change.

Program bias

If the potential contribution of small farms is to be realized, USDA must make concerted efforts to identify and nurture this potential as suggested in the recommendations above. At the same time, those policies and regulations that intentionally or unintentionally stifle the potential growth and productivity of small farms must be identified and changed.

For example, the Commission heard testimony from a Soil and Water Conservation District Director in the Southwest who raised concerns about NRCS' use of "acres of land treated" and "acres brought under conservation plan.s" These indicators create the incentive for some NRCS conservationists to set high acreage goals to fulfill their progress reporting requirements. Some conservationists shy away from working with small farms due to the high planning goals they are asked to accomplish and tend to accept large tracts over small tracts. However, an NRCS conservationist stated that it takes just as much time to complete a resource management system plan on a small farm as it does for a large farm.[28] Since small and traditionally underserved farmers and ranchers historically own/operate relatively small acreage, the emphasis should be placed on the number of individuals (farms, ranches) receiving assistance as opposed to how many acres were treated.[29]

Another example of programmatic bias against some small farms is the 5-year requirement for Environmental Quality Incentive Program (EQIP) contracts. For small farmers who lease land, often on a yearly basis, and those who lack the economic security to make long-term commitments, the 5-year requirement prevents them from accessing the conservation benefits of EQIP. A participant at the Sacramento meeting said this about EQIP: "While well intentioned, what this is tending to do is exclude... tenant farmers—two-thirds of our farmers are tenants and the eligibility requirements for becoming part of these programs is a 5-year lease at the minimum. No one's heard of a 5-year lease in California. Two years is typical—some three years."[30]

Recommendation 1.32

USDA policies, programs, and regulations should be reviewed to identify program rules and regulations that are either intentionally or unintentionally biased against small farms or that offer potential to be of greater benefit to small farms if programmatic adjustments were made. A review process should be completed within 6 months with a report delivered to the Secretary.

[28] Letter received from Patricia Mari, USDA-NRCS, Geenfield, MA. September 4, 1997.
[29] Omar Garza, dryland farmer and Starr County, Texas Soil and Water Conservation District Director, public meeting in Albuquerque, NM. September 4, 1997.
[30] Daniel Mountjoy testimony at the public meeting in Sacramento, CA, on September 15, 1997.

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a) **NRCS conservation technical assistance:** The Natural Resources Conservation Service (NRCS) programs should be developed in consideration of the needs of the farms and natural resource concerns, rather than the size of the farm or how far the Federal dollar will go. NRCS should develop a method of employee evaluation that encourages assistance to small farm operators. State and local partners should also be encouraged to develop similar evaluation criteria. Incentives should be offered to encourage small farm operators to develop conservation plans.

b) **EQIP:** The 5-year contract must be re-evaluated to accommodate small farms, particularly tenant farmers who have less than 5-year leases. Hardship provisions for small farmers and tenant farmers should be addressed, allowing them to deviate from the 5-year contract in certain circumstances. An "exit" or "temporary suspension" provision should be created for small farms if they encounter financial hardship and cannot fulfill their 5-year contract.

c) **Rural Development's Intermediary Relending Program, Rural Business Enterprise Grant Program, and Business and Industry Guaranteed Loan Program:** These 3 rural development programs should be reviewed to assess the types of agricultural-based rural development projects funded in recent years. They should be evaluated according to criteria of sustainable rural development. Regulations should be reviewed to determine to what extent they benefit small farms or large farms. For example, a recent regulation change allows for Business and Industry loans to be made for agricultural production "when it is part of an integrated business also involved in the processing of agricultural products."[31]

[31] RD Instruction 4279.113 (h).

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Projects awarded funding under this regulation should be examined to determine if they limit marketing opportunities for area farmers not involved in the vertically integrated projects.

d) **Risk Management Agency's Revenue Assurance Program:** The new revenue assurance programs are offered for the major commodities. These programs are likely to favor large farms growing single crops and are not a good fit for small farmers with diversified cropping systems. There is no limit to the amount of coverage a farmer can purchase. This program should be examined to determine how revenue assurance can be made more appropriate to the needs of small farms. (See also Policy Goal 6, *Recommendation 6.11*.)

e) **Rural Development's Rural Business-Cooperative Service (RBS) programs:** A program review should be conducted to assess the research and technical assistance provided by RBS program staff. Reviewers should examine to what extent the needs of small farm operators are met and whether or not the services provided are balanced between the needs of larger, well-established cooperatives and smaller, new and innovative cooperatives.

f) **Forest Stewardship Program, Forestry Incentive Program, Stewardship Incentive Program:** Oftentimes forestry programs seem to focus on the large customers at the expense of the small farm and ranch operators and owners of woodlot. The Forest Stewardship program is a good example. This program is designed to provide forestry technical assistance to woodland owners. Small woodland owners are unable to justify financially the expense of purchasing forestry expertise. Larger landowners can more easily afford expertise because of higher volumes and larger anticipated returns. The Commission recommends that the existing Federal technical and financial support programs for forestry be examined for inadvertent discrimination against small woodlot owners. Federal programs should focus on the successes of individual farmers and ranchers, regardless of the size of operation.

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Policy Goal 2
Create a Framework of Support and Responsibility for Small Farms

A farmer advocate at the Memphis hearing told the Commission that USDA should "foster and maintain the family farm system with personnel who understand the particular needs of farmers in a certain area."[32] In serving small farm operators, USDA personnel should work in an environment that rewards initiative to deliver programs effectively, to solve problems of small farm operators quickly, and to find answers for them promptly. For instance, if a USDA employee determines through experience that a certain program or regulation is hindering the viability of small farm operators, the employee should be able to freely bring this to the attention of the agency administrator and start a course of action to modify the program. Sometimes efforts to make changes are suppressed or too easily dismissed by saying, "that is the way it has always been and we cannot do anything about it." The goal should be that small farm operators should be able to identify USDA as a "partner" in making farming decisions that will promote small farm viability and stewardship.

This goal can only be achieved if an organization is structured in a way that allows employees to be focused, creative, accountable, and accessible. USDA leadership should emphasize a cultural change throughout the organization, focusing on the mission clearly understood and practiced by all those in the organization, which is farmer-oriented and customer friendly, emphasizing service through accountable program operation and mindful of the public trust. The Commission believes that USDA's administrative structure has had an impact on how small farm operators have been and are being served. Programs that help small farm operators are dispersed throughout various agencies, including CSREES, NRCS, FSA, Forest Service, FNS, and AMS. There needs to be more cooperation among the various small farm programs in order to effectively meet all the needs of small farms in a coordinated manner. The Commission believes strong continuity and cooperative efforts in USDA programs serving small farm operators and policies affecting them are crucial to their viability. As one participant at the Memphis hearing said, "They (i.e., small farms) need to be a visible part of USDA's mission...."[33]

Once USDA develops a readily identifiable focus on small farms, the organizations and community-based groups that work with small farms can then begin to develop stronger partnerships with USDA. Partners can be critical to program delivery and can improve their effectiveness in serving small farm operators. A witness in Sacramento said, "I believe that a partnership between USDA and the leadership of some of the private sector organizations can — with the blending of their two resources — develop a platform of technical

[32] Testimony of Betty Puckett, farmer advocate, representing the National Family Farm Coalition, Louisiana Interchurch Conference and the National Catholic Rural Life Conference, public meeting in Memphis, TN, July 28, 1997.
[33] Testimony of Teresa Maurer, Appropriate Technology Transfer for Rural Areas, Fayetteville, AR, at public meeting, Memphis, TN, July 28, 1997.

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assistance to help the small farmer."[34] This blending is needed to strengthen the framework of support at local, State, and regional levels, and definitely at the national level.

This framework of support is influenced by program regulations, legislation, and appropriations (appropriations are addressed in Policy Goal 7). In this section, the Commission makes recommendations that will change program delivery, with specific programs cited, and suggests legislative changes to influence the delivery of service to small farms.

Small farms as priority

Small farms should be a major focus of USDA. Farms with sales of less than $250,000 in gross sales comprise 94 percent, or 1.9 million, of all farms in the United States. These farms, on average, earn a negative return on equity. It is these farms that are most in need of public attention to create greater economic opportunities for their long-term viability. At present, USDA does not emphasize the needs of small farms in its strategic plan. References to small farms appear seldom in USDA's overall strategic plan submitted in fulfillment of the Government Performance and Results Act.

Land-grant institutions also need to make serving small farms a priority. The Commission heard testimony from farmers indicating a lack of attention from their land-grant universities to addressing the real day-to-day problems of how to improve farm profitability on small farms. Some farmers felt like their land-grant institutions are only interested in serving the needs of very large farms. However, the Commission also heard about land-grant programs taking explicit steps to assist small farms. For example, the University of California-Davis Small Farm Program has had success in educating and assisting a diverse group of small farm operators in a State that is increasing its number of small farm operators. A key element in its success is the small farm advisors designated to serve certain counties in the State. The one-on-one advice has worked well, especially in setting up vegetable trials and research and demonstration plots specifically for specialty crops.

Recommendation 2.1

The Secretary should establish an Administrator of Small Farm Programs who would report to the Secretary of Agriculture and have Senior Executive Service status. This Administrator would have the necessary high-level staff as well as support staff to carry out his or her duties, which will include both working with all USDA agencies to ensure that they are meeting the needs of small farmers, and providing formal input on major programmatic and policy decisions by USDA agencies. Further duties include examining the dispersed responsibilities at USDA and developing a plan for coordination to enhance program delivery.

[34] Testimony of Drew Brown, principal owner, Ag Sell, diversified consulting and management company, and chair, Minority Agricultural Resource Center, Sacramento, CA, at public meeting, Sacramento, CA, September 15, 1997.

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Recommendation 2.2

Each USDA mission area and agency should designate a small farm coordinator to work directly with the Administrator of Small Farm Programs. The person should be a key leader and decision-maker for the represented agency.

Recommendation 2.3

Mission areas and agencies should address small farm concerns in their mission statements as well as their strategic plans. Performance goals for serving small farms must be instilled at all levels of an agency to ensure effective program delivery.

Recommendation 2.4

The Secretary should provide career enhancement incentives and opportunities that encourage high-quality and sustained performance for USDA employees who deliver programs, conduct research and outreach, or otherwise serve small farm operators.

Recommendation 2.5

USDA should develop a Department-wide Small Farm and Ranch Policy that encompasses the vision and guiding principles set forth by the Commission. Within that framework, each appropriate agency should develop complementary policy. This policy must be reflected in the development of technical materials used to provide service to small farm operators. Specifically, technical guides and handbooks, such as the NRCS Field Office Technical Guides and the Forest Service Handbook, must reflect circumstances faced on small farms, ranches, or woodlots. Extension publications regarding owning and operating small farms should be updated to reflect current conditions in agriculture.

1890 and 1994 land-grant universities and colleges

The key leaders in serving small farm operators are the 1890 land-grant universities and colleges in the southern region and 1994 land-grant Tribal Colleges serving American Indian and Alaska Native tribes. However, these institutions have been limited in providing services to all small farms in their respective regions due to limited funding. The 1890's have a historical commitment to serving small farms. The focus of these institutions has been to research and develop alternative enterprises and production systems suitable for small-scale agriculture. These institutions are an untapped resource when it comes to developing policies and programs concerning small farms.

Recommendation 2.6

The 1890 and 1994 institutions that serve minority farms should be appropriated significant funds to meet the needs of small farms, including research and outreach. The Secretary should strongly encourage a State match for Federal allocations at 1890 and 1994 institutions. The Secretary should continue to develop research partnerships among USDA, land-grant institutions and private, nonprofit groups to identify, analyze, and propose strategies related to marketing options, such as alternative marketing systems, Community Supported Agriculture, farmers markets, and value-added enterprises.

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Recommendation 2.7

The Secretary should fully support passage of legislation that will make the "viability and competitiveness of small and medium-sized dairy, livestock, crop, and other commodity operations" a priority mission area under the "Initiative for Future Agriculture and Food Systems," as proposed by the Senate in the Agricultural Research, Extension, and Education Reform Act (S. 1150) in the 105th Congress. If passed, 1890 and 1994 institutions with experience in assisting small farm operators should be given priority consideration for conducting this research and extension, in partnership with community-based organizations.

Recommendation 2.8

Successful small farm education models at the 1890 and 1994 institutions, as well as the 1862 institutions, should be utilized to develop need-specific programs in each State.

Community-based organizations and other nonprofits

Community-based organizations and nonprofits that work directly to assist small farm operators in local communities have distinct advantages over government agencies or Extension in reaching small farmers. In some cases, they are better able to identify with the needs of small farm operators and earn their trust in a way that government agencies cannot. At the same time, USDA and Extension possess resources, knowledge, and different levels of credibility that nonprofit organizations lack. Collectively, these institutions have the potential to leverage their strengths in creating a framework to best serve the needs of small farm operators.

Recommendation 2.9

USDA agencies, with leadership from the USDA Office of Outreach, should seek to develop and implement innovative ways to partner with the private and nonprofit sectors. Through improved partnerships, USDA funds could be targeted to community-based organizations to help connect farmers and farmworkers with the technical and organizational information developed by and available from USDA, land-grant institutions, and other agencies. For example, partnerships with community-based organizations and nonprofits, as utilized by the SARE program, should be continued and expanded to other competitive grant programs. The strength of these partnerships should be a critical factor in scoring grant applications.

Recommendation 2.10

The Farm Service Agency can build on its successful partnerships with community-based organizations through the Outreach and Technical Assistance Program for Socially Disadvantaged and Minority Farmers (Sec. 2501 program), by making the DALR$ (Debt and Loan Restructuring System) computer software program available to farmer advocate organizations. The organizations could utilize the software in assisting farmers in completing loan applications, in reviewing for accuracy and in expediting the loan application process.

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Recommendation 2.11

The Secretary should ensure that small farm operators and nonprofit organizations working with small farmers are significantly represented on all USDA advisory boards and committees, particularly the National Research, Education and Economics Advisory Board.

Recommendation 2.12

The Secretary should issue a policy requiring that Farm Service Agency State Executive Directors, Rural Development State Directors, and State Conservationists in NRCS establish a supplemental advisory team to provide programmatic and implementation advice on issues affecting small farm operators, farmworkers, and traditionally underserved USDA clients. These State advisory committees shall be comprised of three individuals from the target community, and shall be asked to meet as the need arises. These teams should work closely with the newly established State Outreach Councils.

We've made a lot of noise. We've done a lot of testifying as Native American people. But unless you can make that local service delivery happen, then you can have all the Commission hearings you want. I'm sorry, that's just the way it is. It's not happening, and we're becoming apathetic about it out in Indian country.

— *Claryca Mandan, North Dakota*

American Indian farmers

Under the 1990 farm bill, American Indian and Alaska Native tribes were guaranteed USDA agency on-reservation assistance. In the past 7 years, USDA has not provided this assistance to the majority of American Indian farmers and ranchers. Traditionally, the American Indian farmers and ranchers have been deprived of on-reservation assistance by most USDA agencies. Lack of this assistance has contributed to the most economically depressed conditions in the country.

Many of the American Indian reservations fall within the boundaries of several county conservation districts and county committees. These county committees do not provide funding for conservation projects on the reservation, thus adding to the degradation of farm and economic status of the American Indian small farm and ranch operators.

Recommendation 2.13

The Commission strongly recommends that the Secretary immediately conduct a USDA agency review for compliance with provisions of the 1990 farm bill to serve Indian reservations.

Recommendation 2.14

Reservations whose geographical area exceeds 100,000 acres should be recognized as service areas and provided directly with NRCS, FSA, and Extension offices in the same manner afforded counties. Less than 90 USDA offices would be required to service over 80 percent of the 54 million acres of Indian reservations under this recommendation, with adequate additional funding to conduct program activity.

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Policy Goal 3
Promote, Develop, and Enforce Fair, Competitive, and Open Markets for Small Farms

Testimony presented to the Commission asserts that the single most critical component to the survival of small farms is the price received for the product produced. A fair price and open cash market are essential to:

- secure adequate credit,
- repay debt,
- test new technologies,
- access broad educational sources,
- provide a decent standard of living for the farm family and its employees,
- ensure the production of a safe, edible commodity, and
- foster environmentally sound production.

However, because of increasing levels of market concentration in most commodity markets, a fair price for products at the farmgate has not been forthcoming for some time and must be addressed. At the same time, there has been a rise in the number of farmers marketing directly to consumers. Efforts should be made to enforce fair market competition of existing commodity markets, and at the same time, to develop new competitive markets which more closely link the producer to the consumer, so that the farmer has an opportunity to capture a greater share of the consumer food dollar.

Industrialized Agriculture – Need for Market Enforcement

The first speaker to address the Commission, Dr. Rick Welsh, described the emergence of two food streams shaping the structure of agriculture today.[35] Contract production affords food processing firms a means to control quality and minimize risk through control over supplies. There are two main types of contracts: production contracts and marketing contracts. Under production contracts, the contractor owns the livestock or crop and pays the producer a flat fee plus additional payments for performance-based incentives. Typically, the contractor supplies the livestock, seed, feed, supplies, veterinary services, transportation, management services, and sometimes financing, while the farmer supplies the labor, equipment, and facilities. Marketing contracts commit the farmer to sell his or her product to a specified processor or contractor but the farmer owns the product until sold and makes all the managerial and production decisions. Almost one-third of the total value of production on U.S. farms is generated under contractual arrangements, mostly under marketing contracts.[36] Most dairy, citrus, and increasingly, grain is produced under marketing contracts. Seed crops, vegetables for processing, poultry, sugar beets, and potatoes are predominantly grown under production contracts, with hog production being the newest commodity to come under contract.[37]

[35] Based on a report, *The Industrial Reorganization of U.S. Agriculture*, written by Welsh for the Henry A. Wallace Institute for Alternative Agriculture, April 1996.
[36] *Farmers' Use of Marketing and Production Contracts*/AER-747. Economic Research Service-USDA. p. 6.
[37] Welsh, Rick. *Reorganizing U.S. Agriculture – The Rise of Industrial Agriculture and Direct Marketing*. Henry A. Wallace Institute for Alternative Agriculture, Greenbelt, MD. August 1997. p. 23.

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Contract production is generally done on a large scale. For example, the size of operations producing hogs under contract are larger than the average hog farm. In poultry, 97 percent of production is supplied by the largest operations with at least 100,000 birds. Welsh asserts that "the interactive effects of a concentrated processing sector and the gradual replacement of open markets with integrated ownership and contract production does not bode well for small farm agriculture."[38]

Production under contract can infringe upon the competitiveness of the open cash market, particularly in regional and local markets where contract usage is high. Recent cattle organization newsletters in Nebraska and Texas have urged cattle feeders to sell only to the cash market and avoid locking cattle into captive contracts. The Texas Cattle Feeders Association Market Director, Jim Gill, wrote, "As more and more cattle are 'tied-up' in some type of captive supply arrangements, price discovery on the cash market becomes more and more difficult. And when feeders commit cattle to a packer early in the week – and even begin shipping them – before a price is determined, it just relieves any pressure on the packer to purchase cattle on a bid basis."[39] In a letter to the Nebraska Cattlemen Feedlot Council, Geoffrey M. Stolie, its Vice President of Marketing, stated of growing contracts: "This practice has become so widespread that it periodically allows some packers to become no more than hit-and-miss participants in the cash market....They do not have to aggressively compete for their remaining slaughter needs in the cash market and therefore end up paying less for cash market purchases, as well as the cattle that have already been slaughtered which will be marked at their 'top price'."[40]

Proponents of contract production addressed the Commission, asserting the benefits of a guaranteed price and market outlet, and that it has given farmers an opportunity to "remain on the farm." However, other contract growers, particularly poultry growers, spoke of the imbalance of risk in their contracts, fear of reprisal for attempts at organizing or challenging the contracts, and a general feeling of servitude because of the heavy debt incurred to construct poultry houses.

Competition in the hog, cattle, and lamb industries has been in decline even before the recent rise in livestock contracting. The proportion of the market controlled by the four largest steer and heifer slaughter firms increased from 36 percent in 1980, to 72 percent in 1990, and 82 percent in 1994.[41] Current concentration figures indicate that the four largest firms control 80 percent of the steer and heifer market, with new concentrated movement into the cow and bull markets. Producer testimony at Commission hearings, particularly in Memphis, Albuquerque, and Portland, pointed to increasing pressure to conform to contract markets because of reduced buyer competition in the cash

[38] Ibid.
[39] Texas Cattle Feeders Association. NewsBriefs, December 5, 1997. Vol. XXX No. 42, p. 1.
[40] Geoffrey M. Stolie, Vice President Marketing, Nebraska Cattlemen. *Letter to Nebraska Cattlemen Feedlot Council Memb[illegible] November [illegible], 199[illegible]*
[41] *Concentration in the Red Meat Packing Industry*, February 1996, USDA–GIPSA report, p. iii.

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market. Significant and prolonged downward price pressure was also a concern, with testimony in Sacramento pointing directly to the widening gap between the producer and consumer retail price.[42] The producer's share of the retail beef dollar dropped from 64 percent in 1979 to 49 percent in 1997.[43]

Equally significant is the dramatic decline in the domestic sheep industry. Sheep production in the 1940's reached over 52 million head. Today, however, production numbers show less than 8.4 million head, with imports taking up an increasingly larger share of the domestic market.[44] Market concentration is also pronounced in the sheep sector, with the share of the market controlled by the four largest sheep slaughtering firms rising from 51 percent in 1985 to 73 percent in 1996.[45] If market concentration offers greater market efficiencies and greater access to world markets, as many analysts have claimed, U.S. sheep producers would be hard-pressed to quantify the benefits.[46]

We're told daily that supply and demand are the market forces that provide for market price, but when we examine the real world with the theory of perfect competition, we have to have perfect knowledge, unperishable products, and a large enough number of market participants, and [assurance] that no single participant could influence the market. Well, that's not the case in the food chain today.

– Bill Brey, Wisconsin

Direct Marketing and Adding Value – Opportunities for Market Development

The second food stream described by Welsh is referred to as the "direct marketing stream." Direct marketing efforts have increased significantly in recent years, most notably in the form of farmers markets. The USDA National Farmers Market Directory, 1994 edition, listed 1,755 markets; the 1996 edition listed more than 2,400. According to the 1992 Census of Agriculture, direct sales of agricultural products totaled over $400 million. Although this market stream delivers a relatively small portion of the overall food supply, it does provide greater opportunities for small farms to earn a greater share of the consumer food dollar and maintain a diverse farming structure.

In contrast to the industrialized stream, "the direct marketing stream is characterized by direct contact between producer and consumer, smaller-scale production operations, and a highly decentralized structure.... Direct marketing is based on the concept that farmers and ranchers control the products of their operations — from cultivation and weaning to final sale."[47] Direct markets are often specialty markets, appropriate for small farmers who have the capacity to move smaller amounts of product that are often higher in value.

Small farmers can also pursue marketing strategies that promote their "smallness" as an attribute. An increasing number of products, particularly in natural food stores, such as Whole Foods Market, are marketed with labels identifying the farm family who raised the product, the location of the farm, and the stewardship efforts taken to grow or raise the product. An identifiable segment

[42] Testimony of Al Medvitz, farmer, Rio Vista, CA at public meeting in Sacramento, CA. September 15, 1997.
[43] Red Meat Yearbook. USDA Economic Research Service, 1997.
[44] Sheeps and Goats Report. NASS Report, Jan. 1996.
[45] GIPSA, Packers and Stockyards Statistical Report, 1995 Reporting Year, SR-97-1, September, 1997. p. 49.
[46] Testimony of Al Medvitz, farmer, Rio Vista, CA at public meeting in Sacramento, CA. September 15, 1997.
[47] Welsh, Rick, *Reorganizing U.S. Agriculture: The Rise of Industrial Agriculture and Direct Marketing*, Henry A. Wallace Institute for Alternative Agriculture, Greenbelt, MD. August, 1997, p. iv.

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of the consumer market is attracted to products that represent a certain set of social and environmental values not as easily identifiable in the industrialized food stream. When farmers and consumers communicate face-to-face, through farmers markets, Community Supported Agriculture, or direct marketing to restaurants, a unique farmer-consumer relationship can develop, giving the small farmer a competitive advantage and giving consumers assurance that their food purchases are returning value to the farmer, the environment, and their community.

Small farmers can also benefit from greater economies of scale and market influence by joining with other farmers to form cooperatives for marketing and adding value to raw commodities. The Commission heard numerous stories of successful and fledgling cooperative efforts emerging throughout the country. There is a growing interest in cooperatives as a means to improve farm income, and with that, a growing need for greater knowledge of cooperatives and the business and marketing skills necessary to succeed. Securing capital for start-up of farmer-owned cooperatives can be a challenge. However, the Commission also heard testimony from dairy farmers who feel that some of their farmer-owned cooperatives are not acting in the best interests of the farmer-members.

Value-added cooperatives do provide a potential means for farmers to capture a greater share of the value of their product, keeping more dollars in their local and regional economies instead of exporting raw commodities (and dollars) away from rural communities. However, care must be taken to structure value-added cooperatives in a way that truly benefits the farmers within the regional farm economy. For example, ValAdCo, a Minnesota cooperative formed by corn producers, established an 8,750-sow farrowing operation with 50 employees. In this case, the value-added cooperative set up direct competition with owner-operator hog farmers by shifting production into an industrial operation operated by wage laborers.[48] Cooperatives, or any value-added operation, must be structured in ways that allow farmers to capture the greatest share of the benefits and that support opportunities for greater market competition rather than more concentration.

Center for Rural Affairs Newsletter. June 1996. p. 4.

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The following recommendations of the Commission fall into two categories: market enforcement and market development. Government action to enforce competition in the marketplace is critical in the face of increasing concentration and anti-competitive behavior. At the same time, publicly supported efforts to develop and support new marketing strategies are needed to enable small farmers to capture a greater share of the value of their production.

Market Enforcement

While USDA has begun to address the concerns and recommendations put forth by the USDA Advisory Committee on Agricultural Concentration in June of 1996, the Commission feels strongly about the need to give additional emphasis to the issues of market competition enforcement. Market concentration is one of the strongest forces affecting the viability of small farms. Competitive, fair, and open markets are fundamental to the economic survival of small farms. USDA must play an aggressive role in government oversight and enforcement of market competition.

You have the Packers and Stockyards Act of 1921. You don't need any new laws. You just need to enforce the one that you've got.

– Coy Cowart, Oregon

Packers and Stockyards Act enforcement

While market concentration has increased dramatically in the last 15 years, regulatory pressure from USDA's Grain Inspection, Packers and Stockyards Administration (GIPSA) has failed to develop sufficient economic and legal expertise to keep pace with the emerging issues. GIPSA has been traditionally and competently geared toward the regulation of day-to-day livestock transactions, focusing on fraud, prompt payment, and fair buyer practices.[49] Market concentration occurred more rapidly than GIPSA's ability to adjust and address competitive concerns. Only within the last 2 years have there been significant actions to rectify the shortfall.

Key to GIPSA's ability to enforce the Packers and Stockyards Act is proof that there is a violation of the law. To do so, GIPSA must have skilled econometricians and lawyers trained specifically for this highly complex area of law enforcement. Because market access and fair competition are key to the access of our market structure, it is vital that agencies with statutory responsibilities, like GIPSA, be fully staffed, funded, and aggressively supported by the Administration and Congress.

Enforcement of the Packers and Stockyards Act is essential to a healthy market structure for livestock. The Commission agrees with many of the observations in the Inspector General's Evaluation Report in February of 1997. GIPSA needs more economic, statistical, and legal resources to analyze and formulate conclusions about the numerous complex, anti-competitive practices that have arisen in the livestock and meatpacking industries. USDA should

[49] *Evaluation Report*, USDA Office of Inspector General, No. 30801-001-Ch. February 1997.

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immediately implement the reorganization of GIPSA's Packers and Stockyards Programs, by increasing staff and reforming operations to carry out its mandate to enforce the Packers and Stockyards Act.

Recommendation 3.1

The Commission urges USDA to implement the following options presented in the Inspector General's report:

a) Integrate fully the economics staff into the investigations of anti-competitive practices.

b) Assess staff qualifications and obtain additional staff with economic, statistical, and legal backgrounds to work on investigations of anti-competitive practices.

c) Use USDA's other economic resources, such as the Economic Research Service, to assist with research activities.

d) GIPSA should assemble its own staff with legal backgrounds to assist in the development of evidence for investigations.

Recommendation 3.2

The Commission opposes any legislative action to transfer USDA's responsibilities for investigations of anti-competitive practice to another Federal agency, such as the U.S. Department of Justice.[50] It is vital to keep areas of critical regulatory concern within the purview of the USDA where there is a staff that is knowledgeable about the agriculture sector.

Recommendation 3.3

The Secretary of Agriculture should continue to request increased funding through the President's budget for GIPSA to complete its reorganization and to enable sufficient and able staffing resources necessary to conduct investigations into anti-competitive behavior in the livestock industry, including poultry. An additional $1.6 million and 20 staff years for increased economic, statistical, and legal expertise to pursue investigations of packer competition and industry structure issues is reasonable and prudent. An additional $750,000 of funding is needed for investigation and enforcement activities in the poultry sector. The Secretary should periodically monitor progress of the development of this new focus of GIPSA to ensure resources are adequate to carry out its mandated function. It should be recognized that this increase in the budget is only sufficient to establish an initial program. As staff become better trained and more experienced, budget increases will be required to fully exercise regulatory authority. A long-term program for GIPSA concerning market concentration must be developed to ensure proper and effective growth of the program.

Recommendation 3.4

The Grain Inspection, Packers and Stockyards Administration should establish and publicize a toll-free number so producers can report evidence of market abuses. The primary criticism often heard from anti-trust enforcement officials is the lack of evidence for prosecution. A toll-free number would provide

[50] Ibid. p. iii.

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producers with an accessible and centralized source for registering complaints. The toll-free number could be a voicemail system whereby callers could confidentially record their complaints. They could also leave their names and addresses to request a complaint form to document the complaint with the type of evidence needed by GIPSA to determine the validity of the reported problem.

Recommendation 3.5

The Secretary should ask Congress to pass legislation clarifying the authority of GIPSA to prohibit discriminatory pricing on the basis of volume. The legislation should reaffirm that GIPSA is authorized to take action against undue preferential pricing by packers that damages smaller producers not receiving the preference, irrespective of whether there exists the intent or the effect of reducing competition among packers. The legislation should clarify that the existence of undue preference cannot be disproven by the mere presence of a business reason on the part of the packer for offering the preference and that preferences offered selectively without basis in product value or acquisition costs shall be considered undue preferences. Until such legislation is passed, GIPSA should argue this same position vigorously in the courts. The Commission commends the Secretary for the GIPSA investigation of hog procurement in Iowa and southern Minnesota. We urge the Secretary to release all findings to the public and to move aggressively against any discriminatory practices uncovered.

Contract production

The poultry industry is perhaps the most industrialized subsector of agriculture, with 89 percent of poultry farms using contracts and about 86 percent of the total value of poultry production grown under contract.[51] Testimony presented to the Commission included the results of a 1995 survey of poultry contract growers conducted by Louisiana Tech researchers describing the average poultry grower. The average poultry grower is 48 years old, owns 103 acres of land, 3 poultry houses and raises about 240,000 birds under contract annually. The grower has been contract-growing birds for 15 years and owes over half of the value of the farm to the bank. The contract poultry grower's gross annual income is about $66,000 and the grower's profit, before paying themselves for their labor, is about $12,000.[52] Raising poultry on contract may appear to be a way of reducing price and income risk. However, it provides a modest living at best and, under current contract practices, is far from risk-free. Poultry contracting requires the grower to provide the land, buildings, fuel, and labor while the contractor provides the livestock, feed, medicine, and veterinary services. Contract growers assume a disproportionate share of the risk by owning the fixed production assets – often debt-financed – and being liable for environmental costs and responsible for dead bird removal. Several lawsuits have been filed – and won – based on unfair contract practices. These include early contract termination before the building loans were paid off, company requirements for building improvements at the grower's expense,

[51] Farmers' Use of Marketing and Production Contracts/AER-747. Economic Research Service, p. 6.
[52] Testimony of Carol Morrison of Pocomoke, Maryland and member of the National Contract Poultry Growers Association. Presented to the Washington, DC, public meeting, September 10, 1997.

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underweighing of birds and feed, manipulation of quality and quantity of feed and birds, and retaliation against growers for attempting to organize grower associations.[53] The Commission endorses legislative changes to strengthen the Agricultural Fair Practices Act (AFPA) and the Packers and Stockyards Act to enforce equitable and balanced practices for contract livestock growers.

Recommendation 3.6

Congress should amend the AFPA to provide USDA with administrative enforcement and civil penalty authority that will, in turn, enable growers to organize associations and bargain collectively without fear of discrimination or reprisal. This will shift authority from the Department of Justice to USDA, thereby providing more focused and timely enforcement of violations.

Recommendation 3.7

USDA should pursue legislative changes to amend the Packers and Stockyards Act to include poultry processors under the same administrative enforcement authority for violations to Section 202 used to enforce fair market competition for other meat packers. This change would shift jurisdiction for poultry processor violations from the Department of Justice to USDA, thereby enabling more uniform and efficient enforcement against unfair treatment of contract growers.

Recommendation 3.8

The Secretary should consider and evaluate the need for Federal legislation to provide uniform contract regulations for all growers who are, or wish to be, engaged in agricultural production contracts. The evaluation should include a review of existing State laws on agricultural production contracts, particularly in Minnesota, Wisconsin, and Kansas. It should also include a review of legislation proposed in Louisiana, Alabama, Oklahoma, Iowa, Florida, and North Dakota as models for what might be appropriate in a national law.

The elements that should be considered for inclusion in a Federal law covering agricultural production contracts should include, but not be limited to, the following:

a) accreditation of producer associations

b) promise of good faith by both parties

c) mediation, arbitration, or alternative dispute resolution

d) administration and enforcement of the law, including judicial review, civil remedies, and investigative powers by USDA

e) conditions for and notice of termination

f) notice and guidelines to renegotiate contract terms

g) recapture of producer investments for contract termination

h) a producer's lien

[53] Hamilton, Neil D. A Farmers' Legal Guide to Production Contracts. Farm Journal. January 1995. p. 124-125.

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i) reimbursement for the costs of disposal of dead birds

j) parent company liability for contractors

k) duration of contract

l) payment terms, including prompt payment and accurate settlement sheets

m) formulas used to convert condemnations to live weight

n) per unit charges for feed and other inputs

o) factors to be used in ranking growers and determining performance payments

p) prohibition against discriminatory practices, such as undue preference, coercion against joining an organization, issuing false reports and including employees of the company in the ranking system

q) an express private right of action

r) contractor responsibility for environmental damages

s) grower's right to refuse livestock when delivered if livestock are in less than normal conditions

t) capital construction requirements.

Marketing fresh produce

Producers of perishables – fruits and vegetables – particularly small-scale producers, typically market their products through brokers, packer-shippers, and commission merchants. Producers often have no knowledge as to the prices or returns they will receive for their produce until well after delivery is made to these entities. At some point an accounting is made to them, detailing expenses of the sale, as well as prices and net returns. Many charge that unethical and illegal practices in the sale of their produce are common. These producers often end up owing money to handlers after the sale of their produce. They further assert that government agencies charged with market enforcement duties are either unwilling or unable to effectively police the produce marketing system. Producers allege that handlers often sell produce to companies that, for various reasons, pay less than market price for the produce. This increases handlers' profitability while decreasing that of the growers.

Recommendation 3.9

The Commission recommends that USDA, working with State departments of agriculture, reinvigorate the role of market enforcement in protecting the integrity of agricultural markets. The involvement of law enforcement agencies may expedite the effectiveness of market enforcement activity. Hence, local District Attorneys need to be informed and educated as to the significance of ethical and legal marketing practices to the welfare of family farmers. A full-

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scale investigation should be made of the process in which brokers and handlers accept and pool consigned produce. Commission merchants and handlers should be held responsible for their actions. Improper handling of perishable fruits and vegetables should be the responsibility of these merchants and not of the farmer. These investigations should be regarded as serious offenses if there is proof of fraud or manipulation of pricing. The USDA should strengthen the Perishable Agricultural Commodities Act (PACA) program's ability to act swiftly, leaving no time for coverup at the merchant level. In cases of fraud, USDA should prosecute to the full extent of the law.

Captive supplies

Over the last few years, livestock meat packers have begun a practice called "captive supplies" as a means to secure livestock for their slaughtering operations. This practice is born out either through direct ownership of livestock by the packers themselves or through forward contracting with livestock producers. The Commission heard testimony from cattle producers concerned with the effect of captive supplies on reducing the volume of livestock for sale on the cash market. When packers own the livestock they slaughter, it is in the packer's interest to slaughter their own livestock when prices are relatively high on the cash market, effectively dampening the competition in the cash market. USDA published a petition for rule making for public comment in early 1997 restricting the use of forward contracts and packer ownership of livestock for slaughter. More than 1,700 comments were received by the April 97 deadline, and USDA is in the process of reviewing the comments.

Recommendation 3.10

The Commission endorses the petition to:

a) Prohibit packers from procuring cattle for slaughter through the use of a forward contract, unless the contract contains a firm base price that can be equated to a fixed dollar amount on the day the contract is signed, and the forward contract is offered or bid in an open and public manner.

b) Prohibit packers from owning and feeding cattle, unless the cattle are sold for slaughter in an open public market.

In addition, USDA should hasten its review of the petition comments and make a final decision no later than April 30, 1998.

Mandatory price reporting

Another practice employed by meat packers that damages competition in the marketplace is nonreporting of certain transactions. This occurs when packers pay above-market prices with an explicit condition that the price not be disclosed. Consequently, the market price upon which all other purchases were based, particularly formula cattle trades, were artificially low. All sellers not privy to this special deal suffer.

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Recommendation 3.11

Price reporting for all packer livestock transactions should be mandatory. The information reported should include contract or formula pricing premiums and discounts. Accurate and verifiable data, particularly on all captive supplies, should be made public to enable fair, open, and competitive markets. Both parties to the transaction should be responsible for price reporting.

There has to be something done in Congress soon to get at least a 13.50 price for dairy farmers. There's not a one that's cash-flowing out there. We cannot survive on this.

– Sharie Lien, Minnesota

Dairy prices

The Commission heard testimony from many dairy farmers who were suffering from low prices and many who were going out of business as a result. Many spoke of personal and emotional stress and a farmer reported on farmers he knew who had committed suicide due to their inability to make ends meet for their families. The current crisis in the dairy industry can be attributed to the lowering of the Federal milk price support in recent farm bills, 3 years of historically low non-fed beef prices, unusually high, disaster-driven feed prices, and low and volatile farmgate prices.

USDA's efforts taken to date – cheese purchases for the nutrition assistance and school lunch program, initiation of the National Agricultural Statistics Service (NASS) national survey of Cheddar cheese prices, and increased use of Dairy Export Incentive Program sales — are welcome and have made some difference. However, continued vigilance, leadership, and exploration by any means available to the Secretary of Agriculture are needed to bring relief to the Nation's dairy producers.

In 1981, dairy farmers were receiving a national average of $13.76/cwt. In August of 1997, dairy farmers were receiving a national average of $12.70/cwt. and retail prices were at $2.76/gallon, about 90 cents higher than the retail price in 1981. While farm prices dropped by $1, the price paid by consumers has not.

Some evidence suggests that dairy products in some retail stores are the most profitable products, and are often used to cover losses on other retail products. Using the measure of Direct Product Profit (DPP – profit on the basis of gross margin, after subtracting direct costs associated with selling the item), Cornell University researchers McLaughlan and Russo found that, in 1990, the dairy department produced the highest profit-to-space ratio in the supermarket. The dairy department generated $11.19 per square foot of facings per week, more than twice as much as the next most profitable department, frozen foods, which requires considerably more processing, transportation, and packaging costs than milk and milk products. The same study found profitability on fluid milk was $16.48 per square foot. As a result of the skewed store margins, the New York legislature passed a "price gouging law" which states that the retail price of milk cannot be more than double the Class 1 milk price, plus premiums paid and the cost of transportation.

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Recommendation 3.12

The Economic Research Service (ERS) and the USDA Chief Economist should investigate the processing and retailing segments of the dairy industry to determine if excessive profits are being made at the expense of farmers and consumers, by researching the competitive structure of dairy product pricing within retail stores. The study should also examine the profitability of retail dairy pricing in relation to other retail product pricing within a store. Is the dairy case making more profit per square foot relative to other products? The study's findings should be made public.

Recommendation 3.13

The Secretary of Agriculture should ask the Department of Justice to investigate anti-competitive behavior of the dairy industry within the processing and retail segments.

Recommendation 3.14

In order to provide some measure of recovery for dairy producers, the Secretary should work with dairy leaders to press Congress for immediate changes in dairy policy to provide a transition for dairy producers commensurate with the crop commodity transition payments authorized by the 1996 FAIR Act, including the floor price resolution, the Dairy Cow Pay-Up program, or other options.

Whatever we do or do not do in relationship to our structure of food production will illustrate the type of nation we are about to become — a nation that concentrates the wealth and resources in the hands of fewer and fewer people, or whether we are still a nation that believes that many people were intended to share in the great abundance and wealth God blessed this country with.

– Gary Lamb, Iowa.

Economic concentration

While agricultural markets are becoming increasingly concentrated, the rest of the U.S. economic structure is also concentrating and infringing upon the basic tenets of capitalistic markets. As many producers have only one or two buyers for their commodities in their region, they are also facing growing problems in accessing private credit sources, and with recent mergers in railroads, many farmers cannot move their grain in a timely or efficient manner. Not only is this a concern for producers, but for consumers as well, as they face less choice and higher prices for the food they buy. University of Missouri professor, Dr. William Heffernan says, "The food sector of the economy is second only to the pharmaceutical sector in terms of return on investment. But the economic benefits are not shared equally by all portions of the food sector."[54]

With concentration, not only are increasing price spreads a concern, but overall impacts to the social and community structures are increasingly negative. Heffernan points out, "Environmentalists are concerned about the ecological implications as they watch firms circumvent government regulations in one country by moving parts of their operation out of one country and into another. Consumers are concerned about issues of food quality, food safety and especially about the food security issue, or sustainability as it is sometimes called. There are animal welfare issues, rural development issues, labor issues and ethical issues to be raised."[55]

[54] Heffernan, William D. Agricultural Profits: Who Gets Them and Who Will in the Future?" Gulf Coast Cattleman. Volume 68, Number 2, April 1997, p. 11.
[55] Ibid.

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These changes imply a need for greater coordination and attention to the agricultural industry by more agencies than USDA. EPA is responsible for enforcement of environmental protection. The Department of Labor has jurisdiction over employment and worker safety laws, including farmworkers and wage-laborers involved in agricultural industries. The Department of Justice is responsible for upholding anti-trust laws and maintaining market competition in the food industry.

Recommendation 3.15

The Commission recommends that President Clinton establish a Presidential Commission on Market Concentration. This commission should include members of the relevant Cabinet-level agencies, with the Secretary of Agriculture taking leadership for the commission.The commission should include the Secretaries and Administrators of: Environmental Protection Agency; Departments of Labor, Justice, Interior, Health and Human Services, Housing and Urban Development, Commerce, Transportation; Small Business Administration; and the U.S. Trade Representative. The commission should examine the emerging concentration resulting in monopsonies and oligopsonies in all sectors of the economy and its effect on market competition, the environment, worker protection and safety, rural housing, quality of jobs and wages, transportation, banking, international trade, and socio-political structure. The purpose of the commission will be to assess the ability of the Federal Government to respond to the impacts of concentration. The commission should propose legislative and administrative changes accordingly and deliver a Plan of Action to the President within 1 year of initiation.

Market Development

At the same time that USDA pursues increased efforts to mitigate market concentration and ensure greater competition, USDA should also pursue the development of new markets to create more marketing options for small farmers and more opportunities to capture greater value for their production. USDA has a wealth of rural development business loan, grant, and technical assistance programs that could be channeled to facilitate "agricultural development."

"Agricultural development" refers to the recognition that farming, where it is a significant aspect of rural communities, is an asset for rural economic development. Rather than consider farming as an unprofitable "liability" that should be diffused through diversification strategies to attract other industries, rural development officials and practitioners should reconsider value-added processing and innovative marketing opportunities to breathe new life – and – profit into their farming sectors as an agricultural development strategy.

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Value-added agriculture

Much of the testimony received by the Commission spoke to the desire for greater technical and financial assistance for small farmers to get involved in value-added processing and marketing as a means to improve farm income. However, "value-added" processing and marketing can take many different forms, some offering greater potential to truly benefit farmers while other forms might be little more than a guise for industrializing agriculture using wage laborers and furthering the demise of local competitive market outlets.

Recommendation 3.16

USDA's Rural Business – Cooperative Service (RBS) financial and technical assistance programs should give priority to assisting the development of cooperatives that will primarily benefit small farm operators. Such cooperatives should be organized to ensure that a large share of their throughput originate from small farms. The financial and technical assistance programs provided by RBS should support value-added efforts where value-added strategies meet the following criteria:

a) the profit from the value-added business operation flows to and within the community;

b) wage-laborers are paid a living wage;

c) the value-added initiative results in more local and regional competition in the cash market, not less;

d) value-added initiatives should create incentives for resource stewardship and reward sustainable production systems. For example, processing of food-grade oats would provide a market incentive for including oats in a corn-soybean rotation. Another example is natural beef raised using intensive rotational grazing methods that maintains marginal land in pasture instead of row crops.

e) Value-added initiatives should pursue specialty and differentiated products where small farms and small food processing firms will have a competitive advantage over larger firms. The research conducted according to *Recommendation* 1.1, Policy Goal 1 should be used to inform the financial and technical assistance priorities of RBS.

When defining "value-added," the following concepts should be included:

f) value-added includes direct marketing, by individual farmers or a network of farmers allocating the marketing tasks among the network to achieve economies of scale and share responsibility;

g) the addition of value must result through application of farmers' own time, management, skills, and production resources to produce products with less capital expenditures and purchased inputs or to produce products of higher intrinsic value (identity-preserved grains, organic grains, free-range chickens, natural beef, food-grade corn) for which buyers are willing to pay more.

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Agriculture-based rural development

USDA Rural Business-Cooperative Service has taken increased steps to give attention to the opportunities for farm-based business development, primarily through value-added processing and marketing. For example, the Business and Industry Guaranteed Loan program regulations were changed recently to allow guaranteed loans for agriculture production if it is part of an integrated business also involved in the processing of agricultural production. The agricultural production portion of the loan cannot exceed 50 percent or $1 million, whichever is less.[56] This change enables farmers and those not eligible for credit under FSA loan programs (non "family farms" as defined by FSA regulations) to obtain credit for agricultural value-added processing businesses. In addition, there is no "test for credit" like that used for FSA credit eligibility, making the B&I Loan Guarantee program available for non-farming corporations to vertically integrate into crop and livestock production.

The 1996 FAIR Act instituted another recent change allowing "family-sized farmers" to assume B&I guaranteed loans to finance start-up capital stock in value-added processing cooperatives. RBS is in the process of changing the B&I regulations to reflect this change, in particular to define what is meant by "value-added."

RBS also administers a B&I Direct Loan Program that had gone unfunded until FY 1996 appropriations included $50 million. The program is not well-known among rural development practitioners and others who could benefit from it. RBS should revise the B&I loan program regulations to give priority to projects that will primarily benefit small farms. B&I direct and guaranteed loans should be used to finance the development of new marketing infrastructure, including locally owned, value-added processing and marketing opportunities.

Recommendation 3.17

Eliminate B&I regulation 4279-113 (h) because it allows non-farming corporations to become direct competitors with farmers in agricultural production.

Recommendation 3.18

The use of B&I loan guarantees to finance start-up capital in stock should be targeted to give priority to small farmers, including those who are minority, women, and beginning farmers. The types of loans authorized should be consistent with the criteria for value-added listed in *Recommendation 3.16*.

Recommendation 3.19

The B&I Direct Loan Program should be targeted to the development of agricultural-related businesses for the purpose of creating new marketing avenues for small farmers. The "Community Priority" should include "agriculturally dependent"[57] communities and locations with the greatest concentrations of small farms. Outreach should be conducted to increase awareness of

[56] Rural Development Instruction 4279-B. 4279.113 (h). Previously, agricultural production was prohibited from B & I loans because they are available through FSA.

[57] "Agriculturally dependent" refers to counties with 20 percent or more of their earnings coming from production agriculture.

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the program's availability. Outreach activities could include local seminars, sponsored by both economic development agencies such as local chambers of commerce, city, and county governments, and farm organizations, to describe the types of assistance available for agricultural development. RBS could also partner with the Council of State Development Agencies and participate in the National Association of Development Organization's annual training conferences.

Recommendation 3.20

The Forest Service should continue to support research and technology transfer efforts of value-added agroforestry products, such as pine straw for landscaping, boughs for holiday decorations, manufacture of biofuels, production of wood chips for home weed control, and cedar oil.

Agriculture-based development by rural electric cooperatives

Rural electric cooperatives have the ability to be a force for rural development in the customer communities by providing loans and grants using funds from their cushion-of-credit account. Some rural electric co-ops, such as in North Dakota, are exercising this authority by assisting with the feasibility studies and start-up of "new generation" cooperatives. Some States do very little to take advantage of this resource as a means of supporting local economic development efforts for their electric customer-borrowers. While loan funds were utilized in their entirety in FY 1997, grant funds were underutilized.

Recommendation 3.21

USDA Rural Development State Directors should conduct outreach to State Rural Electric Cooperative Associations to leverage the available loan and grant funds for agricultural development projects that will create local, value-added agricultural businesses for the products of small farms. The National Rural Electric Cooperative Association should take steps to identify model programs throughout its member cooperatives and promote the best ideas for creating greater economic opportunities for small farm electric customers.

We have to provide an opportunity for vertically integrated companies to be owned by the folks at the bottom, and not just the folks at the top.

– Dave Carter, Colorado

Cooperative development

With the demise of many local and regional central markets due to the increase in vertical coordination and integration, there is a growing need and interest in cooperation among producers through alliances, networks, or formally organized cooperative business organizations. Under the Capper-Volstead Act of 1922, farmers are granted limited antitrust exemption for marketing raw and processed products through their cooperatively owned businesses. Cooperatives are a marketing tool through which producers can build market power on their behalf. To counter recent trends that concentrate production in the operations of the large producers, the members, promoters, and regulators of cooperatives will need to take deliberate steps to refocus the thrust of the cooperative movement toward helping small and disadvantaged farmers.

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The recent growth in "new generation" cooperatives has typically focused on matching supplies to effective demand in niche markets through use of delivery rights and upfront investment in the joint value-added activity. A critical need of smaller cooperatives is to overcome weaknesses of fragmented marketing through coordination using marketing agencies-in-common or federations.

New start-up co-ops need professional assistance when they are least able to pay for it. Access to sound financial, legal, and marketing support is key. Seed money for feasibility analysis is needed for small producers to have the ability to assess the marketplace, and to identify an area that offers the greatest potential for the least risk. They also need the capacity to conduct the research and development to bring a new product to market. For a small start-up project, one stumble is fatal. And, the regulatory system and land-grant research structure must be attuned to the needs of these new ventures.

Recommendation 3.22

USDA's Cooperative Services programs should give priority for cooperative development to benefit small farm operators, including women,[58] minority, and beginning farmers. Public sources of technical assistance, research, education/information about cooperatively owned businesses need to be strengthened and targeted to reflect the needs of small, women, minority, and beginning farmers. Research should be conducted to identify the best strategies and most successful cooperative models for small farmers. Efforts should be taken to expose and train USDA's Cooperative Services program staff to understand the unique strengths and liabilities of small farms in order to better serve their needs. Publications should be specifically tailored to provide information about coooperative opportunities for small farmers.

Recommendation 3.23

Teaching, research, and extension at 1862 and 1890 land-grant universities, as well as secondary schools with vocational agriculture programs, should consider including curriculum and courses on cooperative marketing where it does not currently exist. Educational programs through public television or using distance learning technology should be developed for farmer audiences.

Recommendation 3.24

USDA's Cooperative Services program staff should actively promote the availability of USDA funding sources, such as the Federal-State Marketing Improvement Program (FSMIP), RBEG, B&I, and grants through rural electric cooperatives, to finance co-op feasibility studies and provide assistance in the application process.

Recommendation 3.25

Land-grant universities with food technology and processing research and development programs should make greater efforts to avail themselves of small, minority, women, and beginning farmers interested in developing value-added products appropriate to their size and scale.

[58] This refers to women who are the primary farm operator within a household; it does not refer to women in a household where the man is the primary farm operator.

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Local and regional food economy

The global food economy, where capital and technology are mobile and can be transferred to those parts of the world with the lowest labor costs and least governmentally regulated environmental and health protections, is a playing field upon which small farms are left out of the game. "The food system now resembles an hourglass with many producers and millions of consumers but, with only a few firms controlling the processing, these firms are in a position to control the food industry.... The food sector of the U.S. economy is second only to the pharmaceutical sector in terms of return on investment (20 percent)...The food system is a profitable industry, but farm families get little of the profit in the highly concentrated food system...."[59]

Amidst the dominant talk of a "global economy" are voices articulating the hope of a "local or regional food economy" where small farmers play a central role. In a local or regional food economy, small farmers produce for community food and fiber needs and sell their products through alternative marketing channels. The strength of a local food economy is the relationships between farmers and community citizens. Through this relationship, small farmers provide fresh, in-season food appreciated and purchased by community citizens. The relationship creates an opportunity for mutual trust and support, contributing to the betterment of the community as a whole.

The alternative marketing channels are based on face-to-face relationships. These models currently in use, and increasing in use, are: farmers markets, Community Supported Agriculture, Church Supported Agriculture, on-farm marketing, subscription farming, roadside stands, home delivery routes, and farm-to-chef direct marketing. For some small farmers, these models offer an opportunity to supply local markets with fresh foods and maintain an economically viable small farm operation.

[59] Heffernan, William D. "Globalization of the Food System: An Overview of the Current Trends." Justice in the Global Food System: A Faith Perspective on Food Security. p. 25, 28.

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A local food economy can also address the problems of food insecurity in our urban and rural communities among those with lower incomes. Defined as "access by all persons at all times to a nutritionally adequate and culturally acceptable diet through local non-emergency channels," the concept of "community food security" includes an important role for small farms as suppliers of fresh, nutritious produce for low-income people in local rural and urban areas. Community food security involves the development of linkages between small farmers and the nutrition needs of low-income people.

Local or regional food systems also offer the potential for place-based identification of food products from farms that provide intrinsic value beyond food production alone. For example, farmers in upstate New York have entered into a unique relationship with New York City to implement whole farm planning conservation methods to protect the watershed that supplies New York City's drinking water. At its public meeting in Albany, NY, the Commission heard of current efforts to market upstate farm products (veal, milk, vegetables) to upscale restaurants in New York City, identifying the source of the farm products on the menu and making the connection for customers to the city's water quality.

Recommendation 3.26

USDA should develop an interagency initiative to promote and foster local and regional food systems for the benefit of small farms, rural community citizens, and low-income people in rural and urban areas. This initiative will require a focused and coordinated approach among relevant agencies, through an interagency team including staff from the Food and Nutrition Service, Cooperative State Research, Education, and Extension Service, Agricultural Marketing Service, Farm Service Agency, and Natural Resources Conservation Service. The team would address the following components:

a) USDA should encourage the use of the Federal-State Marketing Improvement Program (FSMIP) for developing direct marketing strategies and initiatives that primarily benefit small farms. State departments of agriculture, the primary eligible entity for FSMIP grants, should seek to partner with community-based organizations interested in pursuing local or regional food system strategies. FSMIP grants could be used to conduct feasibility studies to establish regional identity of high-quality products produced locally by small, family farmers or "eco-labels" to describe stewardship practices used in the production of the product and benefits to the environment. Efforts should be made to target funding to address the needs of beginning, minority, and women farmers.

b) The interagency team should examine the barriers and opportunities for farmers to label their products as a means to differentiate their products so long as the labeling is not anti-competitive and does not harm the public interest. This study should include labeling of point of origin and growing practices, as well as other factors for product differentiation. The study

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should identify ways that USDA and other government agencies can be supportive of product labeling of these intrinsic values for the purpose of adding value to farm products.

c) The Commission acknowledges the recent efforts by USDA to create farmers markets at USDA's headquarters in Washington, DC, and with neighboring Federal agencies. USDA should continue to expand the development of farmers markets at USDA office sites throughout the country. However, this should not be a top-down approach. It must include the input and involvement of area farmers in designing the market. Care should be taken to ensure that USDA-sponsored markets do not compete with existing markets. Vendor participation in these markets should be limited to farmers directly involved in growing their produce for sale, and should not include vendors who purchase produce from distributors.

d) With the recent doubling of funds for the Women, Infants and Children/ Farmers Market Nutrition Program (WIC/FMNP) for FY 1998, USDA should proceed to expand the program to more States and to areas where it has only been available in limited areas. USDA should continue to pursue increased funding to eventually serve all 50 States and U.S. Territories and possessions. USDA's WIC/FMNP is a model program that provides small farms with expanded markets for fresh produce ($9 million to 8,250 farmers in 1996) while at the same time meeting the nutrition needs of low-income families. Nutrition education and cooking classes should be coordinated with participating farmers markets to provide WIC recipients with the knowledge needed to prepare fresh produce for consumption.

e) As USDA's Food and Nutrition Service (FNS) proceeds to replace paper food stamps with the Electronic Benefits System, USDA should fund demonstration projects to find technologies and outreach strategies that enable the uninterrupted use of food stamps at farmers markets. Equipment and training should be available for those markets needing assistance. At the same time, FNS should pursue strategies for enabling food stamp use through Community Supported Agriculture programs.

f) The Commission endorses the efforts of FNS, AMS, and NRCS to pursue marketing opportunities for small farms to supply local school lunch programs. These agencies should be commended for taking this step, and should pursue the pilot programs in North Carolina, Georgia, and Florida with a commitment to overcoming any barriers to developing this market. Cooperative Extension should also be involved in supporting this effort. The results of the pilots should be published and distributed along with a manual to encourage replication of these efforts throughout the country.

g) Conduct a feasibility study to support a Federal Government procurement policy that gives priority to local purchasing of fresh farm and food products at Federal agency cafeterias, including national parks.

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h) The Cooperative State Research, Education, and Extension Service should assess the new Community Food Projects and publicize the best projects as models for replicating community food security and connecting low-income people with small farmers.

Entrepreneurial development

Small farmers have the potential to meet specific market niches, but this potential has never been intentionally pursued by USDA. Small farmers have unique needs, constraints, and opportunities that have often been overlooked in the design and delivery of USDA programs. For small farmers to survive in the fast-changing agricultural industry that is dominated by large-scale production and concentration in the food processing sector, creative financing, specialty production, and niche marketing could serve to develop a competitive edge for small farmers.

Small farmers need to be considered as viable forces in shaping community-level economic development. While small farms have difficulty competing with large farms that supply most of the national and international food markets, small farms can be competitive at supplying local and regional food markets and, in some cases, niche export markets. Small farms have the ability to get face-to-face with local consumers, retailers, restaurants, and institutional (schools, government agencies) markets. To pursue these markets and improve farm profitability, small farmers will need to pursue value-added marketing and processing strategies. In addition to operating small farms, farmers need to be adept at running small businesses.

To take advantage of the potential for small farms to be competitive in local and regional markets will require a concentrated effort in entrepreneurial development, including business planning and development, financial management, product development, and market research, analysis, and execution. Small farmers have the ingenuity of entrepreneurialism; however, in most cases, they are only adept at one of the three key areas of business. Farmers are great at production, but some times lack skills and innovations in marketing. And in many cases, financial management skills are also lacking. Testimony from a South Dakota farmer best exemplifies this issue: "I go to meetings where they teach me to tank mix my application of herbicide, they teach me to do no-till. They teach me to be a better marketer. I have never been invited to a meeting where they can teach me to be a processor. Not a one."[60]

Recommendation 3.27

USDA should launch a Small Farm Entrepreneurial Development Initiative to provide small farm operators and beginning farmers with targeted entrepreneurial training, integrated technical assistance, and priority program funding for the purpose of developing farmer owned and operated, value-added processing and marketing enterprises to serve local and regional community food systems.

[60] Paul Casper, farmer and member of South Dakota Soybean Processors, testimony at the Sioux Falls, South Dakota public meeting, August 22, 1997.

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The initiative could be launched as a pilot program in 5-10 localities/regions of the country for a period of 2 years. The pilots could be distributed geographically in the most agriculturally dependent regions of the country or locations with the greatest concentrations of small farms. Particular emphasis should be given to the tobacco-dependent counties of Appalachia. The initiative could consist of 3 parts:

a) **Entrepreneurial training:** The Entrepreneurial Education Foundation's "FASTRAC"[61] business development curriculum should be adapted to apply to farm-based business development. The business development curriculum could also be adapted from other programs, such as EDGE supported by US West. The curriculum could be delivered via distance education instruction to downlink pilot sites. Successful farm-related entrepreneurs should serve as guest lecturers to provide real world insights from experienced business people. Each entrepreneur should leave the training with a completed business plan for actual application to an existing or start-up business activity.

The marketing is the tough thing. I mean, as farmers, we were not trained to be marketers. We were hauling the stuff to town and saying, "What'll you give me for it?"

– Ron Macher, Missouri

b) **Integrated technical assistance:** At each pilot site, "co-learning teams" should be established. The teams should consist of entrepreneurs along with USDA field staff from FSA, RD, NRCS-RC&D, Forest Service, Extension, and staff from EPA, Small Business Administration, the Department of Commerce' Economic Development Agency, Department of Interior, land-grant university and ARS scientists along with State, nonprofit, and private consultant rural development professionals. The concept of the teams is three-fold: 1) to provide each entrepreneur with ready access to and support from an integrated source of USDA and non-USDA service providers, 2) to provide experiential training in entrepreneurial development for service providers to build their capacity for assisting would-be entrepreneurs, and 3) to become more adept at leveraging the expertise and resources of each individual agency and organization to provide a comprehensive and integrated array of assistance needed by entrepreneurs.

c) **Priority program funding and assistance:** Based on the model of the Empowerment Zone/Enterprise Community and the President's Timber Initiative, the pilot sites could be granted priority in receiving funding and assistance from existing USDA programs to assist the start-up of new enterprises. This could include non-formula research and extension funds, research projects by ARS, marketing assistance through FSMIP grants or economic research provided by ERS, Rural Development's business loan and grant programs, export assistance through the Foreign Agricultural Service, and more. The idea is to apply the full array of USDA resources, expertise, and knowledge, in partnership with other business development providers within the pilot sites, for the purpose of creating farm-based businesses where small farmers can increase their farm income through value-added processing and marketing enterprises.

[61] "FASTRAC" is a proven business development curriculum program, developed with support from the Kaufman Foundation, and offers comprehensive business training in financing, production, and marketing through a multiple-week [illegible] program.

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Meat inspection

Market access is critical for producers who want to direct market their products to consumers. Conflicting regulations can present barriers to small farmers in gaining access to these markets. For example, if a farmer wants to direct market beef to consumers, processing of the animal can be done either in a State or federally-inspected processing plant. The State-inspected plant is the most likely choice for farmers selling locally since they are generally smaller and more locally available. Federal plants may be hundreds of miles away from the farm and are more costly to the farmer. But, the standards are different for the farmer. When selling State-inspected meat, the farmer must sell by live weight, by 1/4's or 1/2's of a carcass, and cannot sell across State lines. In order to sell by the cut, to restaurants, groceries, or across State lines, Federal inspection is required. In many States, the State inspection requirements meet or exceed the Federal requirements, but they limit the access farmers have to potential customers.

Under the provision of the Wholesome Meat Act of 1967, States were given the choice of establishing their own programs or only taking responsibility for inspecting the facility of those who do custom processing of animals sold live to the consumer. Only 27 States established their own program, largely due to prohibitive costs. But States where such a program was established say they are better equipped to deal with the needs of smaller processing plants. The National Association of State Meat and Food Inspection Directors argues that a State program is a better bargain for the taxpayer since it doesn't require the higher wages and expensive bureaucracy that go with hiring Federal inspectors. Federal-based meat inspection officials are geared up to guide the operation of large national packers but often cannot easily adopt regulations to fit small local packers.

Some States, such as Minnesota, have argued that dropping of a USDA restriction on interstate shipping of State-inspected meat would provide an incentive for States to create their own inspection programs. Officials from States like Wisconsin, where there is an inspection program, have argued that their inspection program must be on par with Federal regulations anyway, so there is no reason to restrict interstate shipment of meat that comes from small approved plants.

The National Association of State Departments of Agriculture has proposed legislation that would drop the shipping restriction. Large packers have successfuly lobbied against past reform and maintained dominance in interstate trade. USDA is examining current policy and exploring options to revise the Federal-State meat inspection law.

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Recommendation 3.28

The Commission endorses the recommendation of USDA's Advisory Committee on Agricultural Concentration. "Urge USDA to take aggressive action in a timely manner to end the inequities in meat inspection. With regard to Federal and State inspections, the committee recommends that appropriate steps be taken to promote the ability of State-inspected packing plants that meet Federal standards of inspection to compete by selling meat in interstate commerce. Provided, however, that such steps do not undermine the integrity of the U.S. position regarding acceptable inspection standards and safeguards for imported meat."

Statistical data collection

The National Agriculture Statistics Service data collection and ERS analyses fail to adequately measure and describe the current structure of production agriculture. While our food production system has changed from diverse commodity and livestock production per farm unit to largely monoculture production per farm unit, our statistical analysis stops short in its ability to account for the value of specialized or segmented production levels. Reliance on statistics with limited descriptive quality can lead to improper or ineffective policy decisions.

Specifically, when USDA describes that 1.9 million small farms produce only 41 percent of the "value of production" and 122,810 farms produce 59 percent of the "value of production," the measure does not take into account the fact that not all farms are producing the same commodities, much less at the same level of production. For example, 50 years ago a calf was born, weaned, grass fed and later grain fed usually on the same farm or farms of similar size and structure, and then sold direct to slaughter. Today, the calf may be born on one farm and be valued at $400, then sold in the spring for $500, again in the summer at $700 and, later for slaughter at $900. The same animal might begin in a 39-head cow-calf herd and be counted at a much lower "value" than when it is counted again as part of a 10,000-head feedlot.

The use of gross sales as a measure of contribution to farm production value fails to distinguish between the levels of production and the value of the production at each level. Gross sales as an indicator will be biased toward the value-added segments of agricultural production, such as the cattle feedlot. Without more precise indicators to measure the contribution of the primary level of production, the contributions of small farms will be misrepresented.

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Recommendation 3.29

The National Agriculture Statistics Service should redesign its methods for measuring the value of production from U.S. farms to include another level of analysis that fully and adequately distinguishes the separate production levels of our mostly specialized production system. These levels would include:

a) **Primary** – This would measure the value of the first-level production; includes cow/calf, lamb, farrowing, grain production, hay, fruit, vegetable, etc.

b) **Secondary** – Dependent on the primary level for inputs; includes dairy, cattle feeding, hog feeding, etc.

c) **Tertiary** – Processing of raw commodities; includes livestock slaughter, canning, milling, etc.

d) **Retail** – The final processed product ready for consumption.

Delineating production according to these levels should provide a more accurate look at the type of farms and their contribution at each level of production. In particular, by isolating the primary level of production from the other levels, analysts should be able to determine the health and performance of this most essential level of production. Differentiation among the levels of production should allow USDA analysts to see the primary farm production without all the added secondary steps in order to make a sound, data-supported, less intuitive leap to expose the real status of the essential production system.

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Policy Goal 4
Conduct Appropriate Outreach Through Partnerships to Serve Small Farm and Ranch Operators

At the Memphis hearing the Commission heard that "sometimes, attempts to find the starting place for access to federally generated or federally supported information that is relevant to small family farms were intimidating, confusing, or sometimes led to less visible, underfunded, and overextended offices or people. So it is out there but sometimes it is hard to know where to begin."[62] Information is critical in making wise farming decisions and there are many sources of information. USDA has a responsibility to actively provide this information to all its customers. Increasingly, research and extension institutions are underfunded and overextended. This is where partnerships with community-based organizations, nonprofits, land-grant universities, and other interested groups should be fostered by USDA so that small farm operators are given the greatest opportunity to become aware of and use USDA programs. USDA and its partners should actively seek out small farm and ranch operators.

The Commission recognizes that USDA and its partners have various tools to reach their customers, such as newsletters, press releases, workshops, conferences, and World Wide Web pages. However, we heard that information about USDA programs is not reaching all potential customers as effectively as it should. A representative from a community-based organization stated at the Washington, DC, hearing that "we think one of the biggest things that keeps limited-resource farmers from succeeding is their lack of access to services. We believe outreach is absolutely critical to this function."[63] Effective outreach can make the difference in access to services. At the Sacramento hearing the Commission heard that, "the problem comes when it comes to translating—better said, to disseminating—these results. Usually, we operate under very limited resources, and it's not easy to have an outreach coordinator or someone that can go out and promote the results or promote the adoption of these practices."[64] His statement emphasizes that USDA and land-grant universities have information needed by small farm operators; however, there are barriers to its effective transmission. This includes less than adequate resources for outreach as well as mismatches between the methods and the target groups.

With these types of constraints , USDA must continue to seek partners in providing information about its services. The Civil Rights Action Team (CRAT) report made several recommendations dealing with outreach. Progress has been made in some areas. However, the Commission believes that more

[62] Testimony of Teresa Maurer. Appropriate Technology Transfer for Rural Areas. Fayetteville. AR. at public meeting. Memphis. TN. July 28. 1997.
[63] Testimony of Lorette Picciano. Rural Coalition. Washington. DC. at public meeting, Washington. DC. September 10. 1997.
[64] Testimony of Jose Montenegro. Rural Development Center. Salinas. CA. public meeting at Sacramento. CA. September 15. 1997.

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needs to be done to ensure that information reaches small and underserved farmers. Outreach opportunities will be enhanced by developing partnerships between USDA, the land-grant universities, community-based organizations, and nonprofits that have direct contacts with small farm and ranch operators. In a August 1997 policy brief from *The Urban Institute* stated that "experience has shown that when nongovernmental institutions become partners with public agencies, they can sometimes accomplish things that have proved difficult for government to do alone."[65] The time is ripe to forge partnerships and to pay more attention to communication methods, media, and techniques that can enhance our collective level of impact.

Identify small farm and ranch operators

In order to reach clientele more effectively, USDA and its partners need to focus on client identification by obtaining up-to-date information on who and where the clients are. The following are recommended:

Recommendation 4.1

The Commission recommends that USDA develop a voluntary directory of small farms and ranches through the utilization of local county personnel of each agricultural agency and that this directory be developed in cooperation with the voluntary minority farms registry. The Commission recognizes that FSA, NRCS, and Rural Development work with local groups and programs in counties across the country, and USDA should use those resources to complete the directory. Such programs and partners include, but are not limited to, the Resource Conservation and Development (RC&D) Councils, the Outreach and Technical Assistance Program for Socially Disadvantaged/Minority Farmers program (Sec. 2501 program), and community-based organizations.

Recommendation 4.2

Upon completion of a county directory of small farm and ranch operators, the county will present its information to its State Outreach Council. The Council will be a part of the Food and Agriculture Council in each State. The USDA Office of Outreach will then oversee completion of the project. The State lists should be readily available to all agencies for their work with small farmers and ranchers.

Recommendation 4.3

Local USDA agency personnel and supervisors should be held accountable for target audience outreach programming. The Commission fully supports CRAT recommendation No. 9, which requires the establishment of reporting requirements to periodically collect data from USDA field offices to measure program delivery to minority, women, and small and limited-resource farmers and support its immediate implementation. Documented efforts and successes to reach those small farm operators will be used as a measure of performance of each agency's overall performance in serving underserved customers.

[65] Kingsley, G. Thomas and James O. Gibson. *Civil Society, The Public Sector, and Poor Communities*. The Urban Institute. Washington, DC. August 1997, No. 12.

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Strengthen outreach and program delivery

Creative programs in farm apprenticeships and on-the-job training, such as those of the Rural Development Center in Salinas, California, have trained and educated minority farmers and farmworkers for entry-level farm operations. To take advantage of those working relationships and programs, partnerships should be developed and strengthened so small and underserved farmers can gain greater access to USDA services and land-grant institutions. The Commission consistently heard that the (1) lack of credit; (2) lack of information; and (3) complexity of program compliance have contributed to the loss of viability by small farm and ranch operators. Effective outreach and program delivery could relieve some of the problems in these areas. The Commission recommends the following:

Recommendation 4.4

The Secretary should request that Congress authorize USDA to develop a program, using direct loan funds, to establish a relending program administered by community-based and nonprofit organizations. Currently, Rural Development administers the Intermediary Relending Program. Through this program, direct loans are made to intermediary borrowers (i.e., private nonprofit corporations, State or local government agencies, Indian tribes, and cooperatives) who, in turn, relend the funds to rural businesses, private nonprofit organizations, and other qualified recipients. The recipients must use the loan for economic and community development projects, the establishment of new businesses and/or the expansion of existing businesses. The proposed relending program should be geared toward small loans to purchase equipment, supplies, and other inputs for production agriculture for small farms, including purchases of land.

Network and mentoring programs; educational services

The Commission determined that the establishment and continued support of farmer support networks, mentoring programs, apprenticeship programs, and consortiums are critical for small farm and ranch operators to exchange information with one another, with key partners who support small farmers and ranchers, and with consumers wanting to learn more about small-scale agriculture. The Commission heard that the feelings of isolation which many farmers experience could be mitigated through farmer networking. Beginning farmers or farmers venturing into new crops can benefit from direct feedback from other farmers with greater experience.

One example of a relatively effective innovation in networking is *The Sustainable Agriculture Network*, a cooperative effort of university, government, farm, business, and nonprofit organizations dedicated to the exchange of scientific and practical information on sustainable agriculture systems. NRCS has also established the *National Science and Technology Consortium*, a support mechanism used to provide consistency in the development and delivery of technical products and services throughout NRCS. The consortium includes partners such as colleges, universities, non-government organizations, and the private sector.

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Another example includes the one-on-one small farm assistance program offered by the Cooperative Extension Service in Kentucky as described to the Commission during the Memphis hearing. USDA could also build upon the work of the Retired Educators for Agriculture Programs (REAP), whose purpose it is to recruit African-American youth and reestablish them in the vocational agriculture and 4-H programs in the public schools in Oklahoma. This group could be considered by USDA as a nucleus to start using the expertise of retired minority USDA employees. They are a valuable resource and in many cases know the people needing the services.

Recommendation 4.5

The Commission recommends that USDA, through the newly formed USDA Office of Outreach, strongly suggest that Farm Service Agency State Executive Directors, Rural Development State Directors, NRCS State Conservationists, and State Cooperative Extension program administrators and directors support the formation of such networks, mentoring programs, and consortiums for small farm and ranch operators. As networks, mentoring programs, and consortiums are developed, one of the goals of each should be the continued viability of small farms and the wise use of our natural resources on private and public lands.

Recommendation 4.6

The Commission encourages USDA to continue to fund training sessions, newsletters, and other educational materials through our traditional partner organizations, as well as with new ones.

Recommendation 4.7

The Natural Resources Conservation Service and other appropriate USDA agencies should conduct local educational seminars for small and traditionally underserved farmers and ranchers for the purpose of explaining agency programs, including the environmental and economic benefits derived from the programs. These seminars should target conventional and organic farmers.

USDA can support community-based organizations not just through funding, but also through collaborative projects that help guide university research and extension programs to better serve minority farmers.

- Jose Montenegro, California

Farmer advocates

Farmers face many regulations as they operate their farms. The regulations may be governed by the financing arm of USDA or the Farm Credit System, the regulatory arm of EPA, or various local and State authorities overseeing land use and taxes. To understand and comply with these regulations is a part of doing business. However, it is also important that farmers be treated fairly and given timely information that they need to conduct their business. In the 1980's, a number of farmer advocates were established in various areas of the country to help farmers understand their choices and responsibilities under the various USDA programs. Some farmer advocates are supported by organizations and their services are provided at no charge to the farmer. In other cases, farmers must pay a fee to the farmer advocate. Currently, there are approximately 65 groups, in addition to State departments of agriculture, that provide some type of farm advocacy assistance.

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Recommendation 4.8

USDA should work with community-based organizations to train people in becoming farmer advocates and create a pool of qualified farmer advocates. This effort could be funded through a grant program, jointly funded by USDA in collaboration with nonprofit funding organizations, to facilitate the establishment of a program or the continuation of programs already established.

Outreach program for cooperating banks

The full potential of programs is not being achieved due to the lack of assertive outreach with specific customers or because the products of a program are slow in getting into the hands of the small farm operator. During the Memphis and Sioux Falls hearings, the Commission heard that educating lenders about USDA programs and the needs of small farm operators is a necessity if USDA lending programs are to be effective in serving small farm and ranch operators. The Commission appreciates the work being done by USDA to garner input from lending stakeholders and attending lending conferences, but more proactive measures are needed in order to meet more fully the needs of small farmers.

Recommendation 4.9

The Secretary should direct the FSA Administrator to develop and implement a formal outreach program directed at the commercial lending community to promote guaranteed lending for small farm and ranch operators, with special emphasis on women, beginning, and minority farmers, and to work with the commercial sector to remove barriers to guaranteed lending. Farm Credit System- and USDA-approved guaranteed loan banks should be encouraged to participate with USDA in improving credit access to small, beginning, and traditionally underserved farmers.

Recommendation 4.10

USDA Rural Development should strengthen its current outreach program for the Business and Industry Guaranteed Loan program to banks as a source of funds for locally owned value-added businesses. The Commission understands that a video is available at State offices at no cost for industry meetings and conferences, a presentation is available upon request, and updated brochures numbering 450,000 were distributed to field offices. To measure effectiveness, the Commission recommends a requirement that loans under this program be prioritized for locally owned, value-added farm-product-related business or small farm business operations.

Recommendation 4.11

USDA should utilize existing regional and national conferences and workshops to inform potential lenders about the Intermediary Relending Program (IRP) program, and about the opportunities for using it for locally based market development for small farms. USDA Rural Development program staff should actively seek opportunities to conduct workshops at annual conferences of small farm organizations and community-based organizations that serve farmers, such as the Small Farm Conference in California, the Federation of Southern Co-ops annual meeting, and the annual Small Farm Trade Show and Conference in Missouri.

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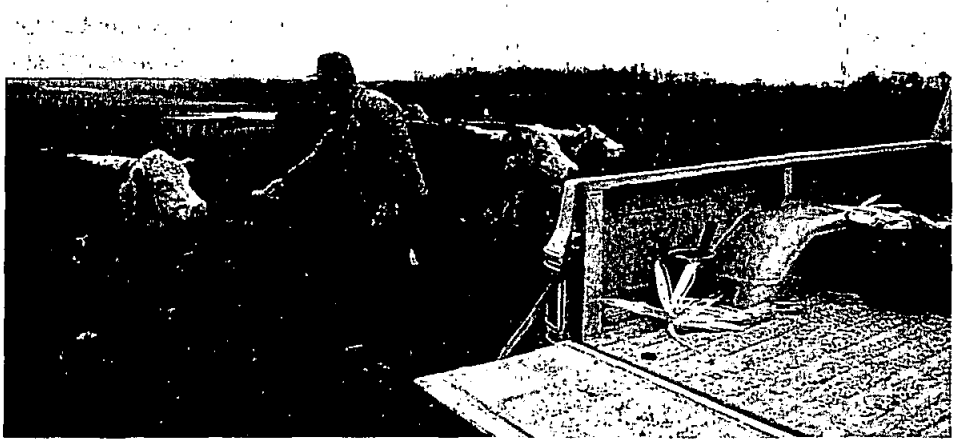

Risk management program delivery

Risk management is seen as a major part of the "safety net" in times of disaster and low prices, yet products to match the modern day dilemmas are slow in coming and in reaching the small farm operator. Due to the 1996 FAIR Act, producers are making management decisions in a new era of farm policy. In some programs, major changes are made, yet affected farmers do not receive the information in a timely fashion to make sound business decisions. In some cases, basic training is needed to ensure business decisions are based on sound principles. In April, USDA announced a multi-year $5 million initiative to energize risk management outreach. The initiative is expected to intensify private and public sector efforts to introduce producers to risk management tools.

Recommendation 4.12

Educational efforts by the USDA Risk Management Agency (RMA) (former Federal Crop Insurance Corporation) should address sustainable agriculture practices as a means of managing risk. Efforts should attain a high level of participation by small farm and ranch operators. ("Risk management" is the new terminology for "crop insurance.") RMA should establish and provide information and strategies from data accumulated on small farms. The RMA educational initiative must document the number and type of small farmers and ranchers it has reached; what products of risk management have been developed specifically for small farmers and ranchers to create a safety net; and the number of small farmers and ranchers using those products. In order for USDA to be of assistance to producers, it must conduct research that will allow the producer to have more information about risk management, production practices, marketing techniques, and processing options.

Recommendation 4.13

The Commission recommends that the Secretary of Agriculture support legislation and take administrative action to: (a) expand coverage nationwide to insure non-commodity crops; (b) increase transitional yields to all counties for all crops; (c) increase Federal Government subsidy on crop insurance premiums to support levels of 75 percent without increasing farmer premiums at the current level of 65 percent; and (d) increase the Noninsured Crop

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Disaster Assistance Program (NAP) levels to 70 percent yield and 80 percent price while maintaining premium cost currently paid by farmers. The value of coverage should not exceed $250,000 in annual gross sales.

Effective outreach materials

Improvement is needed in agency outreach tools and documents. The way a form is written, the way a brochure is prepared, the way employees present themselves to customers are all important in determining if a potential USDA customer is going to receive the service needed. The Commission is aware that FSA did revise the direct loan assistance form in 1997 and did reduce the number of forms sent to applicants. USDA should continue to make revisions that benefit the applicant.

Recommendation 4.14

The Secretary should direct the FSA Administrator to immediately develop and implement a formal outreach program to directly notify the approximately 8,400 clients faced with shared appreciation of their options and what actions USDA is taking to assist in defusing this situation, as recommended by Policy Goal 1, Recommendation 1.22.

Recommendation 4.15

USDA should streamline applications in all agencies and develop a "low doc" application for smaller grant and loan requests. Program staff should assist small and limited-resource farmers with completing the application process. Agencies should make applications available in appropriate languages and hire or contract with employees proficient in appropriate languages to assist applicants.

Recommendation 4.16

The Commission recommends that each agency should identify and implement effective ways to reach small farmers. The new USDA Office of Outreach should be empowered to evaluate agency plans for effectiveness. The Commission fully supports implementation of CRAT recommendations 38, 39 and 40:

> CRAT Recommendation No. 38 - "Develop a strategic outreach plan, as part of USDA's strategic plan, for which Agency Heads will be held accountable through the Civil Rights performance standard."
>
> CRAT Recommendation No. 39 - "Establish in each agency an outreach liaison position to coordinate and direct outreach programs in conjunction with the new USDA Office of Outreach. The agency coordinator must be responsible for monitoring outreach goals and accomplishments to underserved customers."
>
> CRAT Recommendation No. 40 - "Establish State and National Outreach Councils, comparable to the USDA Food and Agriculture Council (FAC), to coordinate outreach efforts of all USDA agencies with State and local-level program delivery. Require that Outreach Councils establish partnerships with community-based organizations and 1890, 1994, and 1862 land-grant institutions, Hispanic Association of Colleges and Universities, and the Research and Employment Access Programs Initiative to enhance program and service delivery to underserved communities."

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Recommendation 4.17

Communications should be improved within and between USDA agencies. It has been noted that USDA agencies do not effectively communicate among one another on common issues, such as assistance to small farm operators. Efforts should be taken to increase exchange and collaboration across agencies and programs to better serve small farm operators. For example, the Sustainable Agriculture Research and Education (SARE) program is a valuable program to small farm operators and USDA agency personnel should be provided an overview and training to foster understanding of the benefits of the program and garner ideas to improve their agency's efforts to reach small farm and ranch operators.

Recommendation 4.18

The Commission recommends that the new USDA Office of Outreach conduct performance and impact evaluations of programs that serve small farms. The evaluations should be used to measure the effectiveness of projects in serving the needs of small farm operators. The Office of Outreach is directed to develop a system to determine the effectiveness of agency outreach efforts. Based on annual appraisals, agencies could determine if small farmers and ranchers are being reached. The Office should work with the Office of Communications and CSREES to develop means of determining effectiveness through focus groups and other measures. As part of project or program implementation, USDA should require impact assessments.

Continuing education

Farmers need on-going development of skills and knowledge and continued education to upgrade their skills. Some people are interested in becoming farmers, but lack farming skills. A process should be developed that encourages farmers to learn and to keep up with the changing trends in agriculture. Constraints on continued skills development include, among others, time of course offering, lack of transportation, language barriers, and schedules that conflict with USDA office hours.

Recommendation 4.19

USDA agencies should develop innovative ways to improve access to learning opportunities and to encourage participation. One example includes USDA offering certificates of completion for courses or meetings attended by small farm operators. Then, local communities and businesses could be encouraged to recognize these certificates with some type of benefit to the farmer, such as a discount for services or with a congratulatory posting by the community showing support for the farmers. USDA's success could be measured by how many new participants were reached within 1 year of this report being issued.

Recommendation 4.20

USDA Administration should review employment policy to provide the flexibility for USDA offices to be partially staffed on Saturday or after regular office hours to accommodate the schedules of small farm and ranch operators and to be accessible for community meetings and other outreach activities. Also, USDA local offices could hold open houses to provide an opportunity for small farm and ranch operators to become familiar with the operations of the office.

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Recommendation 4.21

USDA should encourage the use of local paraprofessional technicians, when and where it is cost-effective, to assist in office paperwork processing, assist clientele in the application process, and disseminate timely program information.

Forestry outreach

The Forest Service has a major responsibility to ensure healthy, sustainable forests on Federal as well as non-Federal lands through stewardship planning and professional technical assistance. The Commission heard during the Portland, Oregon, hearing that "any of the USDA programs and activities aimed at maintaining or enhancing the viability of small farms should include the element that focuses on forest production." As timber harvesting on public lands has decreased, timber companies are increasingly looking to private woodlot owners for their source of timber. About fifty-eight percent of all the forest land in this country with the potential to produce commercial quantities of timber is owned by small farm operators and non-industrial private owners. Clearly, outreach is needed to ensure sustainable forestry for conservation and economic purposes.

Recommendation 4.22

The Secretary should direct the Chief of the Forest Service to intensify outreach efforts directed toward small farm operators and traditionally underserved farmers who own private woodlots. The Commission strongly supports the concept of an Outreach Coordinator position at regional levels within the Forest Service. This concept is described in the Civil Rights Action Team Report, Recommendation No. 39.

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Policy Goal 5
Establish Future Generations of Farmers

For me, as a small, young farmer, if I'm going out right now, and I'm going to try to start a farm or start a program, I go to get money, they just kind of look at me and laugh. They just don't really understand the reason why I'm there or what I'm trying to do.

– Joel Harper, Kentucky

The future structure of agriculture depends on the ability of a new generation to enter farming. Entry into the farming business necessitates the existence of a well-developed infrastructure of support. The barriers that hinder the next generation from entering farming are significant. Challenges to farm entry include:

- Inability to acquire the initial capital investment
- Insufficient farm entry strategies
- Inadequate access to appropriate financial, managerial, and production assistance for entering and exiting farmers.

The challenges to the continuance of small farms are highlighted by demographic data on the farm population based on the1992 Census :

- The average farmer was 53.3 years old in 1992, up from an average of 50.3 in 1978.
- Between 1982 and 1992, the percentage of young farmers under 25 was cut in half.
- Twenty-five percent of all farmers are 65 years of age and older.

The future of small farms, and the businesses that rely on them, will depend on young people being able to enter careers in farming. USDA-ERS research predicts that between 1992 and 2002, a half million older farmers will retire – approximately one-fourth of all farmers. ERS predicts they will be replaced by only 250,000 farmers.[66] It will be critical to regenerate a trained, skilled base of prosperous, stable, community-involved independent farm business families. These families will provide an element of economic stability for rural America, protect its prime farmland and steward the land into the next century.

At no other point in the history of U.S. agriculture have we faced such a wide generational gap in farm participants. USDA and other researchers have studied this problem but no comprehensive strategy has been launched by USDA to date to improve opportunities to enter farming.

One strategy for the development of new farmers is apprenticeship programs. The Commission heard testimony about an effort to train farmworkers to become farmers in the Salinas Valley of California. The Rural Development Center (RDC) is a nonprofit organization that trains groups of farmworkers in the production, management, and marketing of fresh produce. They receive instruction in organic vegetable production and have access to machinery and land owned by RDC. Upon completion of the training program, they are prepared to begin farming, but often face barriers gaining access to credit to purchase or lease land. According to one of the RDC trainees, the program

[66] Gale, Fred. 1994. The New Generation of American Farmers, Farm Entry and Exit Prospects for the 1980's. AER-695. USDA-ERS.

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provides a tremendous opportunity to learn to farm. However, barriers remain in obtaining "...technical assistance; access to credit; assistance and more information in our own language, being Spanish; more support in organic farming as an alternative; more information regarding marketing; more accessible organic land for small farmers so that we can work in a healthy environment; and more control, because there's an intermediary that controls the prices."[67]

Programs like this one that help create the opportunity for people to begin a career in agriculture can be supported and replicated in order to establish the next generation of farmers. In the same way that Federal Government agencies such as Health and Human Services and private foundations are concerned about the aging of rural doctors, we should be as concerned about the aging of our Nation's farmers and should take the requisite steps to support opportunities and provide incentives for people to enter farming.

The Commission also received testimony describing several State agency and nonprofit organizations that address the barriers to entry for beginning farmers. These efforts include programs that link retiring farmers with beginning farmers; development of new, regionally appropriate transition and tenure models; and development of a National Farm Transition Network to strengthen existing programs and help to establish new programs throughout the country. The need for transition programs was affirmed by a South Dakota banker who said, "I think we need more shared (opportunities) —the guy who is trying to phase out cooperating with somebody trying to phase in. You load enough debt on a beginning farmer or a small farmer to take over a good-sized operation, and his risk of failure just goes through the roof. But if you've got a partnership between somebody who's trying to retire and someone who's trying to get in, the balance of that risk shifts a bit."[68]

Access to capital is a critical component in establishing the next generation of farmers. One-fourth of young farmers (under 35) have a net worth of less than $100,000, well below what ERS classifies as necessary for a viable commercial farming operation of $500,000 in capital. Credit is one critical source for obtaining capital, but "about half of all young, low-equity farmers fail conventional underwriting standards and have difficulty obtaining commercial credit."[69] Instead of credit, young farmers often rely on renting land rather than purchasing. Landlords provide most of the real estate capital managed by beginning farmers. Merchants and equipment dealers are also an important source of operating credit for beginning farmers.

USDA assistance for beginning farmers has been primarily in the form of subsidized credit for operating costs and farm ownership. Beginning in 1992,

[67] Testimony received from Carlos Aguilar, Rural Development Center, Salinas, CA. In Washington, DC, on September 10, 1997.

[68] Testimony from Boyd Waara, Vice President, First National Bank in Philip, South Dakota, at August 22, 1997 Public Meeting of the National Commission on Small Farms.

[69] Issues in Agriculture and Rural Finance / AIB-724-04. Economic Research Service, USDA. August 1996. p. 2.

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FSA initiated a downpayment loan program for beginning farmers to purchase land. A beginning farmer can make a downpayment of 10 percent for a farm purchase and FSA will finance 30 percent of the purchase at a subsidized interest rate. Another lender finances the remaining portion, which can be guaranteed by FSA.

The 1996 FAIR Act created additional opportunities for assisting beginning farmers with access to credit. The downpayment guarantee was increased to 95 percent. Beginning farmers are eligible to participate in the joint financing program for farm ownership loans where FSA can provide half the financing of a farm purchase at no less than 4 percent interest. Another lender provides the remaining financing that can be guaranteed 90 percent by FSA. The FAIR Act targets 70 percent of direct farm ownership loans to beginning farmers, 60 percent of which is to be used for downpayment loans. Beginning farmers also have priority in purchasing farmland from FSA inventory.

The South Dakota banker also expressed caution in assuming that access to credit will solve the entry barriers for beginning farmers, noting, "... it is unwise and unhealthy to substitute credit, even if it's subsidized credit, for income."[70] Debt without certainty of income can prove to be a disastrous venture for beginning farmers. While recent changes in USDA credit policy have shifted attention to beginning farmers, non-credit programmatic efforts are needed to create greater economic opportunity for beginning farmers. Initiatives to assist beginning farmers are needed to tailor research, extension, and marketing assistance to the needs of new entrants.

Tax policy plays a critical role in the transfer of farmland, private woodlands, and other assets from one generation to the next. Neal E. Harl, an Iowa State University agricultural economist, explains that taxes are part of an incentive system. As the level of taxes on assets changes, the incentives to invest or not invest in that asset are affected. With regard to the Taxpayer Relief Act of 1997, agriculture will be most affected by the reduction in capital gains tax rates and the creation of the family-owned business exemption.

Harl projects that different rates of tax for capital gains distort economic activity by encouraging people to invest in response to tax incentives rather than the market and will be used for the primary purpose of tax sheltering. The recent capital gains changes will not "unlock" assets, according to Harl, and will largely benefit the top 5 percent of taxpayers. He States that "the economic fortunes of this country over the next century are likely to be more dependent upon investment in human capital than investment in real capital assets. If we want to create an incentive, it's investment in people that will boost national income."[71]

[70] Testimony from Boyd Waara, Vice President, First National Bank in Philip, South Dakota, at August 22, 1997 Public Meeting of the National Commission on Small Farms.
[71] Harl, Neil E. Guide to the Taxpayer Relief Act of 1997 (Public Law 105-34) Signed August 5, 1997. Iowa State University p. 43-45.

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Beginning farmer eligibility requirements

The Commission heard of several cases where young people seeking FSA loans were denied because the eligibility requirements have been interpreted to discount the farming experience of young people who grew up farming with their parents, worked as hired farm labor, or received training through on-farm internships and apprenticeships. FSA's eligibility criteria for beginning farmers does not adequately take into account the on-farm experience of young potential farmers.

Recommendation 5.1

The Farm Service Agency Administrator should issue a national policy statement that clarifies and defines the documentation necessary to certify eligibility requirements for beginning farmers. The eligibility requirements should include specific allowance for persons raised on family farms or who have farm experience as hired farm labor or from internships and related training programs.

Farm transfer

Currently, if a farmer wishes to transfer the farm to his or her heirs and take some equity for retirement, the heirs must apply for and receive an acquisition loan with which to "buy out" their parent(s) and a separate operating loan. The process is cumbersome and frequently impossible because no credit is given for the fact that the long-term operators are still, for all intents and purposes, engaged in supervising the farm operation. The heirs might have trouble qualifying under beginning farmer elibigility rules even though they have been actively engaged in operating the farm with their parents.

Recommendation 5.2

Both the Farm Service Agency and the Farm Credit system (FCS) should streamline and facilitate improved transfer and assumption programs of existing FSA and FCS loans between family members to improve transferring farms from one generation to another.

First Time Farmer Bonds

Tax-exempt bonds issued by States, called First Time Farmer Bonds, are used in approximately 30 States for the backing of low-interest farm ownership loans for beginning farmers. However, the potential of these programs to help new farmers enter farming has been limited due to the size of these programs. In addition, First Time Farmer Bonds are a small part of the tax-exempt bonds that States use for economic development, but some of the most successful bond programs are bumping up against their caps. The potential of these programs could be expanded through legislative changes.

Recommendation 5.3

Congress should authorize the Farm Service Agency to guarantee tax-exempt First Time Farmer Bonds used to make loans to beginning farmers and ranchers. Certain agricultural bonds should be exempt from the industrial revenue bond cap each State has under Federal regulations. These bonds should be allowed for use in seller-financed transactions between family members.

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Farm Credit System

The Farm Credit System, as a government-sponsored enterprise, is required by law to provide credit and financial services to beginning and small farmers. However, the law does not specify any target levels or accountability to ensure that FCS is serving the needs of these farmers. FCS has a poor record of lending to small, limited-resource, beginning, and minority farmers. USDA-ERS analysis shows that FCS primarily lends to older and well-established farmers. In 1994, only 4 percent of FCS debt was held by farmers under the age of 36, compared to a national share of 14 percent debt owed by young farmers.[72]

Recommendation 5.4

The Commission strongly encourages the Farm Credit System to do a better job providing financing to low-equity farmers across the country. USDA must review carefully and undertake necessary changes to its guaranteed lending programs for FCS institutions to more fully utilize guaranteed lending opportunities. Congress should enact legislation requiring that at least 15 percent of the Farm Credit System borrowers include low-equity, beginning farmers annually. This legislation could be modeled after the lending requirements placed on Fannie Mae and Freddie Mac to serve low-income borrowers and underserved communities.

Beginning farmer development

The National Farm Transition Network as well as the Rural Development Center in Salinas, California, are models that should be replicated throughout the country for the purpose of providing farmworkers and beginning farmers with the information, technical assistance, mentoring, and training needed to make a successful start in farming.

Recommendation 5.5

USDA should develop a new Beginning Farmer Development Program to support the establishment of multiple beginning farmer training and assistance centers throughout the country. The centers should be formed as collaborations among community-based organizations, in particular, the farm link programs of the National Farm Transition Network, land-grant universities, philanthropic foundations, and private sector organizations, such as banks and agricultural cooperatives. These centers would provide direct training in all aspects of farm management, and provide long-term support through mentoring programs with existing farmers and among peers. Five million dollars could be made available through the Fund for Rural America as a competitive grant for seed money to establish the centers. Funding could also be leveraged from existing USDA sources, such as the contract funding provided for FSA borrower training.

[72] Issues in Agriculture and Rural Finance / AIB-724-04. Economic Research Service, USDA. August 1996. p. 2.

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Beginning farmer grants

Beginning farmers can currently receive operating loans of up to $100,000, at a subsidized interest rate. This creates an incentive for beginning farmers to borrow and adopt capital-intensive approaches to farming. Instead of loans, a grant could be an alternative, cost-effective strategy for giving beginning farmers seed money to begin to build equity in a farming operation. The grants would enable beginning farmers to build equity and enter agriculture through lower capital approaches, using low-cost technologies such as hoop houses for swine production, and low-cost approaches such as leasing breeding herds for a share of the production. This approach would reduce risk of farm failure, because beginning farmers would focus on building equity rather than debt. It would create an incentive for saving and investment, rather than borrowing. It would eliminate the potential for large government losses due to default that come with loans.

Recommendation 5.6

The Farm Service Agency should seek legislative authority to create a Beginning Farmer Grant program for the purpose of supplying seed money for beginning farmers. FSA would make grants of up to $7,500 per year, for a maximum of $20,000 total over 5 years. The grants would require a 50 percent cash match by a beginning farmer, or supporting community members or organizations, such as community foundations. To qualify, the beginning farmer would have to meet FSA eligibility criteria as modified in *Recommendation* 5.1 and submit a suitable farm plan. Beginning farmers who recieve these grants would not be eligible for chattel or other FSA operating loans at the same time. Beginning farmers grants would be no more expensive than operating loans. In recent years, the cost to government for interest subsidies and loan losses on operating loans have averaged about $5,000 per borrower annually. The cost of a grant program would be comparable.

Tax policy

The last comprehensive study of the effects of tax policy on the structure of agriculture was conducted in the early 1980's as part of Secretary Bergland's structure of agriculture project. This research concluded that Federal tax policies altered the structure of agriculture by contributing to higher land prices, providing strong incentives for larger farm operations to grow, and by encouraging high-income taxpayers to invest in certain farming activities to shelter income. The tax code, as well as the structure of agriculture, has changed substantially since this research was completed. However, USDA has conducted little research concerning the ongoing effects of tax policies on farming opportunities and the structure of agriculture.

Recommendation 5.7

The Commission recommends that ERS coordinate a study through cooperative agreements with experts in agricultural tax law and farmland transfer. The study should include a review of the tax code to examine the effect of the current tax code on entry and exit from farming. The study should make recommendations to the President of the United States, the Secretary of Agriculture, the Secretary of the Treasury, and the Chairs of both the House and Senate Finance Committees on how the tax code can be changed to

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facilitate the transfer of land to a new generation of farmers. This review should be completed and a report prepared by December 1, 1998.

The study should examine ways to provide incentives to retiring farmers to assist new farmers in getting started. Considering the average advancing age of farmers in this country (now at 53+), the Commission recommends that the tax code be revised to exempt from taxation the first $10,000 of income from the lease of farmland, facilities, or equipment to a beginning farmer. The USDA definition of "beginning farmer" should be used.

In addition, the study should reconsider the taxation of profit resulting from depreciation recapture on equipment when the sale is under the installment method. Currently, the seller can often be in a situation where the amount of income tax due in the year of sale substantially exceeds the cash received from the sale in that same year when sold under installment. If this depreciation recapture were exempted from the immediate recognition requirement under the installment sale rules, for sales to beginning farmers only, the farmer would then be able to sell the farm with a small downpayment, and allow a new farmer, who usually lacks cash, to enter the business. This would allow the farmer to recognize the income and pay the tax ratably over the life of the mortgage as the principal payments are received. This would convert the sale of the farm into an income stream equivalent to a retirement annuity.

Because if it's a cost-prohibitive answer, it's no answer at all...

—Richard Edgar, Alabama

Farm entry strategies

In addition to accessing capital, another strategy for entry includes farming methods that require low capital investment to get started. There are fledgling efforts to design, test, and demonstrate these techniques and strategies, mostly among nonprofit organizations and farmers themselves, but intentional public support to research and develop less capital-intensive strategies is needed to provide economically conservative entry strategies for beginning farmers. Strategies are also needed to identify and develop high-value crop and livestock production systems and marketing infrastructure that will reward a beginning farmer for his or her labor and management skills.

Recommendation 5.8

USDA should launch an interagency Beginning Farmer Initiative dedicated to researching, developing, disseminating, and supporting farm management models that emphasize low capital investment, optimal use of skilled labor and management potential of beginning farmers, and high-value crop and livestock production and marketing methods. An interagency coordinating body should include representatives from ARS, CSREES, Cooperative Extension, ERS, NASS, AMS, NRCS, FS, FSA, RBS, and FAS. The USDA Beginning Farmer Advisory Board, authorized in the 1992 Farm Credit Improvement Act, should be appointed expeditiously in order to provide guidance and oversight in the development and delivery of this initiative. The board should include beginning farmers and farmworkers. This initiative should include:

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a) research and educational programs on low-capital options for getting started, innovative means of acquiring capital, business planning, farm management, and marketing skills;

b) outreach with educational forums for rural communities, about how they can support establishment of new small farms through strategies such as share leases, selling land on contract where the interest is tax exempt, trading of labor for use of equipment, and community-based financing; and

c) collaborative partnerships with community-based organizations, such as the Rural Development Center, and organizational members of the National Farm Transition Network, to train and assist beginning farmers.

Recommendation 5.9

The Secretary's one-third of the Fund for Rural America should include a focus to support beginning small farmers through research and education to strengthen small livestock farms; develop small farm marketing cooperatives and other marketing alternatives; and support State and regional networks and nonprofit farmlink programs.

Recommendation 5.10

The Economic Research Service, in cooperation with legal and financial experts, should conduct research and analysis to design alternative financial and legal methods for the transfer of farms from retiring to beginning farmers. In addition, this focus should utilize unbiased organizations to proactively encourage farm transfer to beginning and small farmers by assisting existing farmers in maintaining the farm asset value and productive potential throughout the life of the farm.

Cooperatives

Farmer-owned cooperatives hold promise as a means for farmers – both established and beginning – to assert greater control over the prices for their products and to retain a greater share of value added to raw commodities. To ensure the long-term viability of farm cooperatives and to enable the success of beginning farmers, efforts should be taken to include beginning farmers directly in co-op development. For example, one of the limitations of a closed cooperative is that when a farmer quits or dies, usually existing members buy the farmer's shares, and ownership gradually concentrates among a smaller number of existing larger farms instead of replenishing the membership with new farmers.

Recommendation 5.11

USDA's Rural Business-Cooperative Service should research and develop means for cooperatives to enable new small farmers to join cooperatives, to ensure that control remains dispersed. For example, cooperatives could have a plan for allocating a portion of freed-up shares to beginning farmers. Beginning farmers would be given an opportunity to purchase the stock before existing members. In addition, the cooperative could also provide beginning

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Small farms have a role in urban and suburban areas as well as the traditional view of rural areas. Small farms have a role in preserving some of the farmland that's rapidly disappearing.

– John Fawcett-Long, Washington.

farmers a means to finance or assist in the financing of the stock purchase. USDA should emphasize means to include beginning farmer participation in its assistance to new and existing cooperatives.

USDA's Rural Business-Cooperative Services should also research and develop cooperative models that address the barriers beginning farmers face, particularly models that would ease the high cost of initial capital investment. For example, a farmer from North Dakota proposed the idea of an Op-Co, an operational cooperative. The Op-Co would involve the allocation of farm management operations among several farmers. One farmer might specialize in marketing, another in purchasing, one in bookkeeping, and another in management. This model could also include sharing or joint ownership of equipment and facilities. A feasibility study of this model should be completed and publicized.

Farmland preservation

Land continues to be developed for non-agricultural uses in areas of high agricultural production. According to an American Farmland Trust study, the United States is converting a total of about 1 million acres of farmland per year to other uses.[73] Testimony from the Puget Sound Land Trust in Portland indicated that where farmland is being threatened by development pressure, it "has a very profound effect on small farmers, both those who are in farming now and want to stay in farming, but are facing development pressure from suburbs and subdivisions growing up around them, and people who want to get into farming and are trying to compete with land speculators to buy farmland."[74] Efforts to preserve farmland are critical to enabling the next generation of farmers to enter farming. Assessments of farmland eligible for preservation assistance should include the potential of transition of the farm to a beginning farmer.

Recommendation 5.12

USDA should identify priority factors for farmland preservation, including, but not limited to, soil types and the potential transition of a farm to a beginning farmer. These factors should be shared with counties for use in decisions about land zoning.

Recommendation 5.13

The Natural Resources Conservation Service should consider expanding the Farmland Preservation Program to include matching grants to nonprofit land trusts. Land trust organizations have experience and expertise and contacts with local landowners. Land trusts work with low overhead and effectively extend their budgets to get the most results for the smallest amount of money, making limited Federal dollars go further.

[73] American Farmland Trust, *Saving American Farmland: What Works*, July 1997, p. 3.
[74] Testimony of Melinda McBride, Puget Sound Farm Trust, Seattle, WA, at public meeting, Portland, OR, September 5, 1997.

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Policy Goal 6
Emphasize Sustainable Agriculture as a Profitable, Ecological and Socially Sound Strategy for Small Farms

Small family farms have kept our water pure, our environment clean, for over a hundred years. Factory livestock farming and corporate farming could end all of that.

- Bob Weber, South Dakota

Sustainable agriculture integrates three main goals – environmental health, economic profitability, and social and economic equity.[75] Farming systems that simultaneously pursue these three goals hold great potential for maintaining the viability of small farms, and they contribute to the well-being of rural communities and stewardship of our natural resources.

At the Washington, DC, public meeting, an Illinois farmer who raises over six different grain crops pointed out that "a great deal of effort, in both the private and public sectors, has gone into developing technologies, products and marketing structures that require farmers to spend more money on capital-intensive systems to produce raw commodities on a large scale, often at a great harm to the natural environment." This farmer went on to recommend that USDA focus its resources instead on the development of farm management systems and technologies "to enable farmers to develop farming systems which use their management and labor to produce higher value products in ways consistent with long-term environmental enhancement and higher returns per acre."[76]

The underlying trend toward small farm decline reflects fundamental technological and market changes. Simply put, conventional agriculture adds less and less value to food and fiber on the farm and more and more in the input and post-harvest sectors. We spend more on capital and inputs to enable fewer people to produce the Nation's food and look primarily to off-farm processing to produce higher value products. Sustainable agriculture strives to change this trend by developing knowledge and strategies by which farmers can capture a larger share of the agricultural dollar by using their management and skills to cut capital and input costs — so a large share of the prices they receive for their products remain in their own pockets — and by producing products of higher value right on the farm.

The stewardship goal of sustainable agriculture recognizes farming's impact on, and contribution to, environmental quality. Sustainable agriculture emphasizes farming practices, technologies, and management systems that protect water quality, create habitat for wildlife, improve soil quality, and reduce reliance on non-renewable energy sources. The specific farming practices chosen by individual farmers are highly dependent on the farm topography, climate, pest populations, soil characteristics, on-farm availability of resources and the farmer's goals for his or her family. While the practices will vary from farm to farm, the principles of sustainable farming systems are:

[75] "What is Sustainable Agriculture?" University of California Sustainable Agriculture Research and Education Program. December, 1991, p. 1.
[76] Testimony presented by Kevin Brussell, at Washington, DC, public meeting, September 10, 1997.

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- Selection of species and varieties that are well suited to the site and conditions on the farm;
- Diversification of crops and livestock and farming practices to enhance the biological and economic stability of the farm;
- Management of the soil to enhance and protect soil quality;
- Efficient and humane use of inputs; and
- Consideration of farmers' goals and lifestyle choices.[77]

Diversification enables small farm operators to spread economic risk. At the same time, diversification can provide biological assets to maximize on-farm resources, thus lowering the cost of production. Crop rotation and use of cover crops can provide additional sources of crop diversity, while at the same time suppressing weeds, soil pathogens, and insects. In farming systems that mix crop and livestock production, this diversity allows for rotation of forage and grain crops to enhance soil quality and control erosion, utilize livestock manure as a crop nutrient, and make more efficient use of farm labor. Sustainable farming systems provide small farmers a means to develop efficient, biologically based systems that rely less on purchased inputs and yield greater returns to a farmer's ingenuity and management skills.

In addition to cutting production costs as a means to attain the profitability goal of sustainable agriculture, marketing strategies are also needed that allow farmers to gain a greater return on the value of their products. This includes direct marketing, value-added processing, and production of high-value crops that command market premiums, like those enjoyed by organic foods.

SARE research results

Sustainable agriculture research and education information is not sufficiently available. The research results and new information generated through the USDA-CSREES Sustainable Agriculture Research and Education (SARE) competitive grant program provides valuable management strategies and farming practices for small farms. However, the widespread usefulness and application of these results are limited because sustainable agriculture represents only a fraction of USDA's research and extension funding. For example, a cotton farmer from Alabama told the Commission about the great interest in conducting on-farm research.[78] Out of 101 applications for producer grants in the Southern region, grant awards were made to only 19 applicants due to limited funds. Sustainable agriculture research and education should be given a higher priority for funding (see also Policy Goal 7, *Recommendation 7.1*). At the same time, USDA can do more to supply farmers with the information and research results from past and current SARE research.

[77] "What is Sustainable Agriculture?" University of California Sustainable Agriculture Research and Education Program. December, 1991, p. 1.
[78] Testimony of Richard Edgar, Alabama Farmers Federation, Deatsville, AL, at public meeting, Memphis, TN. July 28, 1997.

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Recommendation 6.1

The USDA Office of Communications, working in cooperation with the new Office of Outreach, CSREES, ERS, NRCS, FSA, Forest Service, Cooperative Extension, RBS, and AMS, should develop and conduct a communications campaign to inform farmers of the new farming systems, strategies, practices, and technologies emerging from the 10 years of SARE research. The communications campaign should emphasize those strategies that reduce production costs, make more efficient use of biological assets, diversify economic risk, and earn a higher value for farm products. The campaign could include: placement of articles in farm magazines, presentations to the National Farm Broadcasters, farmer profiles in USDA publications and agency newsletters, and radio stories or Public Service Announcements about SARE research results. USDA field agency staff of NRCS and FSA, as well as Cooperative Extension, should also be targeted to receive SARE research results so that they can provide small farmers with the latest production research to improve farm profitability.

Recommendation 6.2

Cooperative Extension, NRCS, and FSA field staff should identify places where small farms have particularly high reliance on pesticide and nutrient use. Targeted outreach would provide small farmers in those regions with information and technical assistance on sustainable agriculture practices.

Recommendation 6.3

USDA's Office of Communications, in cooperation with the new Office of Outreach, AMS, ARS, CSREES, ERS, NRCS, and FSA, should develop a communications effort on organic farming to coincide with the publication of the final rule for the National Organic Standards. The communications campaign should target consumers to explain what organic food is and how it is produced. It should also target farmers – those who are currently growing organic crops and livestock and those who are potentially interested. In addition to explaining the new standards, the campaign should include information on how to make the transition to organic production and where to get information and assistance.

Recommendation 6.4

The USDA Office of Outreach, with leadership from the USDA Director of Sustainable Development, should work closely with the President's Commission on Sustainable Development (PCSD), linking citizens interested in sustainable development, (often limited in scope to urban and metropolitan issues), with sustainable agriculture and farmers. Through the PCSD's interaction with the Joint Center for Sustainable Communities, the USDA Director of Sustainable Development should develop linkages with those county and city governments interested in sustainable development and agriculture, supporting their efforts to link urban leaders, and thereby urban consumers, with farmers who are producing products with attention to stewardship of our natural resources. The Office of Outreach, RBS, CSREES, and AMS should be involved with the planning of PCSD's upcoming National Conference on Sustainable Development to ensure that involved citizens, urban leaders, rural

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and community development officials, and non-governmental organizations understand and develop linkages between sustainable communities and sustainable agriculture.

Recommendation 6.5

The Cooperative State Research, Education, and Extension Service should encourage land-grant university colleges of agriculture to offer courses in sustainable agriculture and organic farming as electives for degrees in agriculture.

Public lands grazing

Traditionally, communal grazing rights were granted under Colonial Spanish and Mexican land grants and have been utilized for over three centuries. Due to the climatic conditions of the arid Southwest, livestock grazing was practical and deemed essential for the survival of the people. The United States Government, under the Treaty of Guadalupe Hidalgo, accepted and guaranteed these rights to the descendants of the grantees. Many of these lands are now held in trust by the USDA Forest Service and the Department of the Interior's Bureau of Land Management, which provide permitees with livestock grazing rights. American Indians and other small ranchers in the West also depend on public lands for grazing. Small and traditionally undeserved ranchers still depend — in most cases completely – on these traditional lands for livestock grazing to remain economically viable.

Livestock grazing plays an important role in maintaining a balanced ecosystem. Many lands are not suitable for crop production and must be managed and maintained as traditional savanna grasslands. Livestock grazing, along with other management tools (e.g., controlled burns), maintains the vitality of savanna grasslands by suppressing the encroachment of woody shrubs and trees, enhancing native grass species, improving wildlife habitat, and contributing to biological diversity.

Livestock grazing permits have come under opposition because of increased public land use competition and some groups desire to eliminate livestock grazing from public lands. This controversy has led to a tangle of lawsuits against public agencies, questioning their upholding the Endangered Species Act. A recent court injunction could mean the removal of thousands of cattle from national grazing allotments in the Southwest. For thousands of small ranchers, traditional access to public lands for grazing is critical to their economic livelihood.

Over the past 50 years, 35 – 60 percent of traditional savanna grasslands in many of the Southwestern public lands have been lost due to woody plant encroachment and dense stands of coniferous trees. This dense overgrowth has shaded out plant and wildlife diversity on these public lands. In addition, wildlife ungulate species (elk) have been allowed to increase without regard to range carrying capacity. Public land managers have adjusted range carrying capacity by reducing livestock stocking rates (permits) for the small ranch

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permittee, thus causing additional economic hardship to the small ranchers. A sustainable and viable ecosystem can only come about with balances, and not at the expense of the small and traditionally underserved farmers and ranchers.

Recommendation 6.6

The Secretary of Agriculture should support legislative initiatives and administrative policy that recognizes and preserves the grazing and water use rights of the small and traditionally underserved public land permittee as was granted through the Treaty of Guadalupe Hidalgo. USDA should support legislation that is now being introduced to establish a commission to investigate individual rights of land grants and the legal rights given through U.S. treaty to the small and traditionally underserved farmers and ranchers.

Recommendation 6.7

The Economic Research Service should conduct economic impact studies determining the importance of livestock grazing on public lands and the importance to rural economies.

Recommendation 6.8

Reductions in grazing permits should be suspended on U.S. Forest Service allotments while plans are designed to enact sustainable system practices, including conservation improvements (controlled burns, water distribution improvement, reseeding, crossfencing, proper wildlife distribution, etc). Special attention and assistance should be given to public land permittees who wish to develop "grassbank" allotments on unused, underused, and newly acquired public lands. These "grassbanks" can be utilized by permittees while their allotments are undergoing conservation improvement.

Recommendation 6.9

Public land agencies should develop Coordinated Resource Management Teams for those interested in the use of public lands, to develop management plan objectives and seek solutions to the problems facing the multiple use of public lands. These consortiums should consist of the USDA Forest Service, the Department of the Interior's Bureau of Land Management and U.S. Fish and Wildlife Service, farmers, ranchers, environmental groups, recreational enthusiasts, State wildlife departments, and private foundations.

Recommendation 6.10

The USDA Forest Service should use 100 percent of grazing fees to fund conservation programs within the district of origin (where the fees were collected). The Forest Service and other appropriate agencies should continue to provide reliable and credible science in managing public lands and in preparation for future litigation concerning the Endangered Species and the Clean Water Acts. A full-time, sustainable technical force should be in place to provide ongoing research in the monitoring and management of public lands.

Farm revenue insurance

Federal farm revenue insurance programs discriminate against farmers using rotational cropping practices by limiting coverage to a few major crops. Such farmers use diversification, including crop and livestock integration, as a core part of their production system. Thus, much of their production is not eligible

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for revenue insurance as currently structured and the program is far less useful to them than to farmers who produce only major crops eligible for coverage.

Recommendation 6.11

USDA's Risk Management Agency should develop an affordable Whole Farm Revenue Insurance pilot project for diversified small farms using sustainable farming practices. However, participants in the pilot project would be eligible for no more than $250,000 worth of whole farm revenue insurance. The proposed insurance would provide protection against losses relative to whole farm income based on reasonable price and yield projections.

EQIP

The 1996 FAIR Act consolidated the conservation cost-share programs into the Environmental Quality Improvement Program (EQIP). Half of EQIP is to be used for livestock manure management. Large, confined livestock operations are prohibited from accessing EQIP funds for the construction of animal waste storage or treatment facilities. The regulations define a large, confined livestock operation as one with more than 1,000 animal units; however, each State NRCS State Conservationist, after consultation with the State Technical Committee, has the flexibility to modify this national standard to meet each States' conservation needs. The waiver must by approved by the chief of the NRCS.

Recommendation 6.12

The Commission urges the Chief of the NRCS to exercise restraint in approving exceptions to the 1,000-animal-units eligibility limit on EQIP funding for manure storage structures, taking into consideration the impact of subsidizing large farm expansion on income and opportunities for small farms.

USDA as an advocate

Certain laws not administered by USDA can have a direct influence on the viability of small farm operators. USDA should represent the interests of small farms before other Federal agencies and Congress to ensure that the needs of small farms are understood.

Recommendation 6.13

As Congress considers reauthorization of the Endangered Species Act and other natural resource laws administered by other Federal agencies, the Secretary of Agriculture should provide information to Congress on any impact that they may have on the needs and rights of small farm and ranch operators. The Secretary should advocate means to provide incentives to small farm and ranch operators for recovery of endangered species and preservation of natural resources in general.

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Agroforestry

Agroforestry offers small farm operators a means for economic diversification, windbreaks, biological diversity, and habitat for wildlife. USDA Extension, conservation, and forestry services should make greater efforts to promote and support agroforestry as part of an economic and ecological strategy for a healthy agriculture.

Recommendation 6.14

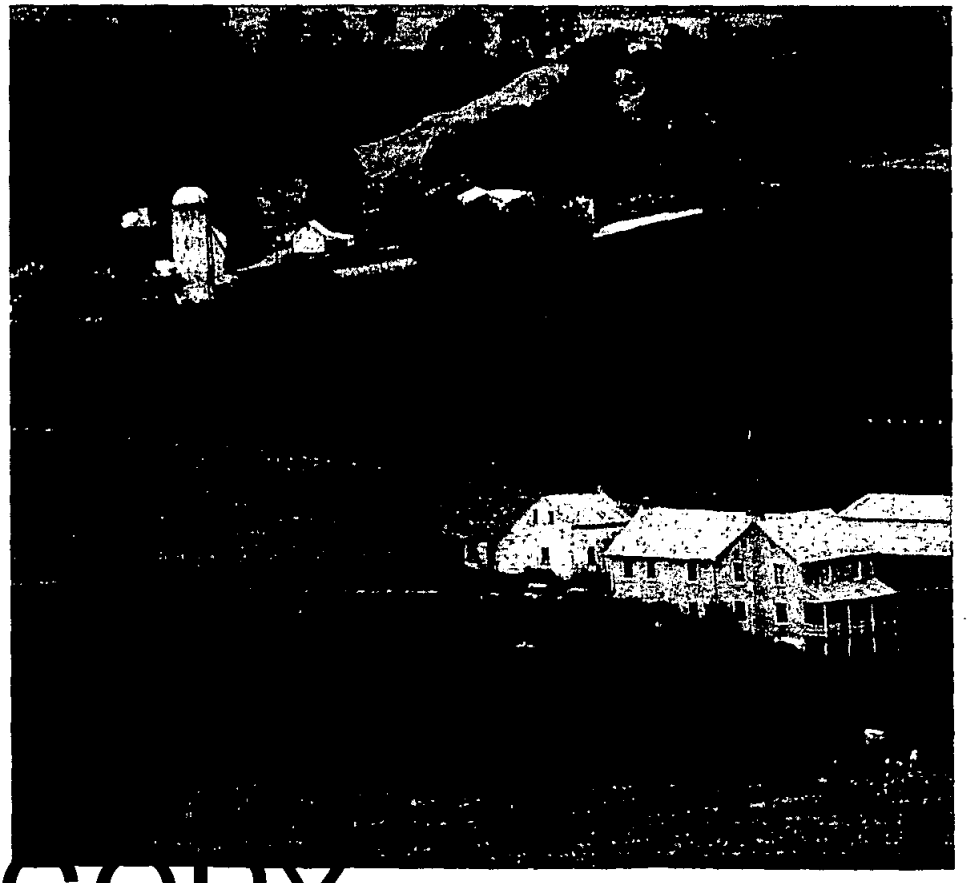
The Cooperative State Research, Education, and Extension Service and the Forest Service should sponsor a series of regional pilot projects that will demonstrate forestry opportunities for small farms and ranches. These pilot projects should demonstrate the concept of sustainable forestry on limited-acreage farms and ranches.

Recommendation 6.15

The Natural Resources Conservation Service should implement a policy that will result in the inclusion of potential commercial values of timber and woodlots in every farm plan. Such documentation is needed to prove loss of property to the Internal Revenue Service in the event of natural disasters.

Recommendation 6.16

USDA's Risk Management Agency should expeditiously investigate and develop new insurance policies for emerging products such as containerized nursery plants, Christmas trees, and other nursery products.



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Policy Goal 7
Dedicate Budget Resources to Strengthen the Competitive Position of Small Farms in American Agriculture

Attention needs to be given to the fact that the small farmer, the crops that he grows are just as important to him as the cotton is to the large farmer.

– Melvin Crum, South Carolina.

USDA has several programs that work very effectively to the benefit of small farms. However, the potential for these programs to serve a greater number of small farms is stymied by funding constraints. Budget cuts over the last several years, particularly to FSA's direct lending programs, have restricted credit availability to minority and limited-resource farms. USDA, through the President's annual budget request, and Congress, through its annual appropriations process, can demonstrate their commitment to small farm vitality by reallocating and/or increasing funds to existing programs that best meet the needs of small farmers.

Recommendation 7.1

Increase appropriations for the Sustainable Agriculture Research and Education (SARE) program by $10 million each year over 3 years to reach its authorized funding level of $40 million. The SARE Chapter 3, Professional Development Training Program, should be funded at $10 million. The funding increase should be specifically tailored to small farm research and education needs, on-farm research and farmer-to-farmer networking as means of technology transfer. Particular attention should be given to traditionally underserved farmers. Currently funded at $8 million, SARE can only fund 17 percent of the projects proposed. The SARE Producer Grants, awarded to farmers to design and conduct their own on-farm research and extend their results to other farmers, are especially popular and have proven effective at creating low-cost production and marketing innovations.

Recommendation 7.2

Increase the Appropriate Technology Transfer for Rural Areas (ATTRA) program appropriations to $3 million. With its toll-free number, ATTRA staff respond to production and marketing questions from across the Nation, mostly from small farms. ATTRA serves as a "crop consultant" that larger farmers can afford to hire. While ATTRA has operated at $1.3 million over the last 6 years, requests for assistance have more than tripled.

Recommendation 7.3

Increase the Outreach and Technical Assistance Program for Socially Disadvantaged/Minority Farmers (Sec. 2501 program) to the current authorized level of $10 million annually through the year 2002 to conduct effective outreach and farm management assistance. The Secretary should request an increase in the authorization for appropriations to $15 million in 2002 and $20 million by 2004.

Recommendation 7.4

The President's Budget should request that Congress appropriate the maximum authorized levels of $85 million per year in Farm Ownership Direct Loans and $500 million per year in Farm Operating Direct Loans.

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Recommendation 7.5

Increase CSREES Smith-Lever Formula Funding (3c) for the Small and Part-Time Farmer program from $2.25 million to $10 million by 2000. The Department should hold each State accountable for its portion and document how funds were spent for purposes of small farms. Funding should increase to $15 million by 2004 and keep pace with inflation.

Recommendation 7.6

The Rural Technology and Cooperative Development Center Grant Program should be increased by $10 million annually up to $20 million. The authorization is set at $50 million, but funding has never exceeded $1.7 million. The program is administered as a competitive grant for non-profit educational institutions and community-based organizations for cooperative development, training, and operations on behalf of low- and moderate-income people in rural communities. This program is one of the few that supports rural cooperative development at the grassroots level.

Recommendation 7.7

The Federal-State Marketing Improvement Program (FSMIP) funding should be increased from its current level of $1.2 million to $3 million annually. FSMIP has been an effective source of funding for feasibility studies, market research, product development, and marketing innovations in partnership with State-level organizations, such as State departments of agriculture and community-based organizations. Funding increases should be targeted to niche market development appropriate for small farms.

Recommendation 7.8

Funding for the Grain Inspection, Packers and Stockyards Administration is critical to investigation of concentration in livestock markets. The President's Budget should repeat its request for $3 million for the agency reorganization and $1.65 million and 20 additional staff for increased economic, statistical, and legal expertise to pursue investigations of packer competition and structure of the livestock industry. In addition, $750,000 and 10 additional staff should be requested and appropriated for investigation into unfair market practices in the poultry industry. The agency must have additional economic and legal expertise if it is more aggressively to pursue anti-competitive practices related to industry concentration.

Recommendation 7.9

The Fund for Rural America should be made a permanent program with funding at $100 million annually. The Secretary's discretionary funding should be directed to the following priorities:

- The Cooperative Value-Added Program should be continued, with priority given to project proposals involving the development of small farm cooperatives.
- Outreach and Technical Assistance Program for Socially Disadvantaged/ Minority Farmers (Sec. 2501 program), in FY 1999 to bring the funding level up to $10 million if it does not receive full funding through appropriations.
- Research and extension to support beginning farmers, including the development of low-cost livestock systems, small farm marketing cooperatives, and support for State and regional networks or centers to support beginning farmers.

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In addition, the Rural Development portion of the Fund should include at least $10 million for the Rural Business Enterprise Grant program for the purposes of funding feasibility studies and development of innovative marketing strategies for small farms. In addition, $3 million for RBEG could be programmed to fund technical assistance programs for nonprofit and State organizations to link retiring farmers with beginning farmers for cost-effective transitions of farms from older to younger generations.

Recommendation 7.10

USDA has released the proposed National Organic Standards, with full implementation expected to occur sometime in 1998. Organic farming has given innovative small farmers an opportunity to enjoy price premiums in one of the fastest growing segments of the food industry. Effective certification and enforcement of the national standards will be critical to maintaining the integrity of organic products, consumer confidence in the organic label, and fair market access to what will continue to be an expanding market with the entrance of large food processing firms. Funding should be provided at $2 million per year for the National Organic Program to support the implementation and on going administration of the national standards.

Recommendation 7.11

The WIC/Farmers Market Nutrition Program funding should be increased to $25 million annually in future budget requests and appropriations. This program allows WIC recipients to redeem their WIC coupons for fresh produce at farmers markets. Now operating in 30 States, Washington, DC, and two Tribal nations, this program provided $9 million in revenue to 8,250 farmers in 1996. With the increased funding, the program will be expanded to more States and farmers will gain more WIC customers at farmers markets.

Recommendation 7.12

Funding for the Farmworker Housing Program should be increased to $50 million. Rural Housing Service farmworker housing funds should be directed to community-based farmworker organizations that have a community development corporation component. Program rules and regulations should be altered to allow more innovation and flexibility, and to leverage other potential sources of support in constructing farmworker housing units.

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Recommendation 7.13

The Commission recommends that the Forestry Incentive Program be revitalized and funded at the previous higher levels. Funding should be increased to $6.62 million.

Recommendation 7.14

Funding of the Forest Stewardship Program should be increased to $27.5 million. The increased funding should be targeted to assisting small farm operators and small woodlot owners.

Recommendation 7.15

Funding for the Stewardship Incentive Program should be increased to $10 million annually. This program provides cost-sharing for nine different forestry practices, including riparian and wetland protection, fisheries habitat enhancement, and forest recreation enhancement.

Recommendation 7.16

The Renewable Resources Extension Act should be funded at a level of $6 million annually. Education is an important aspect of all forestry and farm management, and the continued erosion of the Extension budget has had serious negative outcomes at the State and local levels.

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Policy Goal 8
Provide Just and Humane Working Conditions for All People Engaged in Production Agriculture

Because the large corporations pay lower wages, it's hard for the small farmers who pay better and invest more in their workers—It's hard for them to compete with the corporations who can produce for lower costs.

– Tirso Moreno, Florida

The Commission heard testimony from representatives of farmworker organizations who articulated interests that were common among farmworkers and small farmers. In particular, large farm operators and agribusinesses have unfair advantages because "employer costs have been reduced by the partial or total exclusion of agricultural workers from coverage under key labor laws." In addition, "the authorized importation of foreign workers for agricultural work (H2A program),[79] by adding workers to the pool of available labor, has helped keep wages for agricultural workers, and thus labor costs for agricultural producers, below what they would have been without such interventions."[80]

This creates an atmosphere where farmworkers can be subject to unsafe working conditions, substandard living conditions, and lack of worker protection and safety nets available to most U.S. wage laborers. Because large farm operators who hire farmworkers are exempt from some national labor laws, their "economies of scale" are deceivingly greater than they appear and "competitiveness" is supported by government-sanctioned access to low-wage labor. The benefits received by large farm operators come at the expense of the farmworker and small farmer who cannot compete with large farms because they have access to cheap labor.

Small farm operators cannot pay themselves a middle class income for their own labor and compete with farms that minimize labor costs by paying farmworkers less than a living wage. Ultimately, small farmers will earn fair incomes only if farmworkers on large farms are paid fair incomes.

It is critical to recognize the basic human rights of all agricultural workers (including small farm operators personally engaged in agricultural production, as well as farmworkers) to be treated with respect and be able to earn a decent income to support family members and provide for decent housing, living conditions, education, health care, and continuing income for the elderly and disabled.

Farmworker protection

The need for concern surrounding the treatment of farmworkers is well documented and analyzed. Many of the recommendations outlined below resemble recommendations made by the Commission on Agricultural Workers in its November 1992 report to Congress.[81] The Civil Rights Action Team articulated six recommendations for USDA to act on to improve the working

[79] H2A refers to the existing temporary foreign worker program that allows the temporary admission of foreign workers to fill farm labor shortages in the U.S.
[80] Report of the Commission on Agricultural Workers. November. 1992. U.S. GPO: 1993 O-332-456:QL 3. The Commission report was authorized by Section 304 of the Immigration Reform and Control Act of 1986. p. 36.
[81] Ibid. p.xix-xxxi.

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conditions of farmworkers. Now, it is important for USDA, under the leadership of the Secretary of Agriculture, to work with other relevant Federal agencies to take action on these and previous recommendations.

There is a lack of a common policy on farmworker protection laws from those government agencies charged with protecting farmworkers. This void has hampered the ability of the regulatory agencies to develop adequate farmworker protection laws and to effectively implement and enforce the laws. Historically, these agencies have not involved farmworkers in the process of developing, implementing, and enforcing the laws. A concerted effort from all government agencies involved, dealing directly with the farmworker community, needs to occur in order to address the issues of respect and dignity for this community.

Recommendation 8.1

The Secretary of Agriculture should implement the Civil Rights Action Team Report (CRAT) Recommendation No. 60: "to establish an initiative to address the needs of farmworkers that could be addressed through USDA programs." While various ideas and plans have been discussed, action on this initiative has yet to occur. Action should be taken on this initiative as soon as possible. The initiative should include the following components:

a) The Secretary of Agriculture should request authority from the President to establish an interdepartmental task force, with USDA as the lead agency, to address laws, regulations, and enforcement of regulations affecting farmworkers. The task force should consist of, but not be limited to: USDA, the Departments of Labor, Health and Human Services, Education, as well as the Environmental Protection Agency, Internal Revenue Service (IRS), and Immigration and Naturalization Service. It is recommended that the task force address, but not be limited to, the following issues:

- elimination of employer exemptions for agribusinesses and large farm operators. Large farm operators need to be held accountable for paying a decent wage, overtime, compensation insurance,[82] compliance with Occupational Safety and Health Administration (OSHA) regulations, and other labor laws.
- repeal of the H2A foreign guest agricultural worker program.
- development of specific OSHA standards to protect the health and safety of agricultural workers.
- inclusion of agricultural workers in the unemployment insurance compensation laws.[83]
- inclusion of all agricultural employment in the computations of

[82] Ibid. p. xxviii.
[83] Ibid. p. xxviii.

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individual employee base period earnings. Allow farmworkers to document their past quarters of earnings for Social Security purposes without late penalties. Prohibit the IRS from pursuing claims for unpaid taxes against farmworkers when agricultural employers fail to report wages or pay taxes prior to the most recent 3-year period.

- provide assistance to small farm operators to comply with minimum labor standards. Continue exemptions for small farm operators with fewer than four employees. All Federal Insurance Compensation Act (FICA) earnings and taxes should be the direct responsibility of the farm operator.
- collaboration among USDA, EPA, and Labor to protect the health and safety of farmworkers, particularly as it relates to the issue of pesticides.
- inclusion of farmworkers under protections afforded workers by the National Labor Relations Board.

As the task force addresses the above issues, they should give attention to how small farms will be affected.

b) A Farmworker Coordinator position should be created within the new USDA Office of Outreach. Candidates for the USDA Farm Worker Coordinator position should be solicited from community-based farmworker organizations. The Coordinator should immediately begin arranging regularly scheduled listening sessions between USDA, the interdepartmental task force, and farmworkers.

c) Satellite or mobile offices should be established in communities where high populations of farmworkers reside in order to reach farmworkers with limited transportation access. The offices should be jointly staffed and funded by the Federal agencies involved in the interdepartmental task force. Staff should be bilingual and have farmworker experience. Culturally appropriate educational and technical assistance publications in the language of the farmworkers should be made available on issues such as pesticide safety and health care services.

d) The Cooperative State Research, Education, and Extension Service and the Rural Business-Cooperative Service staff, along with the Farmworker Coordinator and farmworker organizations, should conduct a feasibility study to research and design "farmworker harvesting" cooperatives. Such a cooperative would be designed to match the job skills of agricultural workers with employers as an alternative to the system of farm labor contractors. The cooperative would serve the functions of recruitment, employment, and transportation of farmworkers. The cooperative could also provide job training programs for individuals interested in learning skilled agricultural techniques.

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e) USDA, either through its own competitive grants program or in collaboration with other Federal agencies, should conduct research to investigate the impact of pesticides on farmworkers and mitigation of those impacts. Farmworkers have historically been neglected in past studies, as evidenced by the recent collaboration between the Environmental Protection Agency, the National Cancer Institute (NCI), and the National Institute of Environmental Health Sciences' (NIEHS) $15 million, 10-year epidemiological study on farm family health. This important study excluded Hispanic farmworkers, who make up 70 percent of seasonal and 91 percent of the migrant agricultural labor force. In addition, researchers should collaborate with and provide financial support for community-based research by people directly affected by pesticides, such as small farmers and farmworkers. Resources are needed to encourage collaboration in order for the land-grant universities and colleges to work more closely with community-based farmworker organizations on issues related to farmworkers and pesticides. The Fund for Rural America should strongly consider issues relating to farmworkers and proposals submitted by farmworker organizations that directly work with this underserved USDA constituency.

Recommendation 8.2

The Commission endorses CRAT recommendations 61, 62, 63, and 64 and suggests continued progress toward implementation of the recommendations:

CRAT Recommendation No. 61: *"Enforce the requirement that those who use "restrictive use pesticides" keep records of the application of their products."* Top priority should be given to farms that employ farmworkers.

CRAT Recommendation No. 62: *"Immediately provide pesticide information to health care providers treating pesticide-related illnesses."* Congress should appropriate the $3.5 million requested by CSREES for updating and maintaining the Extension Toxicology Network database. The national computerized pesticide recordkeeping network on restricted use pesticides should be accessible to all health care professionals treating pesticide-related illnesses. Training should be provided for community health care providers in the diagnosis, treatment, and proper reporting of pesticide and other work-related illnesses in communities with high farm worker populations. This training should be conducted in collaboration with farmworker organizations that are familiar with pesticide practices and the accompanying symptoms exhibited from pesticide exposure. This combination of information and training will ensure that quality medical care is being provided to farmworkers as well as small farm operators.

CRAT Recommendation No. 63: *"Require USDA to use this information to prepare comprehensive annual pesticide use reports, as mandated in the 1990 and 1996 farm legislation."* Currently, it is extremely difficult to get an accurate account of pesticides used in States other than California. This mandate was included in both the 1990 and 1996 farm bills and needs to be implemented now. Congress should appropriate the $2 million increase

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The land is a symbol of family welfare and safety, of family status in the community and the world, and is a sacred trust for their ancestors, other family members, future descendants and God, and a sense of family pride. These values in human terms are what contribute to the social fabric of our communities.

—*Mary Ellen McKay, New Mexico*

in the NASS budget with the purpose of preparing the annual pesticide use reports and also to enhance future pesticide use surveys. The increased appropriation should be used to expand the survey to include crops that are more labor intensive.

CRAT Recommendation No. 64: *"Enforce the Environmental Justice Executive Order at USDA."* The Environmental Justice Executive Order requires that "each agency shall make achieving environmental justice part of its mission by identifying and addressing, as appropriate, disproportionately high and adverse human health or environmental effects of its programs, policies, and activities on minority populations and low-income populations in the United States and its territories and possessions, the District of Columbia, the Commonwealth of Puerto Rico, and the Commonwealth of the Mariana Islands."[84]

Farm-related stress

Underlying much of the testimony received by the Commission were signs of emotional and physical stress due to the uncertainties and high risk associated with farming. Family farms, like other family businesses, put family relationships among spouses, children, parents, and grandparents in the context of the day-to-day operation of the farm. Crop failures and low prices can have significant impacts on the emotional well-being of farm families as well as on farm families within the context of rural communities.

Recommendation 8.3

USDA and land-grant university researchers should look to rural sociologists and specialists in the behavioral sciences to understand the social impacts resulting from a rapidly evolving farm policy and changing rural society. Research should examine the social, psychological, and emotional issues relating to farm operations. This research should be used to design intervention programs by USDA, Extension, and other groups to provide personal counseling, family counseling, stress management, lifestyle assessment and change, and farm management. In addition, researchers should develop a set of indicators to assess community-level social stress in order to monitor and improve the conditions of rural communities. This research should be conducted as a collaboration between land-grant university researchers and community-based organizations.

In another area of concern, the Commission encourages the Secretary to give consideration to recommendations regarding the need to support farmers with disabilities. They were not received in time for full review by the Commission. The National Easter Seal Society has suggested that USDA expand the AgrAbility Program and establish a Center on Disability and Agriculture.

[84] Executive Order of President Clinton. Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations. Issued February 11, 1994.

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U.S. Department of Agriculture
Washington, DC
DR 1043-43 July 9, 1997
Natural Resources Conservation Service

1 PURPOSE

a This regulation establishes the National Commission on Small Farms (Commission). The purpose of the Commission is to gather and analyze information regarding small U.S. farms and ranches and recommend to the Secretary of Agriculture a national strategy to ensure their continued viability, including specific measures the public, nonprofit and private sectors can take to enhance the economic livelihood of small farms.

b The Commission is in the public interest and within the duties and responsibilities of the Department of Agriculture (USDA). Establishment of the Commission also implements the recommendation of the USDA Civil Rights Action Report to develop a national policy on small farms.

2 SPECIAL INSTRUCTION

a This regulation will expire two years from the date of filing.

b Unless renewed, the Commission will terminate two years from the date of filing.

3 OFFICERS AND MEMBERSHIP

a The Commission may have as many as 30 members, one of who will serve as chair and two who will serve as vice-chairs. Members will represent small farms and ranches, finance, commerce, rural communities, nonprofit organizations, academia, state and local governments, Native Americans, farmworkers, and the diverse groups USDA programs serve, and other interests as the Secretary determines. USDA will follow equal opportunity practices in making appointments to the Commission. Membership shall include, to the extent practicable, individuals with demonstrated ability to represent minorities, women, and persons with disabilities.

b The Secretary of Agriculture shall make all appointments to the Commission and the members will serve at the Secretary's discretion.

c The Commission may establish subcommittees as it determines necessary subject to the provisions of the Federal Advisory Committee Act and the approval of the Chair or the Chair's designee.

4 EVALUATION AND ANALYSIS

The Commission will gather and evaluate information, studies, and data pertinent to small farms and ranches, including limited-resource farmers. This evaluation and analysis should include:

(1) USDA and other studies, information and data, such as transcripts of

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public hearings for the Civil Rights Action Team, the Rural Summit, the Civil Rights Action Report, and the reports of the USDA Sustainable Agriculture Working Group and the Advisory Committee on Agricultural Concentration:

(2) Current USDA programs that serve small farms and ranches and the effectiveness of those programs, including but not limited to farm loans, rural development loans and grants, research, extension, and education programs, outreach and technical assistance, natural resource conservation, private forestry, risk management, marketing, fair trade practices, trade and export promotion, farm labor, and mediation;

(3) Other Federal, state, and private sector programs and policies that serve small farms and ranches and the effectiveness of those programs;

(4) The needs of individuals and families starting and operating small farms and ranches, including but not limited to credit, agricultural production and diversification, specialty crops, private forestry, marketing, risk management, research, education, extension, mediation and alternative dispute resolution, natural resource conservation, outreach, and technical assistance;

(5) The effectiveness of different types of farm operations and production systems in ensuring the viability of small farms and ranches, including, but not limited to, sustainable agriculture, diversified and integrated operations, specialty and niche crops, direct marketing, alternative uses of agricultural products, community supported agriculture, and cooperative or coordinated production, processing, and marketing systems, including locally-owned, value-added cooperatives, as well as barriers to and ways in which to promote the adoption of the most effective and efficient operations and production practices by small farm and ranch operators;

(6) Availability and accessibility of credit and other financing options;

(7) Ways to assist beginning farmers and ranchers as well as to assist farmworkers including facilitating the transition from farmworker to farm or rancher owner or operator;

(8) Relationships among USDA programs, estate planning, and other factors influencing land ownership and the conversion of productive farm land to non-farm uses;

(9) The effects, if any, of USDA's organizational and management structure on the viability of small farms and ranches;

(10) Agricultural market, structural, and organizational trends as they relate to small farms;

(11) The role of USDA, if any, in facilitating the fair and effective operation of small farms and ranches in vertically integrated agricultural systems;

(12) The interdependence of small farms and ranches and rural economies and communities; and

(13) The social, cultural, and environmental contributions of small farms.

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5 FINDINGS AND RECOMMENDATIONS

Based on the evaluation and analysis described in Section 4 and the public hearings described in Section 8, the Commission shall make findings and shall recommend a national strategy to ensure the continued viability of small farms and ranches in U.S. agriculture. The findings and strategy shall address the issues analyzed by the Committee under Section 4, including, but not limited to:

(1) Ways to make existing USDA or other Federal, state, private or non-profit programs, policies and practices more effective at meeting the needs of and practices more effective at meeting the needs of and provide a stronger safety net for small farms and ranches;

(2) New USDA or other Federal, state, private, or non-profit programs, policies, and practices, that would benefit small farms and ranches and provide a stronger safety net for small farms and ranches;

(3) The types of production systems and practices noted in number (5) of Section 4 that are likely to be the most effective for small farms and ranches and ways in which to improve and facilitate the adoption by small farms and ranches of such systems and practices;

(4) Ways to assist beginning farmers, farmworkers, including addressing minorities, women, and persons with disabilities, to become farm owners or operators; and

(5) The role of USDA in assisting small farms and ranches in vertically integrated agricultural systems, such as producer education about contract production or regulatory action to ensure fair contracts and practices, as well as any additional steps USDA should take to address issues of agricultural concentration.

6 HEARINGS AND PUBLIC PARTICIPATION

The Commission will hold public forums and hearings as specified in Section 8 and may hold additional forums and hearings and solicit public comment as necessary and appropriate within budgetary constraints.

7 ESTIMATED ANNUAL OPERATING COSTS

a Commission members shall serve without pay and without reimbursement of travel or per diem costs, except reimbursement of travel and per diem costs shall be made to a Commission member who requests and otherwise would be unable to serve without such reimbursement.

b Annual operating costs are estimated to be $155,000 including .33 staff year support for fiscal year 1997, and $35,000 including .20 staff years for fiscal year 1998.

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8 NUMBER AND FREQUENCY OF MEETINGS

a The Commission will meet as necessary to perform its functions as determined by the chair. The Commission will hold at least three public hearings, which may be in conjunction with working sessions of the Commission.

b The designated Federal official shall be responsible for the prior approval of the agenda for all full Commission meetings and notification of Commission meetings and agendas in the Federal Register.

9 REPORTS/SUPPORT

a The Commission shall submit its findings and recommendations to the Secretary of Agriculture by September 30, 1997.

b Funding and support for the Commission will be provided by the Natural Resources and Conservation Service.

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AFPA	Agricultural Fair Practices Act
AMS	Agricultural Marketing Service
APHIS	Animal and Plant Health Inspection Service
ARS	Agricultural Research Service
ATTRA	Appropriate Technology Transfer for Rural Areas
B&I	Business and Industry
CRAT	Civil Rights Action Team
CRIT	Civil Rights Implementation Team
CSREES	Cooperative State Research, Education, and Extension Service
EQIP	Environmental Quality Incentive Program
ERS	Economic Research Service
FAC	Food and Agriculture Council
FAIR	Federal Agriculture Improvement and Reform Act
FAS	Foreign Agricultural Service
FCS	Farm Credit System
FFAS	Farm and Foreign Agricultural Service
FICA	Federal Insurance Compensation Act
FmHA	Farmers Home Administration
FMNP	Farmers Market Nutrition Program
FNS	Food and Nutrition Service
FS	Forest Service
FSA	Farm Service Agency
FSMIP	Federal-State Marketing Improvement Program
GATT	General Agreement on Tariffs and Trade
GIPSA	Grain Inspection, Packers and Stockyards Administration
IRP	Intermediary Relending Program
IRS	Internal Revenue Service
MRP	Marketing and Regulatory Programs
NAFTA	North American Free Trade Agreement
NASS	National Agricultural Statistics Service
NCI	National Cancer Institute
NIEHS	National Institute of Environmental Health Sciences
NRCS	Natural Resources Conservation Service
NRE	Natural Resources and Environment
OBPA	Office of Budget and Program Analysis
OGC	Office of the General Counsel
OSHA	Occupational Safety and Health Administration
PACA	Perishable Agricultural Commodities Act
PCSD	President's Commission on Sustainable Development
RBEG	Rural Business Enterprise Grant
RBS	Rural Business-Cooperative Service
RC&D	Resource Conservation and Development
RD	Rural Development
REE	Research, Education and Economics
RMA	Risk Management Agency
SARE	Sustainable Agriculture Research and Education
USDA	United States Department of Agriculture
WIC	Women, Infants and Children

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The following index is arranged according to key topics in the Commission report and according to USDA agencies. The numbers correspond to the recommendation numbers in the report.

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1.21
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4.14
4.15
7.4

Agricultural Marketing Service
3.26
5.8
6.1
6.3
6.4
7.7
7.10

Agricultural Research Service (ARS)
1.3
1.4
3.26
5.8
6.3

ATTRA
1.7
7.2

Beginning farmers
5.1
5.2
5.3
5.4
5.5
5.6
5.8
5.10

Civil Rights Action Team (CRAT)
1.23
1.24
4.3
4.16
8.1
8.2

Contract production
3.6
3.7
3.8

Cooperative State Research, Education, and Extension Service (CSREES)
1.3
1.5
3.25
4.18
5.8
6.1
6.3
6.4
6.5
6.14
7.5
8.1
8.2

Cooperatives
1.10
3.16
3.22
3.23
3.24
5.11

Dairy
3.12
3.13
3.14

Economic Research Service (ERS)
1.2
1.4
3.1
3.12
3.27
5.7
5.8
5.10
6.1
6.3
6.7

EQIP
1.32b
6.12

Farmer Advocates
4.8

Farmers Markets
3.26c
3.26d
3.26e
7.11

Farmland Preservation
5.12
5.13

Farm Service Agency
1.11
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6.2
6.3

Farm-related stress
8.3

Farmworkers
7.12
8.1
8.2

Food and Nutrition Service
3.26
7.11

Foreign Agricultural Service (FAS)
3.27
5.8

Forest Service
3.20
3.26
4.22
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6.14

Forestry
1.32f
3.20
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6.10
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6.15
7.13
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7.16

Fund For Rural America
1.16
5.9
7.9

Grain Inspection, Packers and Stockyards Administration
3.3
3.4
3.7
7.8

Land-Grant Institutions
1.25
1.7
2.6
2.7
2.8
3.23
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6.5
8.3

Market enforcement
3.1
3.2
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3.10
3.11

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Meat inspection
3.28

Minority farmers
1.23-1.24
1.25
1.26
1.27
1.28
2.13
2.14
7.3

National Agricultural Statistics Service (NASS)
3.29
5.8
8.2

Natural Resources Conservation Service
1.32
2.12
2.14
3.26
3.27
4.1
4.5
4.7
5.8
5.13
6.1
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6.11
6.15

Organic Farming
1.2
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7.10

Outreach and Education
2.9
3.21
4.1
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4.6
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4.11
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Public Lands
6.6
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Research and Extension
1.1
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1.11
5.19
6.7
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Risk Management
1.32d
4.12
4.13
6.11
6.16

Rural Business – Cooperative Service
1.32
3.16
3.19
5.8
5.11
6.1
6.4
8.1

Rural Development
1.8
1.9
1.10
1.32c
1.32e
3.17
3.18
3.19
3.21
4.4
7.6

Rural Housing Service (RHS)
7.12

Statistics
3.29

Sustainable Agriculture
6.1
6.2
6.4
6.5
7.1

Tax Policy
5.7

Tobacco
1.29
1.30

USDA administrative management and organizational structure
2.1
2.2
2.3
2.4
2.5
4.17
4.18
4.20
4.21

USDA Office of Outreach
2.9
4.2
4.5
4.16
4.18
6.1
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8.1

Value-added market development
1.18
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Notes

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Notes

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USDA National Commission on Small Farms Staff

Jennifer Yezak Molen, Director
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Cheryl Delamater, Staff Assistant

We wish to acknowledge the tremendous help from the representatives of the USDA mission areas and offices on the Small Farms Working Group:

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Jerry Grinnell	MRP/GIPSA
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Janet Safian	OGC
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Larry Walker	FFAS/FSA
Debbie Whitford	FNS

We would also like to thank the Natural Resources Conservation Service, the sponsoring agency of the Commission; USDA employees in the regions and States where the public meetings were held and who provided exceptional help; NRCS administrative and management staff; and all those who participated in the process by testifying, attending meetings, writing, and contacting the Commission.

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'98 MAY 14 AM 12:19

THE WHITE HOUSE
WASHINGTON

May 12, 1998

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5-14-98

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Elena Kagan

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Lugar's plan
not really
fair to growers
Looks good
Gen Sc Mtg.

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5-14-98

THE WHITE HOUSE
WASHINGTON

'98 MAY 14 AM 12:19

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Lugar's Plan
unfairly
favors Kentucky
Good Good
Great Summary

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WJC HANDWRITING

THE WHITE HOUSE

WASHINGTON

'98 MAY 14 AM12:19

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the protection for officers, directors, employees, agents, and insurers.

Second, the McCain bill settles the Castano lawsuits, which are lawsuits brought on behalf of addicted (but not ill) persons for cessation services. We have succeeded in ensuring that the language in the bill does not at all affect the ability of plaintiffs claiming injury from disease to use evidence of addiction in their lawsuit. (Evidence of addiction generally would come in to these suits in response to the industry's charge that the plaintiff chose to smoke and thus assumed the risk of injury.) As currently written, however, the bill does bar all future claims based solely on addiction. The rationale for this provision is that the legislation itself provides funds for cessation services -- the exact remedy that addicted (but not ill) persons seek. Conrad, however, wants to continue to allow these claims in the future. We do not believe this result can be accomplished while settling the Castano lawsuits, which many Senators would like to do.

Third, the McCain bill provides that no evidence relating to reduced-risk tobacco products is admissible in suits alleging harm from tobacco-related disease. The rationale for this provision, which is very similar to one of the federal rules of evidence, is to assure manufacturers that their development of safer products will not come back to haunt them in a legal proceeding. We have succeeded in narrowing this provision somewhat (so that such evidence, although not admissible at trial, will be discoverable), but apparently not enough for Conrad. We intend to take another run at this provision tomorrow, not because we think Conrad is right, but because we think the liability cap will be easier to maintain if we remove as many objections to other liability protections as possible.

4. Second-Hand Smoke. As you recall, the current McCain bill has a strong environmental tobacco smoke (ETS) provision, but gives states the opportunity to opt out of it entirely. We have tentatively agreed to maintain the opportunity for an opt-out, but only if the state is able to demonstrate to OSHA that it has an ETS standard at least as protective of public health as the federal standard. This compromise, if it holds up, should get us all we need on this issue.

5. International. We think that Sens. McCain, Hollings, and Wyden have agreed to eliminate many of the international provisions in the current McCain bill. (Wyden was their original sponsor.) Under this agreement, the manager's amendment would eliminate the 2 cents per pack export fee, eliminate extraterritorial restrictions on advertising and marketing, and eliminate restrictions on tobacco products in duty-free stores and on military bases. The provisions would continue to fund international tobacco control efforts and would establish a mechanism for multi-lateral negotiations on tobacco marketing and advertising.

6. Spending. We have yet to have a full discussion of spending with McCain, but we believe we can convince him to divide money among (1) the states, (2) public health money (cessation, prevention, counteradvertising, etc.), (3) health research, and (4) farmers. We doubt we can convince McCain to earmark any of the state money to the specific programs we proposed in our budget -- child care and class size reduction. We think, however, that he will

agree that states must use a portion of their money (representing the federal government's share of Medicaid recoveries) on programs appearing on a specified menu. We are currently developing an agreed-upon menu with the NGA; we hope it will include between 8 and 12 health and children's programs, including child care and class size reduction.

7. Bureaucracies. As you know, the industry and other opponents of the McCain legislation have accused it of setting up 17 new federal "bureaucracies." (Charts purporting to illustrate the legislation -- similar to those used in the health care debate -- are appearing all over.) We succeeded today in eliminating all of these 17 supposed bureaucracies, leaving a stripped-down, much simpler bill.

8. Farmers. We agreed to give Sen. Hollings help in ensuring passage of the LEAF Act. Hollings is worried that he will lose a vote on the floor to substitute Sen. Lugar's farming plan for his own. As you know, Lugar's plan would buy out all tobacco farmers and then end the tobacco price support system; Hollings's plan would compensate tobacco farmers for any loss suffered as a result of legislation (through buyouts and/or subsidies), while keeping the price support system in place.

Please let us know if you have any thoughts on, or objections to, what we are doing in these negotiations.

NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 007

CM014 275758SS

FOIA Number: Kagan

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: 21724

Scan ID: 275758SS

Document Number:

Folder Title:
CM014

Stack:	Row:	Section:	Shelf:	Position:
S	83	4	10	2

CS

275758 SS

'98 AUG 24 PM 7:36

CM014

THE WHITE HOUSE

WASHINGTON

August 22, 1998

MEMORANDUM FOR THE PRESIDENT

THROUGH: Erskine Bowles

FROM: Bruce Reed
Elena Kagan

SUBJECT: Tobacco Idea

Dick Scruggs called us yesterday with an idea for how to achieve our goals on tobacco without legislation. We have discussed this idea with Erskine, and all of us believe that it is very interesting. If you agree that Scruggs's suggestion is worth pursuing, Erskine will take the steps necessary to do so. Until he does, we should not raise this idea with anyone else.

Scruggs proposes that the federal government enter into a consent decree with the tobacco companies to settle our claims for Medicare costs. As a matter of mechanics, we probably would do this by filing two documents simultaneously with a court: a complaint against the companies and a proposed settlement agreement.

Under Scruggs's proposed consent decree, the companies would make the payments called for in the June 20th settlement agreement -- i.e., $368 billion plus capped industry-wide lookbacks. About $200 billion of this amount would go to states settling their own suits against the companies, with the remainder going to the federal government. Any state that wished to continue its suit against the companies could do so, but the state's share of the money then would revert to the federal government. Scruggs had no view on whether the states should have to use some portion of their money for specified purposes (e.g., child care). He did note that the federal government would have to leave the full $200 billion with the states, rather than seek to recapture its usual share of Medicaid recoveries.

In addition to containing these monetary provisions, the consent decree would require the companies to drop their legal challenge to the FDA rule and to accept the FDA's assertion of jurisdiction over tobacco products. The decree also would mandate that the companies adhere to all the youth access and advertising restrictions contained in the June 20th settlement agreement.

The consent decree of course could not give the companies the liability protections contemplated in the June 20th agreement; for that, an act of Congress is necessary. Scruggs suggests, however, that the decree contain some kind of set-off or credit for punitive damages. Under the scheme he proposes, a company could subtract from its required payment to a state any punitive damages awarded against the company in that state's courts, up to the full amount

of the required payment. Scruggs believes that the states will go along with this provision, even though it appears to put everything they get out of the settlement at some risk (at least if their courts award punitive damages).

Scruggs also proposes that the consent decree give the settling companies some kind of protection against new entrants to the tobacco market (or existing companies with tiny market shares). This protection, according to Scruggs, is necessary to alleviate the fear of the companies that agreeing to this settlement will allow new companies to undercut them. Although Scruggs is uncertain about precisely how to provide this protection, he suggests that the FDA agree to regulate settling companies somewhat differently from other companies -- for example, by agreeing not to ban products manufactured by settling companies, but retaining authority to ban products manufactured by all others.

Erskine and we believe that as outlined here and putting aside all legal questions, the settlement is deficient in two respects. First, the settlement does not include any protection for farmers. We could solve this problem by insisting that the companies agree to purchase a set amount of tobacco leaf each year from American farmers. Second, the settlement seems slightly underfunded. We need to get something -- even if not much -- more than the original $368 billion (perhaps the $428 in Senator Hatch's bill) to sell this settlement as a huge victory.

Even more important, we will have to address a number of legal issues before we can enter into this kind of settlement. First, we will have to figure out a legal way of giving about $200 billion in settlement monies to the states; this provision potentially conflicts with the federal government's obligation to place legal awards in the U.S. Treasury for later appropriation by Congress or with the federal government's obligation to recoup a portion of state Medicaid recoveries. Second, we will have to find a sure way to protect the FDA rule; the settling companies' agreement to drop their suit is insufficient if other parties (e.g., retailers, advertisers, other manufacturers) can continue the suit, or bring a very similar suit the next morning. Third, we will have to inspect very closely any proposals to give a competitive advantage to settling companies, in light of both our antitrust policies and our regulatory objectives.

All that said, we think this approach presents us with an exciting opportunity. According to Scruggs, key Wall Street analysts have told him that the industry might well be interested in this kind of deal. (Scruggs claims not to have talked with industry officials.) We think you should give Erskine the go-ahead to send out some feelers.

TIME OF TRANSMISSION: TIME OF RECEIPT:

'98 AUG 24 PM8:06

WHITE HOUSE SITUATION ROOM

PRECEDENCE: _____ IMMEDIATE
_____ PRIORITY
_____ ROUTINE

RELEASER: _____

DTG: _____

MESSAGE NO: _____ CLASSIFICATION: NOT CLASSIFIED PAGES: 3 (Including Cover)

FROM: Phil Caplan (NAME) 202 / 456-2702 (PHONE NUMBER) G Fl / W Wing (ROOM NO.)

MESSAGE DESCRIPTION: Reed/Kagan memo re Tobacco Idea

TO (AGENCY)	DELIVER TO	DEPT/ROOM NO.	PHONE NUMBER
	To: Doug Sosnik for the President (please give Doug 2 copies)		

REMARKS:

Doug, Erskine wanted the President to see this. Phil

275758

'98 AUG 24 PM 7:36

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WASHINGTON

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NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 008

CM014 279716SS

FOIA Number: Kagan

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Records Management - SUBJECT FILE

Series/Staff Member:

Subseries:

OA/ID Number: 21724

Scan ID: 279716SS

Document Number:

Folder Title:
CM014

Stack:	Row:	Section:	Shelf:	Position:
S	83	4	10	2

CLOSE HOLD

Document No. 279716 SS

WHITE HOUSE STAFFING MEMORANDUM

CM014

Date: 9/30/98 ACTION / CONCURRENCE / COMMENT DUE BY: 10/1/98

Subject: FEDERAL TOBACCO CLAIMS

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	McCURRY	☐	☐
BOWLES	☑	☐	NASH	☐	☐
PODESTA	☑	☐	REED	☐	☐
ECHAVESTE	☑	☐	RUFF	☐	☐
LEW	☐	☐	SMITH	☐	☐
BEGALA	☐	☐	SOSNIK	☐	☐
BERGER	☐	☐	SPERLING	☐	☐
BLUMENTHAL	☐	☐	STEIN	☐	☐
EMANUEL comments attached	☑	☐	STERN	☐	☐
IBARRA	☐	☐	STREETT	☐	☐
KLAIN	☐	☐	VERVEER	☐	☐
LANE	☐	☐			
LEWIS	☐	☐			
LINDSEY	☐	☐			
MARSHALL	☐	☐			
	☐	☐			
	☐	☐			

Hold per Erskine

10/26/98

Phil - Should we continue to hold or destroy —

Hold ✓

Destroy ____

C

REMARKS:

COMMENTS TO STAFF SECRETARY

RESPONSE:

STAFFING.WPD 8/3/98

CLOSE HOLD

Staff Secretary's Office
Ext. 62702

'98 SEP 30 PM5:47

THE WHITE HOUSE

WASHINGTON

September 30, 1998

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: Federal Tobacco Claims

Over the last few months, we and Bruce Lindsey have had many conversations with Department of Justice attorneys regarding the feasibility of bringing suit against the tobacco companies for Medicare and other losses stemming from the use of tobacco products. We also have asked DOJ lawyers to consult with a number of law professors and trial attorneys who have considered the viability of a lawsuit.

The Department now has concluded that it should not bring suit against the companies. Almost everyone at DOJ agrees that such a suit could be brought consistent with Rule 11 (i.e., with minimum professional standards). Most DOJ lawyers also acknowledge that given the size of the claim and other factors, the companies might well choose to settle the suit (as they are settling state claims) for a substantial sum of money plus public health concessions. DOJ attorneys believe, however, that they should not bring suit unless they would stand a reasonable prospect of actually winning the suit at trial and on appeal (i.e., putting aside all settlement possibilities). The attorneys have concluded that under existing law governing Medicare and other potential federal claims, they cannot meet this standard. The lawyers principally argue that current law precludes the federal government from aggregating (i.e., bringing in a single suit) claims for each Medicare beneficiary's tobacco-related health care costs.

At the same time, most DOJ attorneys appear amenable to settling federal claims against the tobacco companies without bringing a prior lawsuit. (The lawyers reason that although they cannot bring suit against the companies for want of an effective aggregation device, they do in fact have millions of individual claims against the companies, which they could settle all at once.) Under this approach, the government would enter into negotiations with the tobacco companies to resolve potential federal claims; if an agreement were reached, the parties would file in court a settlement agreement and proposed consent decree, which would release federal claims against the tobacco companies in exchange for some combination of monetary damages and injunctive relief. No legislation would be necessary.

We have some reason to believe that the companies -- at least Philip Morris and Lorillard -- would have an interest in entering into this kind of negotiation in the wake of a settlement with the states (which, as you know, is rumored to be in the offing). The principal outside counsel for Philip Morris (Meyer Koplow) recently suggested to Elena that his client wants to resolve all

79716

government claims against it, including potential claims by the federal government. He implied that a potential settlement agreement could include money, FDA jurisdiction, and marketing restrictions.

The prospects of actually reaching a good agreement with the companies are uncertain. We know that the companies want to rid themselves of potential government litigation, primarily so they can spin off non-tobacco assets. But without an actual suit against the companies, we would have relatively little leverage in negotiations. Moreover, we could encounter serious legal difficulties in trying to achieve some of our objectives -- particularly, an assurance of FDA jurisdiction -- through a non-legislated settlement.

We believe the Administration should attempt to engage the companies in such a negotiation, but we wanted your approval first. There is always some risk that Democrats will fret that we are letting the companies off too easily. However, they will be reassured somewhat by the Justice Department's involvement in these negotiations -- and the only relief the companies can get out of these talks is from a suit we have not brought. The advantage of entering into negotiation is that we might be able to get something done on tobacco without Congress -- and if not, we could lay the groundwork for legislative action next year.

Approve: _____ Disapprove: _____ Let's Discuss: _____

UP

'98 SEP 30 PM5:47

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Approve: _____ Disapprove: _____ Let's Discuss: _____

COS

'98 SEP 30 PM5:47

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WASHINGTON

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Approve: _____ Disapprove: _____ Let's Discuss: _____

279716

'98 SEP 30 PM5:47

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CLOSE HOLD

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 9/30/98 ACTION / CONCURRENCE / COMMENT DUE BY: 10/1/98

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LEW	☐	☐	SMITH	☐	☐
BEGALA	☐	☐	SOSNIK	☐	☐
BERGER	☐	☐	SPERLING	☐	☐
BLUMENTHAL	☐	☐	STEIN	☐	☐
EMANUEL →	☑	☐	STERN	☐	☐
IBARRA	☐	☐	STREETT	☐	☐
KLAIN	☐	☐	VERVEER	☐	☐
LANE	☐	☐	WALDMAN	☐	☐
LEWIS	☐	☐	YELLEN	☐	☐
LINDSEY	☐	☐	_____	☐	☐
MARSHALL	☐	☐	_____	☐	☐
MOORE	☐	☐	_____	☐	☐
McGINTY	☐	☐	_____	☐	☐

REMARKS:

COMMENTS TO STAFF SECRETARY

RESPONSE:

I SUPPORT, PROCEED. [RE]

STAFFING.WPD 8/3/98

CLOSE HOLD

Staff Secretary's Office
Ext. 62702

'98 SEP 30 PM5:47

THE WHITE HOUSE

WASHINGTON

September 30, 1998

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: Federal Tobacco Claims

Over the last few months, we and Bruce Lindsey have had many conversations with Department of Justice attorneys regarding the feasibility of bringing suit against the tobacco companies for Medicare and other losses stemming from the use of tobacco products. We also have asked DOJ lawyers to consult with a number of law professors and trial attorneys who have considered the viability of a lawsuit.

The Department now has concluded that it should not bring suit against the companies. Almost everyone at DOJ agrees that such a suit could be brought consistent with Rule 11 (i.e., with minimum professional standards). Most DOJ lawyers also acknowledge that given the size of the claim and other factors, the companies might well choose to settle the suit (as they are settling state claims) for a substantial sum of money plus public health concessions. DOJ attorneys believe, however, that they should not bring suit unless they would stand a reasonable prospect of actually winning the suit at trial and on appeal (i.e., putting aside all settlement possibilities). The attorneys have concluded that under existing law governing Medicare and other potential federal claims, they cannot meet this standard. The lawyers principally argue that current law precludes the federal government from aggregating (i.e., bringing in a single suit) claims for each Medicare beneficiary's tobacco-related health care costs.

At the same time, most DOJ attorneys appear amenable to settling federal claims against the tobacco companies without bringing a prior lawsuit. (The lawyers reason that although they cannot bring suit against the companies for want of an effective aggregation device, they do in fact have millions of individual claims against the companies, which they could settle all at once.) Under this approach, the government would enter into negotiations with the tobacco companies to resolve potential federal claims; if an agreement were reached, the parties would file in court a settlement agreement and proposed consent decree, which would release federal claims against the tobacco companies in exchange for some combination of monetary damages and injunctive relief. No legislation would be necessary.

We have some reason to believe that the companies -- at least Philip Morris and Lorillard -- would have an interest in entering into this kind of negotiation in the wake of a settlement with the states (which, as you know, is rumored to be in the offing). The principal outside counsel for Philip Morris (Meyer Koplow) recently suggested to Elena that his client wants to resolve all

government claims against it, including potential claims by the federal government. He implied that a potential settlement agreement could include money, FDA jurisdiction, and marketing restrictions.

The prospects of actually reaching a good agreement with the companies are uncertain. We know that the companies want to rid themselves of potential government litigation, primarily so they can spin off non-tobacco assets. But without an actual suit against the companies, we would have relatively little leverage in negotiations. Moreover, we could encounter serious legal difficulties in trying to achieve some of our objectives -- particularly, an assurance of FDA jurisdiction -- through a non-legislated settlement.

We believe the Administration should attempt to engage the companies in such a negotiation, but we wanted your approval first. There is always some risk that Democrats will fret that we are letting the companies off too easily. However, they will be reassured somewhat by the Justice Department's involvement in these negotiations -- and the only relief the companies can get out of these talks is from a suit we have not brought. The advantage of entering into negotiation is that we might be able to get something done on tobacco without Congress -- and if not, we could lay the groundwork for legislative action next year.

Approve: _____ Disapprove: _____ Let's Discuss: _____

THE WHITE HOUSE

WASHINGTON

ORM OPTICAL DISK NETWORK

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Comments:

NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 009

CM014 284980SS

FOIA Number: Kagan

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: 21724

Scan ID: 284980SS

Document Number:

Folder Title:
CM014

Stack:	Row:	Section:	Shelf:	Position:
S	83	4	10	2

284980 SS
CM014
'98 NOV 17 PM6:46

Federal
Tobacco
Claims

THE WHITE HOUSE
WASHINGTON

November 16, 1998

MEMORANDUM FOR THE PRESIDENT AND VICE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: Federal Tobacco Claims

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284980

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In addition, we take some political risk by entering into these discussions. Democrats may fear that we will let the companies off too easily, or may object on principle to our talking with them. The Democrats' sensitivity on these points may be heightened by the perceived inadequacies of the recent state settlement.

We nonetheless recommend that you approve a joint White House/Department of Justice effort to engage the companies in a negotiation. Given the Department's unwillingness actually to bring a suit, this approach is our only way of doing something on tobacco without Congress. And given Congress's unwillingness to act on this issue, it is probably our best chance of making any real progress. To minimize political risk, we would consult throughout with key players in Congress and the public health community. And we of course would not agree to any settlement unless we were convinced that it would advance our public health goals. If the companies refuse to meet this bar, our case for Congressional action becomes only stronger.

Approve_____ Disapprove_____ Let's Discuss_____

POTUS HAS NOT SEEN

11/23

PM

Sean-

9/18

DO NOT give this to POTUS until you hear from me. Still waiting to hear from Podesta -- might need a cover note.

Phil

Hold on credenza with package

Sean's copy
284980

'98 NOV 17 PM6:46

THE WHITE HOUSE

WASHINGTON

November 16, 1998

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In addition, we take some political risk by entering into these discussions. Democrats may fear that we will let the companies off too easily, or may object on principle to our talking with them. The Democrats' sensitivity on these points may be heightened by the perceived inadequacies of the recent state settlement.

We nonetheless recommend that you approve a joint White House/Department of Justice effort to engage the companies in a negotiation. Given the Department's unwillingness actually to bring a suit, this approach is our only way of doing something on tobacco without Congress. And given Congress's unwillingness to act on this issue, it is probably our best chance of making any real progress. To minimize political risk, we would consult throughout with key players in Congress and the public health community. And we of course would not agree to any settlement unless we were convinced that it would advance our public health goals. If the companies refuse to meet this bar, our case for Congressional action becomes only stronger.

Approve_____ Disapprove_____ Let's Discuss_____

CLOSE HOLD

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 11-17-98 ACTION / CONCURRENCE / COMMENT DUE BY: 11-18-98

Subject: Federal Tobacco Claims

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	NASH	☐	☐
PODESTA	✓	☐	REED	☐	☐
ECHAVESTE	✓	☐	RUFF	☐	☐
LEW	☐	☐	SMITH	☐	☐
BEGALA	☐	☐	SOSNIK	✓	☐
BERGER	☐	☐	SPERLING	☐	☐
BLUMENTHAL	☐	☐	STEIN	☐	☐
FRAMPTON	☐	☐	STERN	☐	☐
IBARRA	☐	☐	STREETT	☐	☐
KLAIN	☐	☐	TRAMONTANO	☐	☐
LANE	☐	☐	VERVEER	☐	☐
LEWIS	☐	☐			
LINDSEY	☐	☐			
LOCKHART	☐	☐			
MARSHALL	☐	☐			
MOORE	☐	☐			

2/24/99
Not sent to POTUS
per Phil Caplan.

C. Chuchel

REMARKS: Please advise

RESPONSE:

staffing..WPD 11/13/98

CLOSE HOLD

Staff Secretary's Office
Ext. 62702

THE WHITE HOUSE

WASHINGTON

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Comments:

VP

'98 NOV 17 PM5:46

THE WHITE HOUSE

WASHINGTON

November 16, 1998

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The Department now has concluded that it should not bring suit against the companies. Almost everyone at DOJ agrees that such a suit could be brought consistent with Rule 11 (i.e., consistent with minimum professional standards). Most DOJ lawyers also acknowledge that given the size of the claim and other factors, the companies might well choose to settle the suit (as they are settling state claims) for a substantial sum of money plus public health concessions. DOJ attorneys believe, however, that they should not bring suit unless they would stand a reasonable prospect of actually winning the suit at trial and on appeal (i.e., that they should not take account of settlement possibilities). The attorneys have concluded that under existing law governing Medicare and other potential federal claims, they cannot meet this standard. The lawyers principally argue that current law precludes the federal government from aggregating (i.e., bringing in a single suit) claims for each Medicare beneficiary's tobacco-related health care costs.

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In addition, we take some political risk by entering into these discussions. Democrats may fear that we will let the companies off too easily, or may object on principle to our talking with them. The Democrats' sensitivity on these points may be heightened by the perceived inadequacies of the recent state settlement.

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NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 010

FE010-01 122012

FOIA Number: Kagan

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Records Management - SUBJECT FILE

Series/Staff Member:

Subseries:

OA/ID Number: 21830

Scan ID: 122012

Document Number:

Folder Title:
FE010-01

Stack:	Row:	Section:	Shelf:	Position:
S	83	6	9	1

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. resume	M. Larry Lawrence; RE: DOB and Address (partial) (1 page)	n.d.	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FE010-01
OA/Box Number: 21830

FOLDER TITLE:
122012

2009-1006-F
db1548

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

CS

122012

FE010-01

THE WHITE HOUSE

WASHINGTON

July 18, 1995

MEMORANDUM FOR ELANA KAGAN
Associate Counsel to the President

CC: TODD STERN
TERRY GOOD

FROM: G. TIMOTHY SAUNDERS
Executive Clerk

SUBJECT: Request for Documents re Appointment of M. Larry Lawrence and Shelia Lawrence

In response to Abner J. Mikva's memorandum of July 13, 1995, attached are copies of documents that may be responsive to the document request.

While the original files are in the custody of White House Records Management, these copies are provided for your quick reference.

Attachments

SUMMARY OF DOCUMENTS RE APPOINTMENT OF
M. LARRY LAWRENCE AND SHELIA LAWRENCE

1) Nomination and appointment of M. Larry Lawrence to be Ambassador to Switzerland.

2) Resignation letter from Shelia Davis Lawrence and the President's acceptance letter.

THE WHITE HOUSE

WASHINGTON

July 13, 1995

MEMORANDUM FOR ALL STAFF OF THE OFFICE OF PRESIDENTIAL PERSONNEL, THE EXECUTIVE CLERK'S OFFICE AND RECORDS MANAGEMENT

FROM: ABNER J. MIKVA
COUNSEL TO THE PRESIDENT

ELENA KAGAN EK
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Request for Documents

We have received a request for records related to the appointments of M. Larry Lawrence as Ambassador to Switzerland, and Shelia Lawrence as U.S. Representative to the World Conservation Union.

Please review your records and computer files and provide to **Elena Kagan, Room 125, by 5:00 p.m. on Tuesday, July 18, 1995,** any documents, records (memoranda, correspondence, notes, calendar or journal entries, or phone log entries) or other materials related in any way to the nomination or appointment of M. Larry Lawrence or Shelia Lawrence, including to:

a) any proposed nomination or appointment for M. Larry Lawrence or Shelia Lawrence in the U.S. Government from 1991 through 1995;

b) Mr. Lawrence's nomination or appointment as the United States Ambassador to Switzerland; and,

c) Mrs. Lawrence's nomination or appointment as the U.S. Representative to the World Conservation Union.

To minimize the burden on individual staff members, we will collect any materials responsive to this request that have been forwarded to Records Management. If you have sent such records to Records Management, please alert Terry Good (6-2240) in that Office.

Please contact Elena Kagan at 6-7594 in the Counsel's Office if you have any questions.

July 17, 1995

MEMORANDUM FOR ABNER J. MIKVA
COUNSEL TO THE PRESIDENT

ELENA KAGAN
ASSOCIATE COUNSEL TO THE PRESIDENT

FROM: TERRY W. GOOD
DIRECTOR
OFFICE OF RECORDS MANAGEMENT

RE: REQUEST FOR DOCUMENTS RELATING TO
LAWRENCE AND SHEILA LAWRENCE

Attached are documents that were found among the records in the custody of the Office of Records Management (ORM). The ORM staff performed what I consider to be a good faith effort. If, in the future, we discover other documents that appear to be relevant, we will bring them to your attention.

MEMORANDUM FOR TERRY GOOD, DIRECTOR OF RECORDS MANAGEMENT

DATE: JULY 14, 1995

FROM: WILLIAM ROBERTS
TOM TAGGART JR.

SUBJECT: ABNER MIKVA AND ELENA KAGAN REQUEST FOR DOCUMENTS

PER YOUR INSTRUCTIONS AND THE ATTACHED COUNSEL MEMO OF JULY 13, 1995, WE HAVE SEARCHED THE FILES AND OFFICES OF RECORDS MANAGEMENT FOR THE REQUESTED INFORMATION ON M. LARRY AND SHELIA LAWRENCE. WE HAVE INCLUDED EVERYTHING THAT WE COULD LOCATE ON THE LAWRENCES, ERRING ON THE SIDE OF CAUTION INCLUDING PICTURES.

THERE ARE ~~38~~ 6 SUBJECT FILE CASES FOR LARRY LAWRENCE, 8 SUBJECT CASES FOR SHELIA LAWRENCE, ENTIRE ALPHA FILES ON LARRY AND SHELIA AND 2 RELATED ALPHA CASES; SANFORD GOODKIN AND THE WORLD ECONOMIC FORUM. COPIES OF THESE FILES ARE ATTACHED.

M. LARRY LAWRENCE'S VAULT OR COUNSEL'S OFFICE APPOINTEE FILE WAS CHARGED OUT TO MARNA MADSEN, COUNSEL'S OFFICE, FOR CLIFF MAUTON ON MAY 11, 1995.

THERE WERE 15 FILE FOLDERS IN OVERSIZE ATTACHMENT # 2661 ON THE NOMINATION OF LARRY LAWRENCE TO BE AMBASSADOR OF SWITZERLAND. THESE ARE FILES FROM LEGISLATIVE AFFAIRS, NESTOR DAVIDSON. A COPY OF EACH OF THESE FOLDERS IS ATTACHED.

THERE IS A FOLDER IN OVERSIZE ATTACHMENT # 4504 FOR SHELIA LAWRENCE. THIS BOX IS FROM MARK MIDDLETON, FORMER DEPUTY TO MACK MCLARTY. HOWEVER THIS FOLDER IS EMPTY AS IT IS NOTED ON THE INVENTORY WHEN WE RECEIVED THE BOX. A COPY OF THIS INFORMATION IS ATTACHED.

THE WHITE HOUSE

WASHINGTON

July 13, 1995

MEMORANDUM FOR ALL STAFF OF THE OFFICE OF PRESIDENTIAL PERSONNEL, THE EXECUTIVE CLERK'S OFFICE AND RECORDS MANAGEMENT

FROM: ABNER J. MIKVA
COUNSEL TO THE PRESIDENT

ELENA KAGAN EK
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Request for Documents

We have received a request for records related to the appointments of M. Larry Lawrence as Ambassador to Switzerland, and Shelia Lawrence as U.S. Representative to the World Conservation Union.

Please review your records and computer files and provide to **Elena Kagan, Room 125, by 5:00 p.m. on Tuesday, July 18, 1995,** any documents, records (memoranda, correspondence, notes, calendar or journal entries, or phone log entries) or other materials related in any way to the nomination or appointment of M. Larry Lawrence or Shelia Lawrence, including to:

a) any proposed nomination or appointment for M. Larry Lawrence or Shelia Lawrence in the U.S. Government from 1991 through 1995;

b) Mr. Lawrence's nomination or appointment as the United States Ambassador to Switzerland; and,

c) Mrs. Lawrence's nomination or appointment as the U.S. Representative to the World Conservation Union.

To minimize the burden on individual staff members, we will collect any materials responsive to this request that have been forwarded to Records Management. If you have sent such records to Records Management, please alert Terry Good (6-2240) in that Office.

Please contact Elena Kagan at 6-7594 in the Counsel's Office if you have any questions.

THE WHITE HOUSE

WASHINGTON

ORM OPTICAL DISK NETWORK

ID# 122012

___ *Hardcopy pages are in poor condition (too light or too dark).*

X *Remainder of case not scanned.*

___ *Oversize attachment not scanned.*

___ *Report not scanned.*

___ *Enclosure(s) not scanned.*

___ *Proclamation not scanned.*

___ *Incoming letter(s) not scanned.*

___ *Proposal not scanned.*

___ *Statement not scanned.*

___ *Duplicate letters attached - not scanned.*

___ *Only table of contents scanned.*

___ *No incoming letter attached.*

___ *Only tracking sheet scanned.*

___ *Photo(s) not scanned.*

___ *Bill not scanned.*

___ *Resolution not scanned.*

___

Comments:

104128
104120
IT

PY

THE WHITE HOUSE

WASHINGTON

January 23, 1995

Ms. Shelia Davis Lawrence
American Embassy
Bern

Dear Shelia:

I have received your letter advising me of your resignation as Special U.S. Representative to the World Conservation Union.

I appreciate your hard work representing the people of the United States and their commitment to the principles of conservation. On behalf of all who have benefited from your service, I thank you for a job well done. Best wishes for every future success.

Sincerely,

Bill Clinton

January 23, 1995

Ms. Shelia Davis Lawrence
American Embassy
Bern

Dear Shelia:

I have received your letter advising me of your resignation as Special U.S. Representative to the World Conservation Union.

I appreciate your hard work representing the people of the United States and their commitment to the principles of conservation. On behalf of all who have benefited from your service, I thank you for a job well done. Best wishes for every future success.

Sincerely, BILL CLINTON

BC/SEM/MM/ws-ech (Corres. #2019689)
(1.lawrence.sd)

cc: Executive Clerk

Xeroxed copy of personally signed original to NH through John Podesta

CLEAR THRU JOHN PODESTA

DISPATCH THRU STATE DEPARTMENT

PRESIDENT TO SIGN

S. Lawrence letter

THE WHITE HOUSE

WASHINGTON

January 23, 1995

Ms. Sheila Davis Lawrence
American Embassy
Bern

Dear Sheila:

I have received your letter advising me of your resignation as Special U.S. Representative to the World Conservation Union. ~~As you requested, I hereby accept your resignation, effective December 31, 1994.~~

I appreciate your hard work representing the people of the United States and their commitment to the principles of conservation. On behalf of all who have benefited from your service, I thank you for a job well done. Best wishes for every future success.

Sincerely,

JAN 23 1995

DRAFT OF BC LETTER

INITIALS: BC / sem /

DOCUMENT TITLE: /slr/p/lawrence.sd.sem

DRAFT DATE / LETTER DATE: Jan 19 1995 /

CORRESPONDENCE #: 2019689

CLEAR WITH:

WHCC:

CC: Exec. Clerk

CORRESPONDENCE ADDRESSED TO:
Ms. Shelia Davis Lawrence
U.S. Embassy In Bern, Switzerland
C/o U.S. Department of State
Washington, D.C.

APPROVAL/ENCLOSURES/SPECIAL INSTR:
Ms. Lawrence now lives with her husband at the U.S. Embassy in Switzerland

---

Dear Shelia:

I have received your letter advising me of your resignation as Special U.S. Representative to the World Conservation Union. As you requested, I hereby accept your resignation, effective December 31, 1994.

I appreciate your hard work representing the people of the United States and their commitment to the principles of conservation. On behalf of all who have benefited from your service, I thank you for a job well done. Best wishes for every future success.

MM

Mark
after talking
to Tim, I think
this just needs a
Swiss Govt reads a
short
ack + thanks — warm
Denise letter for
(Sec of State, not (P) appt). Thanks
Z

THE WHITE HOUSE
WASHINGTON

Lawrence

@ American Em'

Bern, Switz

Marcello
647-5301

Maureen -
Dave from the clerk's office dropped this off so that Jim could look over it & decide how it should be handled as it is not a position that is Presidentially appointed.
-Maureen
1/3/95 2:30pm

Jim - Per Executive Clerk, this is not a Presidentially appointed position. Should I forward the letter to Veronica Biggins?
M.H.
(The President has seen it)

Shelia Davis Lawrence

THE PRESIDENT HAS SEEN
12/29/94

PERSONAL

December 23, 1994

My dear Mr. President,

For personal reasons, I would like to submit my resignation as Special U.S. Representative to IUCN - The World Conservation Union, effective December 31, 1994.

I am grateful for the confidence you placed in me by making this appointment.

Respectfully,

Shelia

Question

Secy of State
Clerk and
Copy to
Secy of State personally

FAX

Date 12/27/94

Number of pages including cover sheet 2

TO: BETTY W. CURRIE
Executive Secretary
Office of The President

PERSONAL

Phone (202) 456-2990
Fax Phone (202) 456-6703

FROM: Ilene Sherman
Hotel del Coronado
Coronado, CA 92118

Phone (619) 522-8100
Fax Phone (619) 522-8488

CC:

REMARKS: ☒ Urgent ☐ For your review ☐ Reply ASAP ☐ Please Comment

At Mrs. Lawrence's request, please forward this personal letter to The President. A hard copy via fedex will follow today.

Please advise upon receipt of this faxed letter.

Thank you.

PERSONAL

December 23, 1994

My dear Mr. President,

For personal reasons, I would like to submit my resignation as Special U.S. Representative to IUCN - The World Conservation Union, effective December 31, 1994.

I am grateful for the confidence you placed in me by making this appointment.

Respectfully,

Sheila

Hi Betty - Staff Secretary 12/27/94
Hard copy of letter faxed today. Thanks!
SH

Potus saw fax.

(The data on this screen cannot be edited or saved.) Record 1 of 1
1.Log 930243 President Clinton
2.Full Name LAWRENCE, M. Larry
3.Status (F2) A 4.Politics
5.Appt Code (F2) PAS
6.Announce Date --
7.Nom Date 10/25/93 8.On Calendar N 9.Additional Designation (Y/N) N
10.Conf Date 02/08/94
11.Appt/Designation Date 02/09/94 12.Resigned (Y/N)
13.Term Expires (Use Alt-F1 to see related Position record(s).)
Position (Use Shift-F4 to Zoom Position(s).)
231 Ambassador to Switzerland

14.Area of Responsibility
15.Nom language
To be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

15.Comments

PY

056888SS
FB002

MEMORANDUM

To: John Podesta
Via: The Executive Clerk
From: Bruce Lindsey
Subject: Nominations
Date: October 25, 1993

The following individuals have been approved by the President, cleared by White House Counsel, and are ready to be nominated to the Senate:

Norman E. D'Amours
New Hampshire
National Credit Union Administration
Chair and Member, Board of Directors

M. Larry Lawrence
California
Department of State
Ambassador to Switzerland

Please submit these nominations to the Senate for confimation.

BRL:jka

To Senate: 10/25/93

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. resume	M. Larry Lawrence; RE: DOB and Address (partial) (1 page)	n.d.	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FE010-01
OA/Box Number: 21830

FOLDER TITLE:
122012

2009-1006-F
db1548

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

[001]

BIOGRAPHIC SUMMARY

NAME:	M. Larry Lawrence
POSITION FOR WHICH CONSIDERED:	Ambassador to Switzerland
PRESENT POSITION:	Chairman and Chief Executive Officer Hotel del Coronado Coronado, California
LEGAL RESIDENCE:	California
OFFICE ADDRESS:	1500 Orange Avenue Coronado, California 92118
DATE/PLACE OF BIRTH:	P6/(b)(6)
HOME ADDRESS:	
MARITAL STATUS:	Married
NAME OF SPOUSE:	Shelia Davis Lawrence
NUMBER OF CHILDREN:	Leslie Ann Caspi Robert Scott Lawrence Andrea Sue Lawrence Stephanie Kinnamon Lawrence
EDUCATION:	University of Arizona, 1945-47
LANGUAGE:	None
MILITARY EXPERIENCE:	United States Merchant Marines, 1944-45

WORK EXPERIENCE:

1986-Present	Chairman and Chief Executive Officer, Hotel del Coronado Corporation
1963-86	Chairman, President and Chief Executive Officer, Del Properties Incorporated
1960-63	Owner and Chief Executive Officer, M. Larry Lawrence & Associates
1954-60	Vice President, Tri-W Builders
1950-54	Vice President, Great American Homes
1948-50	President, Century Incorporated

HONORS/AWARDS: Rotary, Paul Harris Fellow
Who's Who in America; California; World Jewry
Man of the Year, City of Coronado and County of San Diego

Clinton Library Photocopy

San Diego Citizen of the Year
Recipient, Alumni Achievement Award, University of Arizona
Recipient, Israel 40th Anniversary Gold Medal
Beta Gamma Sigma Honor Society
Outstanding Community Leadership Award, San Diego State University
The Alexis de Tocqueville Society-United Way
Israel Bonds Prime Minister's Club
Recipient, Russian Federation 40th Anniversary of the Victory in the Great Patriotic War Medal
Man of the Year, Saint Vincent de Paul Village

MEMBERSHIPS/AFFILIATIONS:

National Advisory Board, Center for National Policy
Chairman, Economic Advisory Board of San Diego County, San Diego, California
Charter Member, California State Senate Commission on Efficiency and Cost Control in State Government
Life Member, the Guardians
Charter Life Member, San Diego University History Research Center
Navy League of the United States, 1976-84
Chairman, Israel Bond Campaign, 1972-93
Director, Greater San Diego Sports Association, 1980-84
Director, Vietnam Veterans Leadership Program of San Diego, Inc., 1980-84
Vice Chair, Nobel Peace Prize Nominating Commission, 1984-85
Life Member, President's Club, University of San Diego
John F. Kennedy Library Foundation Board
President's Council, Scripps Clinic and Research Foundation, 1984-93
The American Israel Public Affairs Committee Board, 1980-89
International Center for Development Policy, 1987-88
The Wellness Community Advisory, 1987-89
American Merchant Marine Veterans Association, 1975-93
Executive Committee, The Joan Kroc Hospice Center, 1987-88

August 1993 #3884B

DRAFT PRESS RELEASE

The President today announced his intention to nominate M. Larry Lawrence, of California, as Ambassador to Switzerland.

Chairman of the landmark Hotel del Coronado, in Coronado, California, Mr. Lawrence is also Chief Executive Officer of numerous other companies in varying fields, including hotels, commercial and residential real estate, corporate investments, finance, development and manufacturing.

He has served on the Federal Home Loan Bank Board of San Francisco, and as Chairman of the Finance Committee of the Economic Commission of the State of California. Most recently, he has been organizing Chairman of the Economic Advisory Board of San Diego County, California.

Mr. Lawrence was born August 16, 1926 in Chicago, Illinois, where he attended public schools until he served in the US Merchant Marine during WWII. He was presented a medal from the Russian government in recognition of his service on the Murmansk Run where his ship was sunk in 1945.

Mr. Lawrence later attended the University of Arizona in Tuscon. He played college football, and had a short stint in professional football, following which he went full-time into the building business, primarily building homes for the low and moderate income market.

Mr. Lawrence is married to Shelia Davis Lawrence and he has three grown children and six grand-children.

PY

05688SS
FB002

THE WHITE HOUSE

WASHINGTON

February 9, 1994

OK
JDP

MEMORANDUM FOR THE PRESIDENT

FROM: JOHN D. PODESTA

SUBJECT: Appointment of Your Nominees

Attached for your signature are the commissions of appointment for your nominees that have been confirmed by the Senate.

President Clinton's Appointments

CONF DATE - 2/8/94

Name	Title	Nominated	Confirmed	Appointed
LAWRENCE, M. Larry	Ambassador to Switzerland	10/25/93	02/08/94	
DORNBUSH, K. Terry	Ambassador to the Kingdom of the Netherlands	10/14/93	02/08/94	
SIEBERT, Thomas L.	Ambassador to Sweden	10/14/93	02/08/94	
WILLIAMS, Sidney	Ambassador to the Commonwealth of The Bahamas	10/14/93	02/08/94	
JOSEPH, James A.	Member of the Board of Directors of the Corporation for National and Community Service	11/16/93	02/08/94	
SAGAWA, Shirley Sachi	Managing Director of the Corporation for National and Community Service	11/19/93	02/08/94	
WEISBERG, Stuart E.	Member of the Occupational Safety and Health Review Commission	11/20/93	02/08/94	
SCHEIBEL, James A.	Director of the ACTION Agency	11/22/93	02/08/94	

NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 011

FE010-01 243844

FOIA Number: Kagan

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: 21813

Scan ID: 243844

Document Number:

Folder Title:
FE010-01

Stack:	Row:	Section:	Shelf:	Position:
S	83	6	9	3

243844
FE010-01

July 17, 1995

MEMORANDUM FOR ABNER J. MIKVA
COUNSEL TO THE PRESIDENT

ELENA KAGAN
ASSOCIATE COUNSEL TO THE PRESIDENT

FROM: TERRY W. GOOD
DIRECTOR
OFFICE OF RECORDS MANAGEMENT

RE: REQUEST FOR DOCUMENTS RELATING TO
LAWRENCE AND SHEILA LAWRENCE

Attached are documents that were found among the records in the custody of the Office of Records Management (ORM). The ORM staff performed what I consider to be a good faith effort. If, in the future, we discover other documents that appear to be relevant, we will bring them to your attention.

file copy

MEMORANDUM FOR TERRY GOOD, DIRECTOR OF RECORDS MANAGEMENT

DATE: JULY 14, 1995

FROM: WILLIAM ROBERTS
TOM TAGGART JR.

SUBJECT: ABNER MIKVA AND ELENA KAGAN REQUEST FOR DOCUMENTS

PER YOUR INSTRUCTIONS AND THE ATTACHED COUNSEL MEMO OF JULY 13, 1995, WE HAVE SEARCHED THE FILES AND OFFICES OF RECORDS MANAGEMENT FOR THE REQUESTED INFORMATION ON M. LARRY AND SHELIA LAWRENCE. WE HAVE INCLUDED EVERYTHING THAT WE COULD LOCATE ON THE LAWRENCES, ERRING ON THE SIDE OF CAUTION INCLUDING PICTURES.

THERE ARE ~~38~~ 6 SUBJECT FILE CASES FOR LARRY LAWRENCE, 8 SUBJECT CASES FOR SHELIA LAWRENCE, ENTIRE ALPHA FILES ON LARRY AND SHELIA AND 2 RELATED ALPHA CASES; SANFORD GOODKIN AND THE WORLD ECONOMIC FORUM. COPIES OF THESE FILES ARE ATTACHED.

M. LARRY LAWRENCE'S VAULT OR COUNSEL'S OFFICE APPOINTEE FILE WAS CHARGED OUT TO MARNA MADSEN, COUNSEL'S OFFICE, FOR CLIFF MAUTON ON MAY 11, 1995.

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THE WHITE HOUSE

WASHINGTON

July 13, 1995

MEMORANDUM FOR ALL STAFF OF THE OFFICE OF PRESIDENTIAL PERSONNEL, THE EXECUTIVE CLERK'S OFFICE AND RECORDS MANAGEMENT

FROM: ABNER J. MIKVA
COUNSEL TO THE PRESIDENT

ELENA KAGAN EK
ASSOCIATE COUNSEL TO THE PRESIDENT

SUBJECT: Request for Documents

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Please review your records and computer files and provide to **Elena Kagan, Room 125, by 5:00 p.m. on Tuesday, July 18, 1995,** any documents, records (memoranda, correspondence, notes, calendar or journal entries, or phone log entries) or other materials related in any way to the nomination or appointment of M. Larry Lawrence or Shelia Lawrence, including to:

a) any proposed nomination or appointment for M. Larry Lawrence or Shelia Lawrence in the U.S. Government from 1991 through 1995;

b) Mr. Lawrence's nomination or appointment as the United States Ambassador to Switzerland; and,

c) Mrs. Lawrence's nomination or appointment as the U.S. Representative to the World Conservation Union.

To minimize the burden on individual staff members, we will collect any materials responsive to this request that have been forwarded to Records Management. If you have sent such records to Records Management, please alert Terry Good (6-2240) in that Office.

Please contact Elena Kagan at 6-7594 in the Counsel's Office if you have any questions.

NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 012

FG 128004CU

FOIA Number: Kagan1

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: 21806

Scan ID: 128004CU

Document Number:

Folder Title:
FG

Stack:	Row:	Section:	Shelf:	Position:
S	83	6	10	3

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. letter	From: Chester Kanaskie To: Abner Mikva; RE: Request (4 pages)	08/17/1995	P6/b(6)
001b. letter	From: Chester Kanaskie To: Abner Mikva; RE: Request (1 page)	08/17/1995	P6/b(6)
001c. letter	From: Chester Kanaskie To: Leon Panetta RE: Request (1 page)	07/13/1995	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG
OA/Box Number: 21806

FOLDER TITLE:
128004cu

2009-1006-F
db1549

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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ID # 128004 CU

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☐ I - INCOMING
Date Correspondence Received (YY/MM/DD) 95/08/21

Name of Correspondent: Chester R. Karaskie

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Abuses committed by agents of the Federal Government

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CU Mikva	ORIGINATOR	95/08/23 WS		C	95/08/23
	Referral Note:				
CU AT 20 Kagan	A	950824 WS			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:
A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure
I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:
A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

5/81

ID # 128024 CU

FG

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☐ I - INCOMING
Date Correspondence Received (YY/MM/DD) 95/08/21

Name of Correspondent: Chester R. Karaskie

☐ **MI Mail Report** **User Codes:** (A) _____ (B) _____ (C) _____

Subject: Abuses committed by agencies of the Federal Government

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CU Mikva	ORIGINATOR	95/08/23		C	95/08/23
	Referral Note:				
CU AT 26 Kagan	A	95/08/24		C	95/08/31
	Referral Note:		No response needed.		
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:
A - Appropriate Action
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Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

SCANNED

Comments: _____

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5/81

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. letter	From: Chester Kanaskie To: Abner Mikva; RE: Request (4 pages)	08/17/1995	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG
OA/Box Number: 21806

FOLDER TITLE:
128004cu

2009-1006-F
db1549

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. letter	From: Chester Kanaskie To: Abner Mikva; RE: Request (1 page)	08/17/1995	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG
OA/Box Number: 21806

FOLDER TITLE:
128004cu

2009-1006-F
db1549

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]
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Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001c. letter	From: Chester Kanaskie To: Leon Panetta RE: Request (1 page)	07/13/1995	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG
OA/Box Number: 21806

FOLDER TITLE:
128004cu

2009-1006-F
db1549

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]

NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 013

FG006-01 166270SS

FOIA Number: Kagan

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: 100872

Scan ID: 166270SS

Document Number:

Folder Title:
FG006-01

Stack:	Row:	Section:	Shelf:	Position:
S	88	7	10	2

Py

16627055
FG006-01

October 26, 1995

MEMORANDUM FOR TODD STERN

FROM: G. TIMOTHY SAUNDERS
Executive Clerk

OK 11/2/95
TDS

SUBJECT: White House Staff Commission

The attached White House Staff Commissions are ready for the President's signature:

Elena Kagan, of Illinois
Associate Counsel to the President

Stephanie Susan Streett, of Arkansas
Deputy Assistant to the President and Director of ~~Advance~~ Scheduling PWN

Anne L. Waley, of Arkansas
Deputy Assistant to the President and Director of ~~Advance~~
Scheduling PWN

Thank you.

7/10/95: Kagan dated
10/1/95: Both Streett + Waley dated
11/2/95: all okd by Todd S.
11/3/95: TO Staff

TS

w/27

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

23-Oct-1995 11:03am

TO: David E. Kalbaugh

FROM: Elena Kagan
Office of the Counsel

CC: G. Timothy Saunders

SUBJECT: RE: Preparation of Your Commission

Elena Kagan. Illinois.
Thanks.

OCT 24 1995 – Comm ordered

October 2, 1995

MEMORANDUM FOR TODD STERN

FROM: TIM SAUNDERS
Executive Clerk

SUBJECT: White House Staff Commissions

Per your instructions, we will prepare a **commission** for the following:

Elena Kagan
Associate Counsel to the President

Per your instructions, we will prepare a **certificate** for the following:

Reta Jo Lewis, **of** _____
Special Assistant to the President for Political Affairs

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

23-Oct-1995 09:58am

TO: G. Timothy Saunders

FROM: David E. Kalbaugh
Office of Executive Clerk

SUBJECT: Elena Kagan's Commission

Tim:

On 10/2/95, Kelli sent me a cc: copy of a memo she sent to you on Kagan's title.

She told us that her title was Associate Counsel to the President, but there was no date. I can get the date from either kelli or OA, but I wanted to make sure that you had not spoken to Kagan re here name, state, etc.

If not, I will get the date, and advise you so you can call her for name and state.

dave

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

02-Oct-1995 11:52am

TO: G. Timothy Saunders

FROM: Kelli R. McClure
Management and Administration

CC: David E. Kalbaugh

SUBJECT: RE: Jack Quinn's Title

I do not have any paperwork on Jack Quinn.

Elena Kagan's title is Associate Counsel to the President

eff. 7/10/95

10/03/95
Per Al Rodriguez
OA Personnel

10/27

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

09-Oct-1995 10:11am

TO: G. Timothy Saunders
TO: Sara C. Emery

FROM: Phillip M. Caplan
Office of the Staff Secretary

SUBJECT: comissions

Assuming their titles get straightened out soon, the commissions should be prepared as:

Stephanie Susan Street of Arkansas

Anne L. Walley of Arkansas

Also:

Paige Emmett Reffe of Washington, D.C.

You should probably verify all of this, but I happened to speak with them and got their information. Thanks.

10/23/95:
Kelli advised today that the "Co" will be deleted from Street's & Walley's Deputy titles. B.

OCT 24 1995: Comm ordered

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

10-Oct-1995 03:02pm

TO: David E. Kalbaugh

FROM: Kelli R. McClure
Management and Administration

SUBJECT: RE: Titles for S. Street & A. Walley

Deputy Assistant to the President and Co-Director of Scheduling, 10/1/95

NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 014

FG006-04 168902cu

FOIA Number: Kagan

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: 101146

Scan ID: 168902cu

Document Number:

Folder Title:
FG006-04

Stack:	Row:	Section:	Shelf:	Position:
S	89	1	10	7

ID# 168902CU

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: MAY 29, 1996

NAME OF CORRESPONDENT: MS. CASS R. SUSTEIN

SUBJECT: SUPPORTS THE NOMINATION OF ELENA KAGAN TO BE HEAD OF THE OFFICE OF LEGAL COUNSEL AT THE WHITE HOUSE

ROUTE TO: OFFICE/AGENCY	(STAFF NAME)	ACTION ACT CODE	ACTION DATE YY/MM/DD	DISPOSITION TYPE RESP	DISPOSITION C D	DISPOSITION COMPLETED YY/MM/DD
JACK QUINN		ORG	96/05/29			/ /
	REFERRAL NOTE:					
			/ /			/ /
	REFERRAL NOTE:					
			/ /			/ /
	REFERRAL NOTE:					
			/ /			/ /
	REFERRAL NOTE:					
			/ /			/ /
	REFERRAL NOTE:					

COMMENTS: _____

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES: ____ ____ ____

__ MAIL USER CODES: (A)_____ (B)_____ (C)_____

ACTION CODES:	DISPOSITION	OUTGOING CORRESPONDENCE:
A-APPROPRIATE ACTION	A-ANSWERED	TYPE RESP=INITIALS OF SIGNER
C-COMMENT/RECOM	B-NON-SPEC-REFERRAL	CODE = A
D-DRAFT RESPONSE	C-COMPLETED	COMPLETED = DATE OF OUTGOING
F-FURNISH FACT SHEET	S-SUSPENDED	
I-INFO COPY/NO ACT NEC		
R-DIRECT REPLY W/COPY		
S-FOR-SIGNATURE		
X-INTERIM REPLY		

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

SCANNED
Paper Copy Generated by
NLWJC Staff

#168902CK

THE UNIVERSITY OF CHICAGO
THE LAW SCHOOL
1111 EAST 60TH STREET
CHICAGO • ILLINOIS 60637-2786

CASS R. SUNSTEIN
KARL N. LLEWELLYN DISTINGUISHED SERVICE PROFESSOR OF JURISPRUDENCE
CO-DIRECTOR, CENTER ON CONSTITUTIONALISM
IN EASTERN EUROPE

TELEPHONE: 312.702.9498
FAX: 312.702.0730
electronic mail: cass_sunstein@law.uchicago.edu

May 20, 1996

President Bill Clinton
The White House
Washington, D.C. 20500

Dear Mr. President:

I have heard that Elena Kagan, a professor at this law school now on leave at the White House, is a candidate for head of the Office of Legal Counsel. I write because I know Elena well and because I think she would be a wonderful choice.

Having worked at OLC in the early 1980s, I have a sense of the Office's functions and needs, and I think that Elena is unusually well-suited to the job. As a lawyer, she is both brilliant and entirely level-headed -- in academia at least, a fairly unusual combination of skills. When she approaches legal issues, she shows a lot of creativity and imagination, but she's also got outstanding judgment, real maturity, and a fine sense of proportion. It's perhaps unnecessary to say that despite her relative youth, she has a wide understanding of many areas of the law. Her work on the first amendment is a nice example; it takes a big step back from the law, organizes it wonderfully, and makes sense of a range of areas not normally grouped together. In fact she has a terrific head start on the questions with which OLC deals, and she's an amazingly fast learner.

Elena also deals wonderfully with people. She's one of the fairest and most decent people I know, and she is exceptionally well-liked and admired by a wide range of people at the law school -- moderates, conservatives, liberals, and everyone else. As a lawyer she's not at all "political," but she is very well-attuned to people and audiences, and she has a terrific sense what to say and when to say it. In fact she's established herself very quickly as the very best teacher at the law

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school (I say this with some chagrin). I've also seen her in a range of administrative capacities, and she's an excellent leader. In fact she is widely regarded as a strong candidate to become the next Dean of this law school. From what I've seen, I imagine that she would deal very well with the Congress and with other potentially adversarial bodies. It helps that she has a terrific sense of humor and is extremely reluctant to treat other people as adversaries.

I'm sure that there are a number of excellent choices to head OLC, but as someone who knows Elena and the Office well, I hope you won't mind if I suggest that this would be a terrific match. Very best wishes.

Sincerely,

Cass R. Sunstein

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NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 015

FG006-21 217180SS

FOIA Number: Kagan

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: 217180SS

Document Number:

Folder Title:
FG006-21

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

217180 SS
FG006-21

May 3, 1997- DPC Weekly Report

Copied
Reed
Kagan
COS

THE PRESIDENT HAS SEEN
5-5-97

THE WHITE HOUSE

WASHINGTON

'97 MAY 3 PM2:21

May 3, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: DPC WEEKLY REPORT

1. Education Town Hall Meeting: We are working to arrange an "Education Town Hall Meeting" focused on your national testing initiative. This meeting, currently scheduled for May 22, will provide you with an opportunity to explain what high standards are really all about -- perhaps by actually working through a couple of sample questions from the NAEP test. You will take questions from an audience of educators, parents, and students. We are exploring a number of possible locations for this event, with Kentucky the leading contender at the moment.

2. National Testing Initiative: Secretary Riley testified last week on your testing initiative before the House Subcommittee on Early Childhood, Youth and Families; in addition, DPC and DoEd representatives met with Frank Riggs and Dale Kildee, the Chair and Ranking Member of the Subcommittee, on the initiative. The meetings and testimony made clear that we have strong support among Democrats on the Subcommittee for your initiative -- particularly from Kildee, George Miller, and Patsy Mink. On the Republican side, Riggs and Mike Castle are also supporters, though Riggs believes that the Administration should seek Congressional authorization before taking steps toward national testing. Unfortunately, Rep. Goodling is now expressing serious concerns about the initiative, mostly on the ground that the tests will lead to ranking individual schools. We will attempt to allay Goodling's concerns, while working closely with Congressional supporters on both sides of the aisle to support our effort to sign up states for the initiative.

3. Follow-up to Service Summit: We are preparing for your signature a letter to major nonprofit organizations and religious groups that will explain your new proposal, announced at the Service Summit, to partner with them to expand AmeriCorps. The letter will highlight the success of non-profits, such as the National Council of Churches and the Boys and Girls Clubs of America, in using AmeriCorps scholarships and will urge other non-profits and religious groups to put AmeriCorps members to work in their programs.

4. Welfare-to-Work: As you know, you will help launch Eli Segal's Welfare-to-Work Partnership at an event at the White House on May 20. We think that you also will be able to announce at this event Department of Transportation pilot grants to 25 states to develop welfare-to-work transportation plans. This announcement will underscore the importance of

Good
Need contact
Drafts
for follow up
follow up
a trip to
Weld Tues
Weld trying to get
welfare to work
Boston, MA

PHOTOCOPY WJC HANDWRITING

transportation services in making welfare reform work and will promote your proposal (in the NEXTEA bill) to provide $600 million in grant funds to improve these services. We may be able to announce that some of the businesses represented at the White House event have committed to providing matching funds for such welfare-to-work transportation efforts.

5. Welfare Reform and College Attendance: You recently asked about reports that states are telling welfare recipients to drop out of college so that states can meet the welfare law's work requirements. The welfare law, of course, does not require states to take such action, and right now we do not know how many states are doing so. But because there is no broad exemption from the work requirements for college students, states may well insist that these students engage in work activities for the requisite number of hours (now 20 hours per week).

To alleviate this problem, we are working with DoEd and HHS on ways for the Administration to inform colleges of how they can use work study to help students on welfare meet the work requirements and still complete their degrees. Many Americans work their way through college: in 1993, 38% of undergraduates worked at least 35 hours a week, while 16% worked between 21 and 34 hours a week. Colleges can make it easier for welfare recipients to combine work and college by providing work study opportunities that meet the work requirements. Although most colleges limit work study to 10 to 15 hours a week, there is no limit in federal law: colleges can provide as many hours as necessary to meet the student's financial need. Secretaries Riley and Shalala should write a letter to colleges clarifying what colleges can do and encouraging them to take such action.

Good

6. Volunteer Liability Bill: The Senate passed 99-1 last week a bill to protect volunteers of nonprofit organizations or governmental entities from liability. The Administration issued a SAP opposing a prior version of the bill, which offered immunity not only to volunteers, but also to the organizations for which they work. The SAP stated: "The overbroad definitions used in the bill -- which might apply to hate groups, street gangs, or violent militias -- make this takeover of state law very troubling." After Senator Leahy dubbed this bill the "Ku Klux Klan Protection Act" and every Democrat voted against it, the Senate narrowed the bill to protect only volunteers themselves. We will continue work on the bill, which because of hasty amendment and passage is now sloppily drafted, to ensure that it is fully consistent with the views you have stated on tort reform generally.

Also → could encourage
cos to hire welfare/college
students part time at 5 [illegible]

good article on weekend on this.
law dealing w/ strict requirement of no
displacement for st. subsidies → should
consider strengthening language in federal
law → Congress might go along since federal $

NLWJC - KAGAN

WHORM - BOX 001 - FOLDER 016

FG006-21 218844SS

FOIA Number: Kagan

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Records Management - SUBJECT FILE

Series/Staff Member:

Subseries:

OA/ID Number: 21748

Scan ID: 218844SS

Document Number:

Folder Title:
FG006-21

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S	84	1	2	3

THE PRESIDENT HAS SEEN
5-19-97

218844 SS
FG006-21
'97 MAY 17 PM 2:10

THE WHITE HOUSE

WASHINGTON

Copied
Reed
Kagan
COS

May 17, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

1. Housing Bill: The House passed, by a vote 293 to 132, a bill to reform the system of public housing, most notably by reducing the percentage of extremely poor tenants in public housing and making room for more of the working poor. The Administration objected to the bill, principally for its failure to target the most needy individuals. The Senate bill is far closer to our own proposal, and we will work hard there to incorporate our targeting provisions. Some Democrats in the House also objected to a provision in the bill requiring unemployed tenants to perform eight hours of community service each month, but the Administration has long supported this proposal. Perhaps the best part of the bill is a provision that prevents rent from rising automatically with income, which should remove a disincentive to getting off welfare. The bill also includes $290 million in grant money to fight crime in public housing.

2. Welfare -- Fair Labor Standards Act: We announced yesterday that the Fair Labor Standards Act would apply to welfare recipients in workfare programs in the same way it applies to all other employees. To try to alleviate state concerns, we made clear that we would take administrative action to ensure that food stamps, as well as cash assistance, would count toward the minimum wage. We also indicated, consistent with the position we have taken since 1994, that we disfavor counting payments to workfare participants as wages for FICA and EITC purposes. Notwithstanding these efforts to ease state concerns, our decision immediately came under attack from Republican -- and also some Democratic -- governors. In addition, Clay Shaw sent a letter to you yesterday calling the decision "a serious setback for state efforts to move recipients into jobs" and offering his assistance "if your Administration thinks your hands are tied by the current labor laws and wants Congress to fix them." We are meeting Monday with agency representatives and also with labor union leaders to devise the best strategy for countering attacks on our decision.

3. Welfare -- Privatization: HHS and USDA formally notified Texas that it could not privatize any aspect of the eligibility process for Medicaid and Food Stamps. Erskine will have one meeting next week with members of the Texas delegation who oppose the decision -- and another with members who support it. Meanwhile, the Texas legislature is considering new legislation on the issue. One bill, passed by the House a week ago, allows private companies only to design and develop computer systems, in line with the Administration's policy. Another bill, supported by Governor Bush and reported out of a Senate Committee, also authorizes the

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THE PRESIDENT HAS SEEN
5-19-97

privatization of eligibility functions in the event the federal government ever allows it. In negotiating with Texas, HHS and USDA representatives raised the possibility of a sub-state, time-limited demonstration project involving privatization of eligibility functions, but Texas was not interested in this approach. The Administration will soon have to decide whether to grant a request from Wisconsin for just this kind of limited, county-based privatization project.

4. Welfare -- GAO Report on Benefit Terminations: A new GAO study, requested by Sen. Moynihan, examines waivers that permitted 33 states to sanction AFDC recipients by terminating benefits, usually for refusing to comply with work requirements. The GAO found that 14 of the 33 states did not terminate any benefits, while another 7 terminated benefits in fewer than 100 cases. The report studied in depth the three states with the most terminations: Iowa, Massachusetts, and Wisconsin, which had 13,000 of the 18,000 terminations nationwide. All three have had above-average caseload reductions (23% in Iowa, 37% in Massachusetts, and 49% in Wisconsin since 1993). The terminations do not directly account for these caseload reductions: each of the three states terminated less than one percent of its caseload. The termination policy, however, may well contribute to caseload reduction in a more indirect fashion; each of these states reported anecdotal evidence that the policy encourages people to move toward work or discourages them from applying for benefits in the first place.

The GAO report did not make many findings about what happens to recipients once they lose benefits. The report did note, however, that approximately one-third of those losing benefits later regained them after agreeing to comply with state requirements. In addition, the report found that although the waivers permitted those losing AFDC to keep food stamps and Medicaid, the actual receipt of these benefits fell significantly, presumably because families did not take the necessary steps to keep these benefits after losing AFDC.

Should challenge others to follow suit

5. Children's Health: We are working with HHS to complete a report that you will release at a radio address on children's health, currently planned for May 24. The report discusses the reasons that children lack coverage and underscores the health and developmental problems that uninsured children suffer. The report concludes that we can build on the success of Medicaid and state programs to expand health insurance coverage to millions more children. We are also looking for dates for either you or the First Lady to participate in an announcement by Kaiser Permanente that it will spend $100 million over the next five years to insure approximately 50,000 children.

6. Cloning: The National Bioethics Advisory Commission (NBAC) will hold its final public meeting on human cloning today and will present you with its report the week of June 9. The report will find that human cloning violates ethical standards (focusing on the risks it poses to developing embryos) and that a ban on human cloning will not impede scientific progress. At the least, NBAC will call for a continued voluntary moratorium on human cloning. In all probability, the Commission will go further and call for legislation prohibiting human cloning. The legislative recommendation has proved controversial because some commissioners fear that Congress will draft overbroad legislation and/or refuse to amend the legislation in any way as

PHOTOCOPY WJC HANDWRITING

THE PRESIDENT HAS SEEN
5-19-97

science evolves. We expect NBAC to resolve this issue sometime next week, perhaps by recommending a specific, narrowly tailored prohibition with a sunset provision.

7. Education Standards and Testing: Rep. Goodling offered an amendment to the flood relief bill that would have prohibited the Education Department from spending any funds to develop national tests, but the House ruled the amendment out of order. In the course of discussing this amendment with Goodling and others, we refused to commit the Administration to seeking specific congressional authorization before implementing the tests. We believe, however, that we should try to reach an accommodation with Congress on this issue in the near future. Although we are still discussing options, we think the best idea may be to propose as part of the reauthorization of NAEP that the National Assessment Governing Board assume responsibility for the individual tests, much as the Board now oversees the statewide NAEP examinations.

Must try to work out

8. Secret Service Uniformed Division Unionization: You recently asked about the response of other agencies to the Treasury Department's argument that allowing Secret Service Uniformed Division employees to unionize would place the government on a slippery slope to eliminating Executive Order 12171. We are attaching a copy of that E.O., which lists the units in the Departments of Treasury, Defense, Justice, Transportation, and Energy currently prevented from unionizing for security reasons. When we asked the other departments about exempting Uniformed Division employees, (1) DOE said it had no objections, even though it is facing a similar request from its Nuclear Materials Couriers, because it can distinguish these employees from Uniformed Division personnel; (2) DOJ expressed no view, stating that employees of its covered units (the DEA and Marshal's Service) probably would not seek unionization; (3) DOD also expressed no view, stating that its covered units are different enough from the Uniformed Division to prevent them from "being pulled in;" and (4) DOT, which some years ago faced a unionization request from its Federal Air Marshals, expressed a "mild concern" of a "ripple effect," but stressed that this concern was indeed "mild."

PHOTOCOPY WJC HANDWRITING

thority delegated under this Order to the Director of the Office of Personnel Management.

Executive Order 12154—Levels IV and V of the Executive Schedule

SOURCE: The provisions of Executive Order 12154 of Sept. 4, 1979, appear at 44 FR 51963, 3 CFR, 1979 Comp., 424, unless otherwise noted.

By the authority vested in me as President by Section 5317 of Title 5 of the United States Code it is hereby ordered as follows:

1-1. *Executive Schedule Positions.*

1-101. The following positions are placed in level IV of the Executive Schedule:

(a) Counselor to the Secretary, Department of the Treasury.

(b) Deputy Under Secretary for International Labor Affairs, Department of Labor.

(c) Administrator, Alcohol, Drug Abuse and Mental Health Administration, Department of Health and Human Services.

(d) [Deleted]

(e) Executive Director, White House Conference on Aging, Department of Health and Human Services.

(f) Deputy Adviser for Congressional Affairs, Council on Wage and Price Stability.[1]

(g) Deputy Adviser for Government Operations, Council on Wage and Price Stability.

(h) Deputy Adviser for Regulatory Policies, Council on Wage and Price Stability.

(i) Executive Secretary of the National Security Council.

(j) Administrator, Office of Juvenile Justice and Delinquency Prevention, Department of Justice.

[Sec. 1-101 amended by EO 12199 of Mar. 12, 1980, 45 FR 16441, 3 CFR, 1980 Comp., p. 227; EO 12236 of Sept. 3, 1980, 45 FR 58805, 3 CFR, 1980 Comp., p. 279; EO 12422 of May 20, 1983, 48 FR 23157, 3 CFR, 1983 Comp., p. 191; EO 12431 of July 8, 1983, 48 FR 31849, 3 CFR, 1983 Comp., p. 198; EO 12608 of Sept. 9, 1987, 52 FR 34617, 3 CFR, 1987 Comp., p. 245]

1-102. The following positions are placed in level V of the Executive Schedule:

(a) Deputy Assistant Secretary of Defense for Reserve Affairs, Department of Defense.

(b) Executive Director, Pension Benefit Guaranty Corporation, Department of Labor.

(c) Executive Assistant and Counselor to the Secretary of Labor, Department of Labor.

(d) Commissioner on Aging, Department of Health and Human Services.

(e) Deputy Under Secretary for Education, Department of Education.

(f) Deputy Under Secretary for Education, Department of Education.

[1] EDITORIAL NOTE: The Council on Wage and Price Stability was abolished by Executive Order 12288 of Jan. 29, 1981, 46 FR 10135, 3 CFR, 1981 Comp., p. 125.

[Sec. 1-102 amended by EO 12237 of Sept. 3, 1980, 45 FR 58807, 3 CFR, 1980 Comp., p. 280; EO 12608 of Sept. 9, 1987, 52 FR 34617, 3 CFR, 1987 Comp., p. 245]

1-2. *General Provisions.*

1-201. Nothing in this Order shall be deemed to terminate or otherwise affect the appointment, or to require the reappointment, of any occupant of any position listed in Section 1-1 of this Order who was the occupant of that position immediately prior to the issuance of this Order.

1-202. Executive Order No. 12076, as amended, is hereby revoked.

Executive Order 12171—Exclusions from the Federal Labor-Management Relations Program

SOURCE: The provisions of Executive Order 12171 of Nov. 19, 1979, appear at 44 FR 66565, 3 CFR, 1979 Comp., p. 458, unless otherwise noted.

By the authority vested in me as President by the Constitution and statutes of the United States of America, including Section 7103(b) of Title 5 of the United States Code, and in order to exempt certain agencies or subdivisions thereof from coverage of the Federal Labor-Management Relations Program, it is hereby ordered as follows:

1-1. *Determinations.*

1-101. The agencies or subdivisions thereof set forth in Section 1-2 of this Order are hereby determined to have as a primary function intelligence, counterintelligence, investigative, or national security work. It is also hereby determined that Chapter 71 of Title 5 of the United States Code cannot be applied to those agencies or subdivisions in a manner consistent with national security requirements and considerations. The agencies or subdivisions thereof set forth in Section 1-2 of this Order are hereby excluded from coverage under Chapter 71 of Title 5 of the United States Code.

1-102. Having determined that it is necessary in the interest of national security, the provisions of Chapter 71 of Title 5 of the United States Code are suspended with respect to any agency, installation, or activity listed in Section 1-3 of this Order. However, such suspension shall be applicable only to that portion of the agency, installation, or activity which is located outside the 50 States and the District of Columbia.

1-2. *Exclusions.*

1-201. The Information Security Oversight Office, General Services Administration.

1-202. The Federal Research Division, Research Services, the Library of Congress.

1-203. Agencies or subdivisions of the Department of the Treasury:

(a) The U.S. Secret Service.

(b) The U.S. Secret Service Uniformed Division.

(c) The Office of Special Assistant to the Secretary (National Security).

(d) The Office of Intelligence Support (OIS).

(e) The Office of the Assistant Secretary (Enforcement and Operations) (OEO).

THE PRESIDENT HAS SEEN

(f) The Office of Criminal Enforcement, Bureau of Alcohol, Tobacco, and Firearms.
(g) The Office of Investigations, U.S. Customs Service.
(h) The Criminal Investigation Division, Internal Revenue Service.

1-204. Agencies or subdivisions of the Department of the Army, Department of Defense:
(a) Office of Assistant Chief of Staff for Intelligence.
(b) U.S. Army Intelligence and Security Command.
(c) U.S. Army Foreign Science and Technology Center.
(d) U.S. Army Intelligence Center and School.
(e) U.S. Army Missile Intelligence Agency.
(f) Foreign Intelligence Office, U.S. Army Missile Research and Development Command.

1-205. Agencies or subdivisions of the Department of the Navy, Department of Defense:
(a) Office of Naval Intelligence.
(b) Naval Intelligence Command Headquarters and Subordinate Commands.
(c) Headquarters, Naval Security Group Command.
(d) Naval Security Group Activities and Detachments.
(e) Fleet Intelligence Center, Europe and Atlantic (FICEURLANT).
(f) Fleet Intelligence Center, Pacific (FICPAC).
(g) Units composed primarily of employees engaged in the operation, repair, and/or maintenance of "off line" or "on line" cryptographic equipment.
(h) Units composed primarily of employees of naval telecommunications activities in positions which require a cryptographic authorization.

1-206. Agencies or subdivisions of the Department of the Air Force, Department of Defense:
(a) Office of Space Systems, Office of the Secretary of the Air Force.
(b) Office of Special Projects, Office of the Secretary of the Air Force.
(c) Engineering Office, Space and Missile Systems Organization (Air Force Systems Command).
(d) Program Control Office, Space and Missile Systems Organization (Air Force Systems Command).
(e) Detachment 3, Space and Missile Systems Organization (Air Force Systems Command).
(f) Defense Dissemination Systems Program Office, Space and Missile Systems Organization (Air Force Systems Command).
(g) Satellite Data System Program Office, Space and Missile Systems Organization (Air Force Systems Command).
(h) Project Office at El Segundo, California, Office of the Secretary of the Air Force.
(i) Project Office at Patrick Air Force Base, Florida, Office of the Secretary of the Air Force.
(j) Project Office at Fort Myer, Virginia, Office of the Secretary of the Air Force.
(k) Air Force Office of Special Investigations.
(l) U.S. Air Force Security Service.
(m) Foreign Technology Division, Air Force Systems Command, Wright-Patterson Air Force Base.

(n) 1035 Technical Operations Group (Air Force Technical Applications Center), Air Force Systems Command, and subordinate units.
(o) 3480 Technical Training Wing, Air Training Command, Goodfellow Air Force Base, Texas.
(p) Office of the Assistant Chief of Staff, Intelligence.
(q) Air Force Intelligence Service.

[Sec. 1-206 amended by EO 12338 of Jan. 11, 1982, 47 FR 1369, 3 CFR, 1982 Comp., p. 120]

1-207. The Defense Intelligence Agency, Department of Defense.

1-208. The Defense Investigative Service, Department of Defense.

SEC. 1-209. *Agencies or subdivisions of the Department of Justice.* (a) The Office of Enforcement and the Office of Intelligence, including all domestic field offices and intelligence units, of the Drug Enforcement Administration.

(b) The Office of Special Operations, the Threat Analysis Group, the Enforcement Operations Division, the Witness Security Division and the Court Security Division in the Office of the Director and the Enforcement Division in Offices of the United States Marshals in the United States Marshals Service.

[Sec. 1-209 amended by EO 12632 of Mar. 23, 1988, 53 FR 9852, 3 CFR, 1988 Comp., p. 560]

1-210. Agencies or subdivisions of the Department of Energy.
(a) The Albuquerque, Nevada and Savannah River operations offices under the Under Secretary of Energy.
(b) Offices of the Assistant Secretary for Defense Programs.

[Sec. 1-210 amended by EO 12338 of Jan. 11, 1982, 47 FR 1369, 3 CFR, 1982 Comp., p. 120]

1-211. Offices within the Agency for International Development:
(a) The Immediate Office of the Auditor General.
(b) The Office of Inspections and Investigations.
(c) The Office of Security.
(d) The Office of the Area Auditor General/Washington.

1-212. Agencies or subdivisions under the operational jurisdiction of the Joint Chiefs of Staff (JCS).
(a) Intelligence Division (J-2), Headquarters Atlantic Command (LANTCOM).
(b) Atlantic Command Electronic Intelligence Center.
(c) Intelligence Directorate (J-2), Headquarters U.S. European Command (USEUCOM).
(d) Special Security Office (SSO), Headquarters U.S. European Command (USEUCOM).
(e) European Defense Analysis Center (EUDAC).
(f) Intelligence Directorate (J-2), Headquarters Pacific Command (PACOM).
(g) Intelligence Center Pacific (IPAC).
(h) Intelligence Directorate (J-2), Headquarters U.S. Southern Command (USSOUTHCOM).
(i) Intelligence Directorate (J-2), Headquarters U.S. Readiness Command (USREDCOM)/Joint Deployment Agency.
(j) Deputy Chief of Staff/Intelligence, Headquarters Strategic Air Command (SAC).

THE PRESIDENT HAS SEEN
5-19-97

(k) 544th Strategic Intelligence Wing, Strategic Air Command (SAC).

(l) Deputy Chief of Staff/Intelligence, Headquarters 15th Air Force, Strategic Air Command (SAC).

(m) Deputy Chief of Staff/Intelligence, Headquarters 8th Air Force, Strategic Air Command (SAC).

(n) Strategic Reconnaissance Center, Headquarters Strategic Air Command (SAC).

(o) 6th Strategic Wing, Strategic Air Command (SAC).

(p) 9th Strategic Reconnaissance Wing, Strategic Air Command (SAC).

(q) 55th Strategic Reconnaissance Wing, Strategic Air Command (SAC).

(r) 306th Strategic Wing, Strategic Air Command (SAC).

(s) 376th Strategic Wing, Strategic Air Command (SAC).

(t) Deputy Chief of Staff/Operations Plans, Headquarters Strategic Air Command (SAC).

(u) The Joint Strategic Target Planning Staff (JSTPS).

(v) The Joint Special Operations Command (JSOC).

[Sec. 1-212 added by EO 12338 of Jan. 11, 1982, 47 FR 1369, 3 CFR, 1982 Comp., p. 120; amended by EO 12410 of Mar. 28, 1983, 48 FR 13143, 3 CFR, 1983 Comp., p. 159]

1-213. The subdivisions of the Federal Aviation Administration, Department of Transportation:

(a) Federal Air Marshal Branch, International Civil Aviation Security Division, Office of Civil Aviation Security.

(b) Units composed of Civil Aviation Security Inspectors in Civil Aviation Security divisions whose responsibilities require Federal air marshal functions.

[Sec. 1-213 added by EO 12646 of Jan. 12, 1989, 54 FR 1921]

1-3. *Units outside the 50 States and the District of Columbia.*

1-301. The Drug Enforcement Administration, Department of Justice.

Executive Order 12177—Federal Government pension plans

SOURCE: The provisions of Executive Order 12177 of Dec. 10, 1979, appear at 44 FR 71805, 3 CFR, 1979 Comp., p. 464, unless otherwise noted.

By the authority vested in me as President of the United States of America by Section 121(a)(1) of the Budget and Accounting Procedures Act of 1950, as amended (92 Stat. 2541, Public Law 95-595, 31 U.S.C. 68a), and Section 301 of Title 3 of the United States Code, and in order to provide consistency among the financial and actuarial statements of Federal Government pension plans, it is hereby ordered as follows:

1-101. All the functions vested in the President by Section 121(a) of the Budget and Accounting Procedures Act of 1950, as amended (31 U.S.C. 68a), are delegated to the Director of the Office of Management and Budget. The Director may, from time to time, designate other officers or agencies of the Federal Government to perform any or all of the functions hereby delegated to the Director, subject to such instructions, limitations, and directions as the Director deems appropriate.

1-102. The head of an Executive agency responsible for the administration of any Federal Government pension plan within the meaning of Section 123(a) of the Budget and Accounting Procedures Act of 1950, as amended (31 U.S.C. 68c), except subsection (a)(9) and (b), shall ensure that the administrators of those plans comply with the form, manner, and time of filing as required by the Director of the Office of Management and Budget.

1-103. Subject to the provisions of Section 1-101 of this Order, and in the absence of any contrary delegation or direction by the Director, the Secretary of the Treasury, with respect to the development of the form and content of the annual reports, shall perform the functions set forth in Section 121(a) of the Budget and Accounting Procedures Act of 1950, as amended (31 U.S.C. 68a). In performing this function, the Secretary shall also be responsible for consulting with the Comptroller General.

Executive Order 12196—Occupational safety and health programs for Federal employees

SOURCE: The provisions of Executive Order 12196 of Feb. 26, 1980, appear at 45 FR 12769, 3 CFR, 1980 Comp., p. 145, unless otherwise noted.

By the authority vested in me as President by the Constitution and statutes of the United States of America, including Section 7902(c) of Title 5 of the United States Code and in accord with Section 19 of the Occupational Safety and Health Act of 1970, as amended (29 U.S.C. 668), it is ordered:

1-1. *Scope of this Order.*

1-101. This order applies to all agencies of the Executive Branch except military personnel and uniquely military equipment, systems, and operations.

1-102. For the purposes of this order, the term "agency" means an Executive department, as defined in 5 U.S.C. 101, or any employing unit or authority of the Federal government, other than those of the judicial and legislative branches. Since section 19 of the Occupational Safety and Health Act ("the Act") covers all Federal employees, however, the Secretary of Labor ("the Secretary") shall cooperate and consult with the heads of agencies in the legislative and judicial branches of the government to help them adopt safety and health programs.

1-2. *Heads of Agencies.*

1-201. The head of each agency shall:

(a) Furnish to employees places and conditions of employment that are free from recognized hazards that are causing or are likely to cause death or serious physical harm.

(b) Operate an occupational safety and health program in accordance with the requirements of this order and basic program elements promulgated by the Secretary.

(c) Designate an agency official with sufficient authority to represent the interest and support of the agency head to be responsible for the management and administration of the agency occupational safety and health program.

THE PRESIDENT HAS SEEN
5-19-87

NLWJC - KAGAN

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May 31, 1997 - DPC Weekly Report

THE PRESIDENT HAS SEEN
6-3-97

THE WHITE HOUSE
WASHINGTON

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May 31, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan EK

SUBJECT: DPC Weekly Report

1. Welfare -- Balanced Budget Legislation: The House Way and Means Committee is moving forward quickly on the welfare portion of the reconciliation bill. The Republicans hope to have draft legislation this Tuesday and to hold a subcommittee markup on Friday, with full committee markup to follow the next week. We briefed a bipartisan group of staff on our welfare-to-work plan on Friday. We emphasized the importance of providing a substantial portion of the money directly to cities and of applying identical program rules and requirements to cities and states. We also urged a competitive (rather than formula) program, a performance-based bonus set-aside, a wide range of allowable activities (including public sector job creation), and strong anti-displacement language. The Republicans seemed skeptical about giving grants directly to cities, but clearly have not reached any final decisions on this matter. They were agreeable to providing some portion (but not all) of the funds on a competitive basis and to including public sector job creation in the list of allowable uses. They were extremely negative about establishing performance-based bonuses or drafting any anti-displacement language that is stronger than the provision in the welfare law. We expect to get an early draft of the legislation Monday morning and to speak with the same group of staff that evening to register our concerns.

We have seen no paper on the immigrant provisions and have not yet discussed this issue with committee staffers. We have heard rumors, however, that trouble us greatly. One is that the Republican legislation, in contravention of the budget agreement, will offer benefits only to legal immigrants on the rolls when the welfare law was passed, rather than to any legal immigrant then in the country. Another is that the legislation will incorporate some of the provisions in last year's immigration bill that we successfully removed at the eleventh hour, such as the ban on Medicaid coverage for immigrants with AIDS.

We also expect the Republican legislation to address the privatization and FLSA issues. We have heard that the legislation will authorize states to privatize the entire eligibility process (excluding appeals) for Medicaid, Food Stamps, and WIC. In addition, the legislation will exempt workfare participants from the FLSA and all other federal laws; require, independent of the FLSA, that workfare participants be paid the minimum wage for any hours worked; but then authorize states to count not only cash assistance and food stamps, but also Medicaid, child care, and housing benefits toward the minimum wage. The Intergovernmental Affairs office is trying hard to keep Democratic Governors from attacking our position on FLSA and signing on to this

We don't know if Menu in Cuaz working

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(or some similar) Republican proposal. Governors Chiles and Carper, however, are very unhappy with our insistence that the FLSA applies to workfare participants and may well join a coalition of governors to demand legislative changes.

2. Welfare -- Litigation: You recently asked whether the Department of Justice must oppose suits challenging the welfare law's denial of benefits to legal aliens. The Department is currently the defendant in at least four class actions of this kind. The legal theories presented by the plaintiffs in these cases vary somewhat, but focus on alleged denial of equal protection and due process to legal aliens. The Department has argued in the cases that the challenged provisions in the welfare law have a "rational basis" and fall well within Congress's broad authority over immigration. The Department believes that these constitutional arguments are strong and that a refusal to defend would undermine the federal government's ability to regulate immigration and/or provide welfare services in the future.

3. Welfare Study: A new study, by Mathematica Policy Research and the Institute for Social and Economic Development, provides one of the first glimpses of what happens to families who are dropped from the welfare rolls because they reach time limits. The study looks at Iowa's Limited Benefit Plan (LBP), under which welfare recipients who do not comply with employment and training requirements -- by failing to sign employment and training contracts or to keep appointments -- receive three months of regular cash benefits, followed by three months of reduced cash benefits, and then six months of no benefits. Mathematica found that only 17% of those initially referred to the LBP ultimately lost benefits. Another 53% rectified their situation and returned to the main welfare program, while 30% chose to leave the welfare program entirely before their benefits were scheduled to end.

Among those whose benefits ended (i.e., the 17%), recipients were equally divided between those who were working two to six months later and those who were not. Those who were working had an average income of $170 per week, with 43% working only part-time. Forty percent of all the families terminated experienced an increase in monthly income, while 49% experienced a decline. According to the study, there was "little systematic evidence of extreme deprivation during the period of no cash benefits." The percentage of those living in emergency shelters remained at 1-2%. Other than food pantries, families did not tend to seek help from community organizations. Families did report a much greater reliance on friends and extended family members. The report notes, however, that Iowa limited its period of no benefits to six months, whereas a system that cuts people off benefits permanently might see family support decline over time and welfare recipients more likely to go to shelters or seek other private help.

4. Crime -- New FBI Statistics: The FBI will release on Sunday preliminary data on crimes reported in 1996. The data show that the number of serious crimes reported in the U.S. is down 3% since 1995 -- the fifth annual decline in a row. The data indicate that this year's decline was fueled by a 7% drop in the number of violent crimes -- including an 11% drop in the number of murders.

THE PRESIDENT HAS SEEN
6-3-97

5. Education -- Vocational Education Reauthorization: The Department of Education will transmit to Congress early next week the Perkins Career Preparation Education Act, which would restructure the Perkins Vocational and Applied Technology Education Act. The proposed legislation generally aims to promote a stronger academic component in voc-ed programs, thereby bringing vocational education into line with broad standards-based school reform. The legislation also would consolidate 23 existing voc-ed programs into three: a formula grant to states, Tech-Prep education, and a discretionary grant program allowing the Department of Education to fund a wide variety of activities. The proposed grant to states would provide them with enhanced flexibility, removing a number of set-asides that now require states to fund programs for groups such as displaced homemakers and criminal offenders. The bill also establishes new accountability provisions and a system of performance goals and indicators. We expect the House Education and Workforce Committee to adopt much of the Administration's proposal in its bill, though it may well resist our efforts (more symbolic than anything else) to make explicit links between the programs in this bill and our School-to-Work Program.

goal

6. Education -- Multilingual School Districts: You have said on a number of occasions that the nation has four school districts in which students speak over 100 foreign languages as first languages. We asked the Department of Education to verify this number and identify the specific school districts. According to the Department, there are now five school districts with over 100 languages and one with just under 100 languages. The five school districts are: New York City (140 languages), Prince George's County MD (128), Montgomery County MD (119), District of Columbia (116), and Fairfax County VA (over 100). In addition, Chicago enrolls students speaking 96 different languages.

Los Angeles

7. Immigration Study: A recent study released by the National Research Council and funded by the U.S. Commission on Immigration Reform found that immigration increases the nation's total economic output by about $10 billion each year and has little negative effect on the income or job opportunities of most native-born Americans. The study finds, however, that immigration has contributed to a 5% decrease in the wages of native high school dropouts since 1980. (For the most part, African Americans have escaped the burden on low-paid native workers because they do not generally live in pockets of heavy immigration.) In addition, the study finds that in communities and states with high concentrations of low-skilled, low-paid immigrants, taxpayers incur a burden: for example, the study estimates that because the average immigrant family in California collects about $3,000 more in public services (including education) than it pays in taxes each year, native households in the State pay an average of about $1,000 in taxes to provide services to immigrants. The study made no policy recommendations, but its findings could support efforts to give greater preferences to more highly educated or skilled immigrants.

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May 24, 97 - DPC Weekly Report

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
5-26-97

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May 24, 1997

MEMORANDUM FOR THE PRESIDENT

5-26-97
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FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

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.

Should get as much as possible directly to local govts

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 workers get food stamps & Medicaid today? Don't we discriminate vs. them?
BC

THE PRESIDENT HAS SEEN
5-26-97

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.

Good

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 Committe, 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.

Good

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.

Great

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.

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THE PRESIDENT HAS SEEN.
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.

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June 7, 1997 - DPC Weekly Report

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THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN
6-9-97

June 7, 1997

'97 JUN 7 P2:12

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Release of 4th Grade TIMSS Results: You are currently scheduled to participate on Tuesday in the Department of Education's release of the 4th grade math and science TIMSS results, which are very positive. The results show that, for the first time, U.S. students in the 4th grade score above the international average in both math and science. Compared with 25 other participating nations, U.S. 4th grade students rank behind only South Korea in science and behind seven countries (Singapore, Korea, Japan, Hong Kong, the Netherlands, the Czech Republic, and Austria) in math. These findings show significant progress in 4th grade math and science. Because previously announced results show U.S. students well below the international average in 8th grade math, the results demonstrate the need to keep American students on track in math and the value of a national 8th grade math test as a tool in that effort. We think you will be able to announce at this event that Kentucky has signed on to your national testing initiative.

2. Education -- PSAs on Standards by Major League Baseball: The DPC has been working with the Education Excellence Partnership (the Business Roundtable, the National Alliance of Business, the National Governors' Association, the American Federation of Teachers, and the U.S. Department of Education) and Major League Baseball on the release of a new series of PSAs featuring baseball players (including Cal Ripken) talking about the importance of raising academic standards. We are currently working with the schedulers to find an Orioles game at which you can participate in the release of these ads. The ads are likely to be played on stadium screens throughout the major leagues on that day. The materials parents can obtain by calling the 1-800 number given in the ads encourages them to ask if their school districts will be giving the national 4th and 8th grade tests in 1999.

3. Welfare -- Reconciliation Legislation: The Ways and Means Subcommittee on Human Resources reported out welfare legislation on Thursday, with full committee markup scheduled for next week. The legislation includes a $3 billion welfare-to-work proposal that reflects most of our priorities. The bill's immigrant provisions, however, violate the budget agreement by failing to cover disabled legal immigrants not receiving benefits on the day the welfare law was signed. And the bill contains a provision on the minimum wage to which we have objected strongly.

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Following extensive discussions with the DPC, HHS, and DOL, the Subcommittee agreed to a welfare-to-work program that meets the Administration's priorities of giving as much money as possible to cities, awarding a substantial portion of the funds on a competitive basis, and giving communities appropriate flexibility to use the money. Half of the money would be distributed based on a formula, and half would be awarded on a competitive basis; all could be spent on a wide range of uses, including public sector job creation. A full 65% of the competitive grants could go only to the 100 cities in the nation with the greatest number of poor people. A full 85% of the formula grants would automatically pass through the states to areas of high poverty, high unemployment, and long-term welfare dependency (primarily cities), with spending to be controlled by local private industry councils appointed by mayors. The mayors are extremely pleased with this allocation of funds, while the governors strongly oppose it. We will have to work hard to hold on to this plan in the House and gain a similar one in the Senate. (We are currently leaning on Senator Daschle to change his draft legislation to target more money to mayors.) The Ways and Means Committee is still open to our proposal of a performance bonus, but adamantly opposes the addition of nondisplacement language.

We spoke with Rep. Shaw about the bill's immigrant benefit provisions, but failed to make any headway. The Subcommittee's proposal would restore SSI and Medicaid benefits to elderly and disabled immigrants receiving benefits on the day the welfare law was signed; by contrast, the budget agreement would restore SSI and Medicaid benefits to any immigrant in the country as of that date who is or becomes disabled. The Subcommittee argues that its proposal would protect the nondisabled elderly currently on the rolls. But its proposal would fail to provide for some of the most vulnerable immigrants (people who become disabled after August 1996) -- and by 2002, would cover 75,000 fewer immigrants than the budget agreement. In addition, the Subcommittee added a provision at markup to deny SSI benefits to any legal immigrant whose sponsor has income above $40,000. Because prior to last year's immigration law, sponsors did not legally obligate themselves to provide support, this proposal would leave at least some legal immigrants without any means of subsistence.

Both the disability and the aging groups supported our position at markup. The Leadership Council of Aging Organizations (including the AARP) and the Consortium of Citizens with Disabilities sent a letter saying that while they would like to cover even more legal immigrants than the budget agreement, they will not support "any reductions in benefits to immigrants with disabilities in order to provide them to other groups of immigrants."

Finally, the Subcommittee proposal would amend the welfare law so that workfare participants would not count as employees for the purposes of the Fair Labor Standards Act or any other federal law. Although requiring the minimum wage for hours worked, the proposal would permit states to count child care, Medicaid, and housing benefits, as well as cash assistance and food stamps, in their calculation of the minimum wage. It also would allow states to count additional hours of job search, education, and training toward the welfare law's work requirements. We argued strongly that this provision is outside the scope of the budget agreement, and that it creates a subminimum wage for workfare participants and weakens the

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welfare law's work requirements. The NGA has not yet officially weighed in on the proposal, but may do so next week. We are working hard to prevent Democratic Governors -- particularly Governor Chiles -- from coming out against us.

4. Welfare -- AFSCME proposal: The DPC and NEC met this week with Gerald McEntee to discuss an AFSCME plan to help cities move people from welfare to work. The plan grows out of your suggestion to McEntee and other labor leaders in an Oval Office meeting earlier this year that the labor movement should do its part to place welfare recipients in jobs. McEntee hopes to persuade Mayors Archer, Rendell, and Giuliani to create new positions for welfare recipients who would earn the minimum wage or better, become new union members, and count toward the work requirements. The recipients would be paid with funds that otherwise would go toward their welfare checks, and they would have first priority for regular jobs coming open on the city payroll. The program would focus on creating new positions in child care and home health care. We encouraged AFSCME to pursue the proposal, and asked McEntee to encourage CWA and SEIU to do the same. We also offered to provide technical assistance. If AFSCME can sign up a bipartisan group of mayors to hire people off welfare, we should consider a White House announcement as a way to show support for our $3 billion welfare-to-work proposal.

5. Juvenile Crime -- Gun Safety Directive: You are scheduled to speak on Wednesday at a Justice Department Conference on combating juvenile crime. The purpose of the one-day symposium is to highlight the enforcement and prevention practices that work in reducing juvenile violence. The conference falls one day before the Senate Judiciary Committee markup of juvenile crime legislation. At the conference, you will announce a directive to the Treasury Department that seeks to keep handguns out of the reach of minors. The directive will order Treasury to require every federally-licensed gun dealer to post a sign on the wall warning gun owners to keep their handguns out of the reach of minors and/or mandate gun dealers to provide a warning card containing similar information with every handgun they sell.

6. Health -- Pediatric Drug Labeling: The DPC is working with the Food and Drug Administration on a regulation that would require pharmaceutical companies to do pediatric studies on certain new drugs and, in compelling circumstances, drugs that are already on the market. Most drugs are not now tested for use by children. As a result, children are given the wrong doses of drugs or are not given drugs at all because physicians are reluctant to risk giving them inappropriate and possibly dangerous amounts. For example, fewer than 10% of children with AIDS are receiving protease inhibitors, the newest and most promising AIDS drugs, because these drugs have not been tested for use by children. The regulation will be sent to OMB early next week. OMB will begin its review process, but no action will be taken until after the markup of the FDA reform bill in the Senate Labor and Human Resources Committee (which is expected to take place next week). This regulation has strong support from children's health advocates, particularly the pediatric AIDS community.

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7. Tobacco: As you know, the tobacco companies and state attorneys general may reach a settlement within the next few weeks. The DPC arranged a meeting last week at which Bruce Lindsey briefed representatives of HHS, Justice, and Treasury on the contours of the settlement. We asked HHS to provide an evaluation of the deal, from a public health perspective, within the next week or so. At the same time, Chris Jennings and Nancy-Ann Min are looking into how best to spend the federal government's share of the Medicaid reimbursement funds. As you know, Mike Moore proposed this week that both the state and federal shares go towards children's health coverage. Chris and Nancy-Ann are reviewing alternative ways to target this money.

8. Drugs -- Crack Cocaine: Generals Reno and McCaffrey are scheduled to report back to you in approximately three weeks concerning the National Sentencing Commission's recommendations on cocaine sentencing. As you know, current sentencing law imposes five-year mandatory minimum sentences for possession of five grams of crack and 500 grams of powder cocaine -- a 100:1 ratio. The Commission recommended that the mandatory minimum trigger for crack be raised to between 25 and 75 grams and the trigger for powder be lowered to between 125 and 375 grams. The Department of Justice would like to recommend that you support mandatory minimums at 25 grams of crack and 250 grams of powder -- a 10:1 ratio. General McCaffrey apparently is not convinced that any empirical data supports this ratio and therefore may press for a 1:1 ratio (or something very close to it). We think that the Justice Department has the recommendation about right and would like General McCaffrey to agree. But we think there is a strong possibility of your receiving a divided recommendation.

Bruce Reed
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THE WHITE HOUSE
WASHINGTON

June 14, 1997

'97 JUN 14 PM2:53

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Negotiators Near Settlement: Next week, state attorneys general and the tobacco industry are likely to near agreement on a sweeping tobacco deal. The major unresolved issues are limits on punitive damages and the overall size of the settlement fund, which will total $300-350 billion over 25 years. Under the settlement, FDA would keep jurisdiction over nicotine regulation, but would agree not to ban cigarettes for 12 years. The tobacco companies would provide $8 billion a year in Medicaid reimbursement, which could be dedicated to children's health coverage; $4 billion a year to settle individual claims (awards would not be capped, but no one could receive more than $1 million per year); and around $3 billion a year for other public health purposes including cessation programs, enforcement, and a public counter advertising campaign. We have begun work with Bruce Lindsey, HHS, and Justice on a comprehensive review of the settlement terms and broad outreach to the public health community.

The American Cancer Society, the American Heart Association, and the American Medical Association all spoke out favorably on the deal this week, claiming that it could prevent a million children from taking up smoking. We met Friday with David Kessler, who is skeptical and trying to persuade public health groups to hold out for more changes. We will meet with Dr. Koop next week.

Our goal is to present you with options by the end of the month, if the talks proceed as planned and we can get agency cooperation. This will not be an easy decision: A deal of this magnitude has both enormous possibilities and difficult tradeoffs -- and potentially profound public health implications no matter what you decide. Our strategy over the next two weeks is to preserve your ability to make your own decision, and in the meantime, call as much attention as possible to the public health concessions that tobacco companies have been forced to make -- so the industry will have a hard time retracting them whether there's a deal or not.

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2. Education -- Charter Schools in Pennsylvania: On Wednesday, the Pennsylvania legislature passed a bipartisan charter school bill, which Gov. Ridge is expected to sign into law next week. Press accounts suggest that the bill is consistent with our charter schools program, and that the prospect of federal charter school funds helped get it passed. We are checking to see whether we can release a Charter Schools Guide and highlight the Education Department's new Charter Schools Web Site next week in conjuction with the bill's signing.

3. Welfare-to-Work -- Congressional Update: Two House committees -- Ways & Means and Education & Workforce -- passed versions of the budget's welfare-to-work initiative. Both versions are targeted to long-term recipients, place substantial control over the money in local hands, can be used for public and private sector job creation and placement, and include surprisingly strong anti-displacement language. (Neither bill contains a performance bonus.) We prefer the Ways & Means bill, which reserves 50% of the money for competitive grants; the Education & Workforce bill is 95% formula. The House Republican welfare bills contain provisions that are anathema to labor -- making it easier for states to get around the Fair Labor Standards Act and allowing every state to privatize eligibility for food stamps and Medicaid. The AFL-CIO launched a $1 million campaign on the minimum wage and welfare with a full-page ad this week in the New York Times.

In another surprising vote, Ways & Means made it somewhat easier for states to count vocational education toward the work requirements. Under the Ways & Means bill, states could meet up to 30% of the work requirements through vocational education (compared to 25% in the welfare law), and in addition could count anyone who is in school and under age 20.

Next week, the Senate Finance Committee will mark up a welfare-to-work bill that is similar to Ways & Means. It is slightly less competitive (75% formula, 25% challenge grant), but it is still well-targeted to urban areas and contains a performance bonus. Senate Finance has no provision on the minimum wage, but provides for privatization demonstrations in 11 states.

4. Welfare/Immigrants -- Congressional Update: We should be able to force Republicans to back down from trying to cover elderly immigrants instead of the disabled, in violation of the budget agreement. Rep. Becerra's amendment to cover both the elderly and the disabled (at a cost of $2.4 billion above the budget agreement) lost by only one vote, 20-19, in Ways & Means, with three Republicans in support. The Senate Finance Committee mark covers the elderly as well as new applicants who were in the U.S. by last August but became disabled within a few months after that. One eventual compromise might be to cover all the disabled (as in the budget agreement) and find some extra money to cover the elderly for a limited period of time beyond August 1996.

5. Welfare -- Child Support Enforcement: Next week, Senators Kohl and DeWine may offer our child support felony proposal as an amendment to the juvenile justice bill. On the same day, we plan to send Congress HHS's annual child support report and a letter from you highlighting the administration's record and urging passage of the measure.

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THE WHITE HOUSE
WASHINGTON

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June 20, 1997

MEMORANDUM FOR THE PRESIDENT

'97 JUN 21 P4:35

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Review of Settlement: As you know, State Attorneys General and representatives of individual claimants reached an historic agreement with the tobacco industry yesterday, and you called on DPC and HHS to coordinate a thorough public health review of the agreement. To accomplish this review, we have set up a number of interagency working groups to focus on discrete aspects of the agreement. The working groups, which will begin to meet on Monday, will explore questions relating to: (1) FDA jurisdiction and access, advertising, and labeling rules; (2) liability limits and disclosure of documents; (3) use of the funds, including for children's health; (4) environmental tobacco smoke; (5) public education programs; (6) smoking cessation programs and research; (7) the financial structure and capacity of the industry and the size of the agreement's payouts and penalties. We hope to get a complete recommendation to you in a matter of weeks, though working with HHS always takes more time than expected.

2. Housing -- State of the Cities Report: On Monday, you will announce the issuance of HUD's report, "The State of American Cities." The report describes (1) the "decades of decline" leading up to the early 1990s; (2) the significant improvements made by cities since 1993 as a result of the strong economy and your urban policies, including Empowerment Zones, CDFI, and home ownership strategies; (3) the challenges that remain, including job growth disparity between cities and suburbs, increased poverty concentration in central cities, and continued middle-class migration from central cities to suburbs; and (4) the Administration's "Urban Agenda for the Future," a comprehensive plan based on the same empowerment principles, including local control and flexibility, that undergird everything we have done so far.

Building on the report, you will announce three new policies to help America's cities: (1) You will initiate the Officer Next Door program, which will make government-owned homes available for sale at a 50% discount to police officers who agree to live in the communities they patrol; (2) You will announce a 25 basis points reduction in mortgage insurance premiums for first-time buyers who purchase homes in central cities (from 1.75% to 1.50%), which will reduce closing costs by about $200; and (3) You will call for Congress to act on legislation allowing low-income families to take Section 8 assistance in the form of Home Ownership Empowerment Vouchers and announce a new Freddie Mac pilot program that in the interim, will assist 1,000 to 2,000 such families to purchase their own homes.

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3. AIDS -- Guidelines on HIV Treatment: On Thursday, HHS released guidelines on HIV treatment procedures, which emphasize the effectiveness of early use of protease inhibitors. Both the AIDS community and the medical community praised the guidelines for helping doctors to provide appropriate treatment. As we expected, however, the AIDS community also responded to the guidelines by demanding additional federal funds to ensure that all people with HIV can obtain the recommended treatment. We should expect these demands to increase still further in the coming months. The DPC and OMB are currently reviewing whether to propose additional funding in this area and, if so, what legislative vehicle to use.

4. Welfare -- Legal Immigrant Benefits: Legislation on legal immigrants reported by the Senate Finance Committee this week improved on the House Ways and Means version, but still fails to comport with the budget agreement. As you know, the budget agreement would restore SSI and Medicaid benefits to any legal immigrant in the country on August 23, 1996 who is or becomes disabled. The legislation passed out of House Ways and Means would restore SSI and Medicaid benefits to both the disabled and non-disabled elderly, but only if they were already receiving benefits on that date -- essentially grandfathering those already on the rolls. The House proposal, though protecting 50,000 more people initially than the budget agreement, would protect 75,000 *fewer* people in 2002. The Senate Finance Committee this week passed legislation which would grandfather all those on the rolls on August 23, 1996 *and* allow disabled legal immigrants in the country on that date to apply for SSI until September of this year. This proposal is actually the most expensive of the three, costing $10.4 billion, as compared to the $9.7 billion price tag of the budget agreement and the $9.0 billion cost of the House proposal.

One way to bridge the differences between the budget agreement and the Congressional proposals is to find the money to cover both groups of immigrants -- those in the country on August 23, 1996 who are or become disabled *plus* the non-disabled elderly on the rolls as of that date. Legislation of this kind would cost $11.4 billion. In the letter you sent to Chairman Kasich yesterday, which threatened to veto legislation that does not protect all legal immigrants covered under the budget agreement, you expressed support for this option, stating that "my clear preference would be to assist both disabled and elderly legal immigrants." We have some reason to hope that we can achieve this result, though much more work remains to be done.

5. Welfare -- Welfare-to-Work Plan: The welfare-to-work legislation passed out of the Senate Finance Committee this week, as compared with the House Ways and Means version, favors formula over competitive grants, governors over mayors, and rural areas over cities. Whereas Ways and Means would distribute 50% of the $3 billion by formula and 50% by competition, the Finance Committee would distribute 75% by formula and only 25% by competition. The percentage of formula money flowing to local jurisdictions (including to cities) would be the same under both proposals (75%), but the Finance Committee would send the funds through local welfare offices controlled by the governors instead of, as in the Ways and Means proposal, private industry councils controlled by the mayors. As to competitive funds, the Finance Committee retained Ways and Means' 25% set-aside for rural areas, but completely eliminated Ways and Means' 65% set-aside for the 100 cities with the most poor people. During

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mark-up, the Finance Committee added language to strengthen the anti-displacement provisions of the program.

6. Welfare -- Privatization: There was a major battle in the Finance Committee regarding the chairman's provision to deem the Texas privatization proposal approved and allow up to ten other states to privatize Medicaid, food stamps, and other program operations. Senator Conrad offered a motion to strike the provision. This motion won, with votes from all Democrats and Senators D'Amato and Jeffords. Then, after some back-room wrangling, the chairman's proposal was limited only to Texas, and Senators D'Amato and Jeffords changed their votes. Thus, the Senate bill allows complete privatization of all health and human services programs in Texas, but only in Texas. In the House, the bills reported out by the Agriculture and Commerce committees allow all 50 states to privatize food stamp and Medicaid operations.

7. Welfare -- Employment Prospects of Welfare Recipients: Many economists are now turning their attention to the question of whether there will be enough jobs for welfare recipients who need to go to work. In a draft, not-for-quotation study, former OMB Program Associate Director Isabelle Sawhill and Daniel McMurrer conclude that the economy, if it continues to grow, should produce a sufficient number of jobs to accommodate welfare recipients required to enter the labor force under the new welfare law. This conclusion is based on their estimate that only about 150,000 additional welfare recipients each year will need to go to work under the law. Sawhill and McMurrer arrive at this estimate by showing that most states can meet this year's 25% work participation requirement by counting those already working and claiming credit for caseload reductions from the past several years. The annual 5% increases in work participation rates until 2002 then will require states to find work for 150,000 additional welfare recipients each year.

Bruce / Rahm
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Dick

Sawhill and McMurrer also note that welfare recipients who do find full-time employment should stay above the poverty line with the help of the EITC, the higher minimum wage, and subsidized child care. A mother with two children who earned $10,000 a year in 1996 (slightly less that what a full-time year-round worker would make at $5.15 an hour) also would qualify for $3,556 from the EITC and about $2,400 in Food Stamps. After paying $765 in payroll taxes, the family would have a disposable income of just over $15,000. With child care subsidies, this family's disposable income would stay above the poverty line, but in the absence of such subsidies, out-of-pocket child care expenses would push the family back below poverty.

8. Health -- Congressional Action: The Senate Finance Committee reported out legislation on Medicare and Medicaid this week. The Medicare provisions preserved many of the Administration's priorities including: new plan options, such as preferred provider organizations and provider sponsored organizations; preventive benefits, including mammography expansions and colorectal screening; and traditional provider and beneficiary savings, which when combined with your home health care reallocation, will extend the life of the Medicare trust fund for at least a decade. The Finance Committee legislation also reduced the size of the Medical Savings Account demonstration to 100,000 people. The committee

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included a number of reforms that expose beneficiaries to new costs, including an income-related deductible, a $5 per visit home care co-payment, and a gradual increase in the Medicare retirement age from 65 to 67. We anticipate, however, that all three of these provisions will be dropped either on the Senate floor or in conference.

The Medicaid provisions include a Disproportionate Share Hospital (DSH) proposal that cuts payments to high DSH states much more significantly than either your original budget proposal or the House Commerce Committee legislation. Though we will try to soften the impact on these states, we are having difficulty attracting much Congressional support for this effort. The Finance Committee also failed to provide the full amount of investments specified in the budget agreement for the District of Columbia, Puerto Rico, and low-income Medicare beneficiary protections. In preliminary conversations, the Republican leadership has indicated some willingness to restore these investments.

9. Crime -- Juvenile Crime Update: Last week, the Senate Judiciary Committee released a new Chairman's mark of its juvenile crime legislation. This version is better than both the original Senate bill and the House-passed bill. The new mark removes provisions that we considered objectionable, such as a death penalty for minors and a mandatory 6-level sentence enhancement for gang activity. The mark, however, still falls short of our Anti-Gang and Youth Violence Act: the mark has no major gun provisions (it neither mandates child safety locks nor extends Brady to violent juveniles); no dedicated prevention funding; insufficient funds for prosecutors and courts; and inadequate protections for juveniles incarcerated in state facilities. The Senate was originally scheduled to mark up the legislation last week, but the session was postponed and no new markup date has been scheduled.

10. Education -- Testing Initiative: Mike Cohen met with Bob Chase last week to discuss NEA support for your national testing initiative. Chase will push for the NEA, at its convention in early July, to repeal existing policy, adopted during the Bush Administration, opposing any federal efforts to develop educational tests. Delegates to the convention almost certainly will approve this proposal, which already has the support of the NEA's Board of Directors. Chase also will introduce a motion specifically supporting our testing initiative if he believes he has the votes to pass it.

11. Disabilities -- ADAPT Protest: As you know, disability advocates have long pushed for Medicaid to cover personal attendant services and to put community-based services on an equal footing with nursing homes. The disability group ADAPT uses disruptive tactics to convey this message. Last November, in the midst of such a disruption, the Office of Public Liaison agreed that you would hold a meeting with ADAPT and other disability groups on this topic in the first quarter of the year. That meeting has just been scheduled for September. This week, ADAPT demonstrated outside Alexis Herman's office to protest our lack of action. ADAPT also is putting pressure on Speaker Gingrich, who committed to ADAPT last year that he would introduce legislation on the subject. The DPC, Public Liaison, and HHS are meeting with ADAPT next Wednesday and are working together on options in advance of that meeting.

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THE WHITE HOUSE

WASHINGTON

June 27, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco: We have initiated an interagency process to evaluate the proposed tobacco settlement and present you with a recommendation by the end of July. Though Secretary Shalala is chafing at the timetable -- she joked to the press yesterday that "every President I know wants everything done in 30 days" -- we are off to a good start and should be able to complete our work on schedule. A memo describing the review process, including our outreach and press plans, is attached.

2. Welfare -- Legal Immigrant Benefits: The Senate dramatically improved the legal immigrant provisions of the reconciliation bill this week. It adopted an amendment that would provide SSI and Medicaid to all legal immigrants on the rolls as of August 23, 1996 (as the House bill would provide) and to all other legal immigrants in the country on that date who are or become disabled (as the budget agreement would provide). Covering both these populations would cost $11.4 billion, as compared with the $9.7 billion provided in the budget agreement, but Senator Domenici accepted the amendment, saying that taking this version to conference would help resolve remaining differences in the area. At the same time, the Senate adopted proposals to help some legal immigrants arriving in this country after August 1996 -- a Graham amendment to provide Medicaid for all legal immigrant children and a Kennedy proposal to provide SSI and Medicaid to immigrants who cannot naturalize because of severe disabilities. The conference prospects for these two provisions are uncertain.

3. Welfare -- Privatization: In another welcome development on the Senate side, a minority of Senators used a Byrd rule motion to strip the bill of its provision authorizing Texas to privatize food stamp and Medicaid operations. The House bill allows all 50 states to privatize these operations. We expect a big fight in conference over this issue, but we think we can hold the 40 votes in the Senate necessary to strike any provision coming out of conference.

4. Welfare -- Minimum Wage and Worker Protections: The House Republicans softened their proposal regarding the minimum wage and other protections for welfare recipients in workfare. (The Senate legislation has no analogous proposal.) The revised proposal requires, as we have demanded, that workfare participants receive the minimum wage, with only cash assistance and food stamps (not Medicaid, child care, etc.) counting toward that wage. It also would offer workfare participants certain protections against discrimination and health and safety

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hazards. The proposal, however, (1) weakens the welfare law's work requirements by allowing states to substitute job search and training for work if the TANF and food stamp grant is not sufficient to pay the minimum wage for the hours of work that the law requires, (2) fails to set up any enforcement mechanism to ensure that states will comply with the minimum wage requirement, (3) provides a weaker enforcement scheme for job discrimination than other workers receive, and (4) excludes workfare participants from other worker protections, such as workers' compensation. We will continue to oppose the House proposal, but we are also working with DOL, HHS, and OMB to develop a livable compromise in the event we need one. Though any proposal coming out of conference probably would be subject to the Byrd rule, the likely bipartisan support of governors for such a proposal may make keeping forty votes a challenge.

5. Welfare -- Federal Reserve Bank Study: An analysis published in a Federal Reserve Bank of San Francisco economic newsletter suggests a link between the welfare law and an unexpected rise in the number of single mothers entering the job market. While the percentage of single mothers entering the workforce grew by 2.4 percent between July 1995 and July 1996, the increase from August 1996 to March 1997, when annualized, would equal 6.5 percent. (A total of 500,000 single mothers entered the workforce in this seven-month period.) The Federal Reserve economists hypothesize (they have no hard data) that this increase in single mothers' labor force participation is attributable to the welfare law. A chart used in the analysis is attached to this memo.

6. Education -- Vocational Education Bill: On Wednesday, by a 20-18 party-line vote, the House Education and the Workforce committee reported out a bill to reauthorize the Perkins Vocational and Applied Technology Education Act. Committee Democrats opposed the bill largely because it would hurt urban areas through changes in the substate funding formula, a reduction in the minimum grant size for local school districts and postsecondary institutions, and a new option for states to create a 10% set-aside for rural areas. In addition, many Democrats, led by Rep. Mink, objected to ending gender set-asides (though the Administration proposal would do so as well). The Department of Education, in addition to objecting to the bill's funding provisions, expressed concerns about its accountability mechanisms. The bill would severely limit the Secretary's ability to make judgments about the quality of state funding applications and would give the Secretary no role in developing state program performance indicators or benchmarks. We do not believe Republicans have the votes to pass this bill in its current form and expect further negotiations over the bill before it is brought to the floor.

7. Education -- California Teacher Testing Litigation: The EEOC, Justice Department, and Education Department are considering whether the government should file an amicus brief in a case involving basic skills testing of teachers. A number of California-based civil rights groups challenged the California Basic Education Skills Test (CBEST) in federal district court, on the ground that the test violated Title VII of the Civil Rights Act. The court dismissed the suit, holding that the test was job-related and valid, even though it had a racially disparate impact (with higher pass rates for whites than for others). The case is now on appeal to the Ninth Circuit.

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The EEOC believes that the government should file a brief because the district court, in analyzing the validity of the test, made analytical errors that, if upheld, could undermine Title VII enforcement in a wide range of employment testing cases. The Education Department is opposed to filing a brief, on the ground that doing so would create a perception that the Administration opposes basic skills testing for teachers and would undermine our efforts to raise standards for both children and teachers. The Civil Rights Division of the Justice Department agrees with the EEOC that the trial court made serious errors, but worries that this case (much like Piscataway) is the wrong vehicle to advance these legal arguments.

National civil rights groups, including the Leadership Conference for Civil Rights and the NAACP Legal Defense Fund, have urged the Administration in the strongest terms to file a brief in support of the plaintiffs. The groups agree with the EEOC on the danger this case poses for Title VII enforcement. They have made clear that they view this case as a test of the Administration's willingness to enforce civil rights laws in educational testing cases, and have implied that our decision in this case will affect their stance on your national testing initiative.

At a meeting this week with EEOC, Education, Justice, White House Counsel and DPC staff, Wade Henderson and others from the civil rights community suggested a possible compromise position. They proposed that we work to develop a brief that would underscore our support for educational standards and testing, limit our brief to relatively narrow issues, and oppose only earlier versions of CBEST while not challenging the test currently in use. All present at the meeting agreed that this proposal was a good faith effort to assist the Administration in honoring its commitments to both civil rights and education standards. But many (on both sides) doubted whether such a brief would be legally defensible or politically wise -- or whether it would satisfy any of the competing values at stake. We asked the agencies to outline a brief along the lines Henderson suggested, so that we could better evaluate whether such a brief should be filed. We will consult further with the civil rights groups before making any final decision.

8. Health -- Medicare: Several Medicare provisions passed by the Senate on Thursday are very troubling. These provisions, none of which are in the House legislation, include an income-related premium, an increase of the Medicare eligibility age from 65 to 67, a new home-health copayment, and the elimination of certain balanced billing protections. The income-related premium begins at $50,000 for a single person and $75,000 for a couple and is fully phased in at $100,000 for a single person and $125,000 for a couple; when fully phased in, the income-related premium would be three times the level of the normal premium. The provision would be difficult to administer and could cause high-income people to opt out of Medicare entirely, leaving poorer beneficiaries in a weakened Medicare program. On the brighter side, the Senate limits the Medical Savings Account demonstration to 100,000 people (the House version would cover 500,000) and preserves your academic health center payment pool (the House eliminated it).

THE PRESIDENT HAS SEEN
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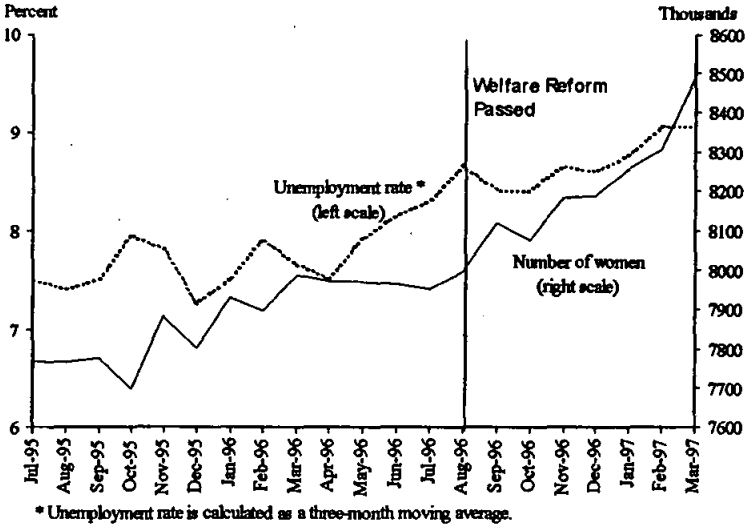
9. Health -- Medicaid: We have three major concerns with the current Medicaid provisions. First, the House and Senate have dramatically different approaches to reducing DSH spending -- both of which differ from your policy. Although this issue is very complicated, your policy best ensures that the few high-DSH states do not bear a disproportionate amount of the cuts. Second, the Senate legislation uses a Medicare block grant, rather than Medicaid, to give states the funds for premium assistance for low-income Medicare beneficiaries. Finally, neither the House nor the Senate legislation would provide the full amount of funding for the District of Columbia and the territories that is specified in the budget agreement.

10. Health -- Children's Health: The children's health provisions in the Senate bill meet most of our requirements. The bill's required benefits package and cost-sharing protections have received good marks from most of the children's advocacy community. The bill also includes an additional $8 billion, raised by a $.20 tobacco tax, for children's health coverage -- though the remaining $6 billion raised by this tax is not dedicated, as we would prefer, to investments in adoption, child care, and other programs for children. The House bill, in contrast, does not meet our criteria for well-targeted, meaningful benefits for children. It allows states to allocate these dollars for services rather than coverage, which will result in fewer children becoming insured. Moreover, even when a state does allocate its dollars to health insurance, the bill's health benefit package is inadequate.

PHOTOCOPY WJC HANDWRITING

Labor Force Level and Unemployment Rates
Women Who Maintain Families



* Unemployment rate is calculated as a three-month moving average.

Tobacco: settlement

THE WHITE HOUSE

WASHINGTON

'97 JUN 28 PM2:35

June 26, 1997

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Tobacco Settlement Review Process

This memo sets forth the process we will use to evaluate the proposed tobacco settlement and to present recommendations to the President. Our goal is to prepare an analysis for the President by late July that defines our public health and public interest objectives; weighs the settlement's strengths and weaknesses against those objectives; summarizes the views of the public health community, Congress, and other affected parties; and lays out positions the President could take on the settlement proposal.

Interagency Review

The review will be carried out by four major workgroups which have already begun to meet:

I. **Regulatory Issues** (convened by Elena Kagan). This group will look at: (a) FDA regulation of product content, including nicotine; (b) FDA regulation of access, advertising, and labeling; and (c) restrictions on environmental tobacco smoke in public buildings and workplace settings. Participating White House offices are DPC, OMB, OVP, NEC, and OSTP. Participating agencies are HHS, DOJ, DOL, GSA, EPA, and Treasury.

II. **Program and Budget Issues** (convened by Chris Jennings). This group will examine proposed uses of settlement funds, including programs to reduce smoking and expand children's health care coverage. In particular, the group will consider the use of settlement funds for: (a) children's health care; (b) education efforts (including grass roots programs); (c) smoking cessation programs; and (d) investments in health research, including nicotine research. White House offices are DPC, OMB, NEC, OVP, and OSTP. Participating agencies are HHS, Treasury, DOL, USDA, Interior, VA, and DOD.

III. **Legal Issues** (convened by Elena Kagan). This group will review the settlement's provisions on liability, damages, and document disclosure, and will consider constitutional, antitrust, and other legal issues raised by the settlement. White House offices are DPC, OVP, NEC, and Counsel. Participating agencies are DOJ, HHS, Treasury, EPA, and Interior.

IV. **Industry Performance and Accountability** (convened by Bruce Reed). This group will analyze the economic effects of a settlement. The group will assess: (a) the economics of the industry and the settlement's effects on industry performance, international markets, federal revenues, consumers, farmers, etc.; and (b) the set of incentives and penalties in the settlement to reduce tobacco use, especially by children. On a separate track, Dan Tarullo will oversee a look at Administration policy on tobacco-related trade and international issues, which the settlement does not directly address. White House offices are DPC, NEC, CEA, OVP, OMB, and OSTP; participating agencies are: HHS, Treasury, DOL, USDA, USTR, State, and DOD.

Public Outreach

We will work with OPL and HHS on a tightly focused public outreach effort designed to demonstrate that the President is conducting a thoughtful, thorough review focused on public health issues. Many groups covering a wide range of interests are affected by the proposed settlement. We will emphasize the President's focus on health by hosting 6-8 highly visible White House meetings with small, select groups of health experts. Working with OPL, we will encourage other interested groups (e.g., children's advocates, women's organizations, and farmers) to share their views through written comments and, where appropriate, meetings with agency and White House staff.

Donna and I will host the White House meetings over the next three weeks. We will convene experts from national health organizations; Koop-Kessler advisory group participants; experts on tobacco products and nicotine addiction; local grass-roots advocates; state and local tobacco control officials; and children's health advocates.

We will start by bringing in members of the Koop-Kessler advisory group, including the American Cancer Society, American Medical Association, and American Heart Association, the week of July 7. Future meetings will include: Action on Smoking and Health; American Academy of Pediatrics; American Public Health Association; Americans for Nonsmokers' Rights; and National Center for Tobacco-Free Kids, Joe Califano, and leading academics.

Congressional Outreach

We will need to take into account Congressional views on the settlement proposal. Multiple committees in both the House and Senate would have jurisdiction over legislation enacting an agreement. The goal of our Congressional outreach process will be to strengthen relationships on the issue with key members and to keep the debate bipartisan and balanced. We will consult with the leadership, anti-tobacco advocates, and representatives of tobacco states. Today and tomorrow HHS is making calls to key Republican and Democratic members to seek their input on how best to consult with the Hill in the coming weeks. We are working with Legislative Affairs and HHS on a detailed list of Congressional meetings to begin the week of July 7. There are many critical members, including Senators Lott, Daschle, Hatch, Kennedy, Lautenberg, Ford, and Durbin; and Congressmen Gephardt, Gingrich, Bliley, Waxman, Dingell, Hansen, Meehan, Gordon and others.

Press Plan

This issue is certain to attract considerable press attention throughout our review. Major news organizations have assigned entire teams to cover the tobacco settlement. After devoting so much coverage to the negotiations, the networks are determined to keep this issue alive. We should take advantage of that heightened interest to advance our public health message.

On Friday, Donna and I are prepared to brief the White House press corps on how we will conduct this review, who will be involved from within the Administration, and what groups and outside experts we plan to consult.

During the week of July 7, while the President is away, Donna and I will conduct the public health and Congressional meetings described above. This will give the press something to write about, and show that we are running an open process. During the week of July 14, we will continue public health and Congressional meetings and bring in two groups of attorneys general -- the enthusiasts and the skeptics. The Vice President is willing to hold a public hearing with us in mid-July if we need one.

Schedule

We have planned the following schedule. Some do not believe the review can be completed within 30 days, as the President suggested. But we will work as quickly as possible to preserve that option and ensure a decision by early August at the latest.

Week of June 23:	DPC convenes work groups and assigns analytic tasks to members. Donna and Bruce brief press on process and conduct.
Week of June 30:	Groups provide preliminary assessments of key issues. DPC and agency staff begin meetings with public health experts.
Week of July 7:	Groups develop options for key issues. Bruce, Donna and others continue meetings with public health groups and begin meetings with members of Congress.
Week of July 14:	Principals review workgroup assessments and meet to discuss options. Bruce, Donna and staff continue meetings with public health experts and Members of Congress. Possible public hearing with the Vice President.
Week of July 21:	Initial meeting with the President.
Late July/ early August:	Presidential decision and announcement.

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Jul 12, 97 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

July 12, 1997

'97 JUL 12 PM1:35

MEMORANDUM FOR THE PRESIDENT

Copied
Bruce Reed
Elena Kagan
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FROM: BRUCE REED
ELENA KAGAN

SUBJECT: DPC WEEKLY REPORT

1. Tobacco -- Review of Settlement: We are making good progress on our review of the tobacco settlement. We met this week with Drs. Koop and Kessler, Attorneys General Moore and Gregoire, and representatives from leading public health and tobacco control groups. In interagency meetings, we have identified the major legal and policy issues, have begun to analyze the economic effects of the settlement, and are developing options in key areas. Next week, we will meet with the tobacco industry, tobacco farmers, and additional public health experts. We will also consult with Members of Congress, beginning with a Senate Democratic Task Force chaired by Senator Conrad.

2. Education -- NAACP Speech: Your speech to the NAACP on Thursday will provide an opportunity to discuss education issues in the context of your race initiative. In addition to talking about the value of integration in educational institutions, you can discuss how to improve schools in those urban and rural areas with large concentrations of poor and minority students. Here, you can discuss the importance of national standards and tests, but also focus on providing students with the tools and opportunities that will help them meet those standards. Emphasizing that the quality of teaching in inner city and rural schools is much lower than in the rest of the nation, you also can announce a new initiative to recruit, prepare, and retain teachers in urban and poor rural communities. This program, which is part of the Department of Education's proposal for the reauthorization of the Higher Education Act, would provide about $250 million over five years to strengthen teacher training programs that place large numbers of graduates in urban or poor rural communities, as well as to provide scholarships to talented and diverse students who will commit to teach in urban and poor rural areas for at least three years after graduation

3. Crime -- Youth Handgun Tracing/Interdiction: In next week's radio address, you will release a 1-year report by the Treasury Department on the 17-city Youth Handgun Tracing initiative. The report provides an unprecedented amount of information about the guns used to commit crimes and how juveniles obtain them. The report finds, for example, that (1) four out of 10 crime guns recovered by police are from youth (17 and under) or juveniles (18 to 24); (2) about 60 percent of crime guns recovered from juveniles and youth are semiautomatic pistols, and more than 80 percent are handguns; and (3) at least a quarter of the crime guns that police recover from juveniles and youth are firearms that were rapidly diverted from first retail sales to

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a black market. In addition to releasing the report, you will announce a $12-15 million expansion of the initiative that will enable 5 to 10 new cities to join the tracing program and strengthen the investigation of gun crimes in these cities.

4. Crime -- Brady Follow-up: On Wednesday, the Attorney General and Secretary of the Treasury will host a meeting for law enforcement representatives from the 23 Brady states and a number of national organizations. The Attorney General and Secretary will: (1) brief the law enforcement officers on the Supreme Court's decision and issue guidance on how they can continue to conduct background checks; (2) get county and/or state law enforcement agencies to agree to do background checks for the handful of local jurisdictions that have stopped doing them; and (3) discuss and seek support for legislation that makes clear that states, unless expressly prohibited by state law, have the authority to conduct background checks. This legislation is necessary because the NRA is challenging the authority of 19 of the 23 Brady states to continue to conduct Brady checks, and the Attorneys General of Arkansas and Ohio are claiming that they lack this authority.

5. Crime -- Crack Cocaine Sentencing: We are working with the Justice Department and ONDCP to move forward on their recommendations to reform crack cocaine sentencing. At the urging of Senators Biden and Kennedy, we decided to postpone making these recommendations public until after the Senate Judiciary Committee's mark-up of the juvenile justice bill. We instead engaged in private discussions with Senator Abraham to prevent him from offering an amendment to drop the mandatory minimum threshold for powder while leaving the threshold for crack intact. (Senator Abraham would have offered, and the Committee would have passed, this amendment if we had made the DOJ/ONDCP recommendation public.) After the mark-up is over, Justice and ONDCP will take the lead in reaching out to members of the Judiciary Committees and the Congressional Black Caucus, as well as to law enforcement representatives. If we can build enough support for our approach, we will try to attach an amendment to the juvenile justice bill when it is considered on the floor of the Senate this fall.

6. Health -- Genetic Screening Event: On Monday, you will release a new HHS report on the use of genetic screening and challenge Congress to pass legislation addressing this issue. The report shows that over one-fifth of individuals who have a family member with a genetic disorder have suffered discrimination by insurers. The report includes specific legislative recommendations to prevent health insurers from making improper use of genetic screening information. Although they cannot be at the event, two key Republican Senators (Jeffords and Frist) who sit on the primary Senate committee of jurisdiction will announce their support for legislation consistent with the recommendations outlined in the HHS report.

7. Health -- Budget Reconciliation Developments: Although no Medicare issues have been finally resolved, Thursday's overwhelming support (over 400 votes) for a Sense of the House Resolution rejecting the increase in eligibility age from 65 to 67 effectively has killed this proposal. The income-related premium and the home care copayment still remain potentially viable, although the latter is losing steam. We are advising Members that you support relating

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the Medicare premium to income, but only if your administrative concerns (Treasury, not HHS administration) and policy design concerns (e.g., reducing maximum premium payment from 100 percent to 75 percent of Part B program costs to reduce the incidence of well-to-do elderly leaving the program) are adequately addressed. Although Senator Domenici and others have acknowledged the advantages of your approach, many Republicans are not interested in considering any premium administered through the Tax Code.

As for Medicaid, Members are now focusing most of their attention on the allocation of the disproportionate share hospital (DSH) payments. On Thursday, Senator Domenici and Congressman Spratt asked the Administration to help co-chair a DSH study group, to begin meeting early next week, to help determine alternative formulas. The Senators are concerned about placing excessive burdens on high DSH states. But because the low-DSH states do not want any of the burden shifted back to them, there may be a great deal of pressure to find some additional money to reduce the overall DSH cut.

Good

8. Welfare -- White House Hiring: Thanks to Jody Torkelsen and her staff, the EOP has achieved its goal, set in April, of hiring six welfare recipients. One of them is working for the Domestic Policy Council. We are saving this announcement for an appropriate time and trying to ensure that the announcement will not jeopardize the privacy of these workers.

9. Welfare -- Speech to the NGA: After reading Secretary Shalala's memo on how states are using "excess" funds from the welfare block grant, you asked whether you should write a letter to governors on this subject. We suggest you send such a letter on July 28th -- the same day you speak to the National Governors' Association on welfare issues. In that speech, you can discuss the state policies and programs (both good and bad) that have emerged as a result of welfare reform. You also can expand on the challenge you issued in last week's radio address for "every state to take the money they save from lowering their caseloads and use it -- for child care, for transportation, to subsidize the training and wage help that people need to move from welfare to work."

10. Welfare -- Children's SSI Cut-offs: This month, SSA will begin to cut off SSI benefits for children found not to meet the new definition of childhood disability included in the welfare law. Time Magazine ran a story on the issue this week, and ABC World News Tonight is expected to cover the story soon. The law calls for SSA to complete all eligibility reviews by August 22, but Congress is likely to give the SSA another six months to finish the review process. SSA expects about 135,000 children to lose benefits as a result of the new standard. Under the budget agreement, these children would continue to receive Medicaid benefits. The Senate, however, failed to include this provision in its budget legislation, and the House made it a state option. We are working hard to get all that the budget agreement promised in this area.

11. Welfare --California and New York Plans: California and New York have about one-third of the nation's welfare recipients between them, but battles between Republican governors and Democratic legislators long have stymied welfare reform plans in both states.

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Somewhat surprisingly, this battle appears to be coming to an end in New York. Governor Pataki recently signaled that he will drop the most onerous features of his welfare plan, such as decreasing welfare benefits over time and converting the state's general assistance program to a voucher system. Though an agreement could still fall through, passage of a welfare plan -- with a quite significant increase in child care spending -- now appears likely. Meanwhile, in California, Governor Wilson vetoed a plan sent to him by the Democratic legislature. Wilson wants to cut benefits by 15 percent after a family has been on the rolls for six months; limit any new recipient to 12 months of continuous benefits; require women to start job search when their children are 12 weeks old; and eliminate the state requirement that counties provide general assistance. The Democratic plan rejected each of these demands (though it would have limited each period of welfare receipt to 24 months). Democrats are now negotiating with the Governor, but it is not clear when or whether an agreement will emerge.

12. Welfare -- Teen Parents: Last week, several newspapers reported on a study showing that the New Chance project for teen mothers does not help participants become self-sufficient. New Chance is a voluntary program, which offers extensive employment and support services, but does not sanction individuals for failing to meet program expectations. The study found that teen mothers in New Chance were no more likely than teens in a control group to gain jobs or leave welfare. The Washington Post editorialized that a "values-free program that relies exclusively on 'services' and material successes but de-emphasizes the importance of self-discipline, character, commitment, and responsible personal conduct may do little to address some of the problems that led to dependency in the first place." A related conclusion emerges from comparing the New Chance study with well-known and respected studies of Ohio's LEAP program and the Teenage Parent Demonstration project. Both of these programs require teen parents to stay in school and follow other rules, and both sanction participants for failing to do so. These programs show significantly better outcomes than New Chance, with participants leaving welfare and getting jobs at a higher rate than other teen mothers.

13. Service -- Girls Nation Event: Next Friday, as part of an event with Girls Nation, you will announce that in the first year of a program you announced last year at Penn State, a total of 1,600 high school juniors and seniors across the country have received $1,000 "National Service Scholarships." High school principals selected these students based on their outstanding service records. The federal government, through the Corporation for National Service, put up $500 per scholarship, and civic organizations and other groups matched that amount. The matching organizations include the Kiwanis, Rotary, VFW, Junior Leagues, Chambers of Commerce, PTAs, the Miss America organization, and the American Legion. Sallie Mae provided the match for all high schools in D.C., while the Minnesota state legislature voted to provide matching funds for every high school in the state next year. Our goal is to institute this scholarship in as many of the 20,000 high schools in the country as possible. We are drafting a letter for you to send to all high school principals advising them of this opportunity. On the same day that you will make this announcement, the Rev. Tony Campolo and an organization called "Youth for Christ" are holding a rally on the Mall with 25-30,000 young people, all of

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whom have pledged to serve 3 hours a week for the next 6 months in their communities. A similar event in Los Angeles in June drew 11,000 young people.

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THE PRESIDENT HAS SEEN
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THE WHITE HOUSE

WASHINGTON

July 19, 1997

'97 JUL 19 PM2:06

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco: Secretary Shalala and Bruce met this week with the Senate Democratic tobacco task force (chaired by Senator Conrad), tobacco industry lawyers, tobacco growers (accompanied by Governor Hunt), and former industry scientists who became whistleblowers. The growers urged us to maintain the current tobacco quota and price support program; require industry to use mostly U.S.-grown tobacco; and provide transition assistance as the demand for cigarettes falls. The meeting with the whistle blowers, which the Vice President led, focused on scientific research on nicotine and "reduced risk" cigarettes. Next week, we expect to brief the House Democratic tobacco task force, begin meetings with key committee chairmen, and wrap up our meetings with the public health community. We also will continue our interagency meetings on regulatory, legal, and financial issues, which are focusing especially hard on issues relating to FDA jurisdiction and financial penalties. Finally, we will complete an executive order restricting smoking in federal buildings, which you can sign on July 30.

2. Education -- California Law School Investigation: In response to a complaint filed by several civil rights organizations, the Office for Civil Rights (OCR) at the Department of Education decided last week to open an investigation of the current admissions policies at three University of California law schools: Boalt Hall, UCLA, and UC-Davis. (The Department initiated a similar investigation of the Texas higher education system in February, not in response to an individual complaint, but as part of a routine compliance review.) The investigation will determine whether the schools' admissions policies violate Title VI of the Civil Rights Act, which prohibits federally funded entities from discriminating on the basis of race. If the Department of Education finds that these schools have violated Title VI, it first will attempt to reach an agreement without litigation; then, if its settlement attempts fail, the Department may either start formal administrative proceedings to cut off funds to the schools or refer the matter to the Justice Department to bring suit seeking elimination of the discriminatory practices.

To prove a violation, the Department will have to show that current admissions practices have a discriminatory effect on minority students and that these practices are not needed to predict success in college. (Current Title VI law does not require that the government show discriminatory intent on the part of the federally funded institution.) Preliminary analysis shows a significant disparity in the admission rate for African-American, Hispanic, Asian-American,

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and Native American students, as compared to white students, at the three law schools under investigation. The law schools, however, will probably make the argument that this disparate impact is attributable to the use of test scores in the admissions process. The investigation then will focus on whether these test scores are valid predictors of success in college and whether there are alternative, non-discriminatory ways for colleges to predict success.

3. Education -- National Testing Initiative I: At an event on Friday with school principals, you will announce that many of the nation's largest cities -- probably including New York, San Francisco, and Chicago -- have agreed to participate in your testing initiative. We also think we will be able to add a few more states to the list of participants, including Colorado and Delaware.

4. Education -- National Testing Initiative II: At the request of Congressman Goodling, the House subcommittee mark of the Labor/HHS/Education appropriations bill includes a provision preventing administration of our 4th and 8th grade tests until the National Academy of Sciences completes an evaluation of their development and testing. The Education Department already had decided to contract with NAS for such an evaluation, and so has no fundamental objection to this provision. The Department and DPC, however, are working carefully with Mr. Obey's staff to ensure that the timelines set for the evaluation will allow states to begin administering the tests on schedule.

Diane Ravitch and Checker Finn criticized our testing initiative last week, in an article in the Weekly Standard and a letter in the Washington Times, for failing to give governing authority over the national tests to NAGB. We have held off from seeking legislation to give NAGB this authority because Congressman Riggs, who chairs the relevant subcommittee and supports the testing initiative, advised us to attempt to appease Goodling before doing so. In light of these new criticisms, however, we are talking with congressional staff about whether to push for a provision in this year's appropriations bill that would give authority over the tests to NAGB.

5. Education -- National Testing Initiative III: As you heard on Air Force 1, Secretary Riley met last week with Chris Edley and representatives of a number of civil rights groups to discuss their concerns about the testing initiative. Their primary fear is that states and school districts will provide parents with only the child's individual score (rather than with school and district scores), which would prevent parents from using the tests to hold teachers and school administrators accountable. (Participants at the meeting also expressed some concern that schools will use the tests for high-stakes purposes -- tracking, promotion, etc. -- without taking into account other indicators of performance.) The Department agrees that parents should receive all of this data, but believes that adding a reporting requirement would make it more difficult to convince states and cities to sign up for the test. The Department also notes that states and school districts increasingly provide complete testing data, in part because of Title I requirements. While neither the Department nor the DPC would require reporting of this data at this juncture, we believe that your speeches should emphasize, even more than they do now, that

test results should be incorporated into school report cards and used to hold schools and school districts accountable.

6. Health -- Medicare: After a day-long caucus yesterday, House and Senate Republican leaders remain divided on the issues of means-testing Medicare premiums, increasing the age of eligibility to 67, and requiring a $5 copayment for home health services. They did, however, agree to the provision in the House bill on Medical Savings Accounts, which would allow 500,000 recipients to participate in the demonstration project.

The Administration held two meetings with the Senate "Mainstream" Coalition to discuss its Medicare "reform" agenda. We stated strong support for an income-related premium, but only if our policy concerns were met. We seemed to convince the members that the Treasury Department should administer the program. We emphasized the revenue loss ($8.9 billion vs. $3.9 billion), administrative costs ($30-50 million vs. $10 million), 2-3 year income reporting lag, and potential for major privacy violations if HHS were the administering agency. Although some members expressed concern about persuading House Republicans to accept a Treasury-administered approach, Senator Chafee said that "it should be Treasury or nothing."

Our presentation on the eligibility age issue focused on the Coalition's recent proposal to offer 65 and 66 year-olds access to the Medicare program through a $54 per month premium assessed for the rest of the senior's lifetime. Although we raised concerns that such a premium would be unaffordable for many elderly (thus not adequately addressing the uninsured problem) and would end up shifting billions of dollars of costs to the states (because of mandated low-income beneficiary buy-in requirements and SSI eligibility), we agreed to provide the Coalition with technical assistance as they developed options.

7. Health -- Immunization Event: On Wednesday, you and the First Lady will announce that we are ahead of schedule in meeting our immunization goals. In 1996, 90 percent of America's two-year-olds received the most critical vaccines. You also will announce a new child care regulation that requires the immunization of all children in federally funded child care. Senator Bumpers will attend the event, as will our probable Surgeon General nominee -- CDC's Dr. David Satcher. Although the clearance process on Dr. Satcher is not complete, this event provides a good opportunity to showcase his extraordinary accomplishments.

8. Health -- FDA Reform: We are approaching the final round of negotiations with members of the Senate Labor and Human Resources Committee on a major FDA reform bill. The primary issue on the table concerns a provision to allow drug manufacturers to provide physicians with peer-reviewed articles that outline as yet unapproved, but apparently effective uses of prescription drugs. If we can reach a compromise on this issue, final passage of the bill could come as early as September. If we cannot agree on a compromise bill by that time, the provisions in current law that authorize user fees will expire and FDA will have to start laying off individuals reviewing new drug products.

9. Health -- Needle Exchange: Your public health advisors at HHS are on the verge of concluding that needle exchange programs not only reduce the spread of AIDS, but also do not increase drug use. (Current law requires the Administration to make both these findings before allowing local communities to use CDC funding for needle exchange programs.) General McCaffrey, however, has not yet agreed with the public health advisors, and we do not want to make a recommendation to you until the General has had further conversations with Dr. Varmus and others. Many in the AIDS community are disappointed that we have not yet used our authority to allow federal funding. Doing so now, however, may interfere with our efforts (so far successful) to prevent the House Appropriations Committee from entirely stripping the Administration of this authority.

10. Welfare -- Budget Update: During their caucus yesterday, House and Senate Republican leaders and committee chairmen agreed to a provision in the House spending bill excluding workfare recipients from the Fair Labor Standards Act and other employment laws (though requiring payment of the minimum wage for hours worked). The Senate version of the spending bill did not have any similar provision. The Republicans also agreed to a provision in the Senate bill that HHS run the $3 billion welfare-to-work program, with TANF agencies in charge of local administration. The House bill provided, in accord with Administration policy, that DOL run the program, with PICs as the key local actors. We are fighting hard to reverse the leadership's position on both these issues. As far as we know, Republicans have not yet reached agreement on other critical welfare issues, including disability and health benefits for legal immigrants and privatization of Food Stamp and Medicaid operations.

11. Welfare -- NACo Report: A report released this week by the National Association of Counties concludes that "counties are making welfare reform work by using the flexibility granted in the new law to develop innovative programs that are best suited to their local needs." The report profiles successful efforts in four counties (Fulton County, GA; Santa Clara County, CA; Dade County, FL; and Hennepin County, MN) to provide transportation, child care, and public sector jobs; to assist legal immigrants losing federal benefits; and to create collaborative partnerships between the public, private, and non-profit sectors. The report notes that NACo opposed the welfare law, but commends the Administration and Congress for addressing counties' primary concerns: funding for job creation and benefits for legal immigrants. The report also emphasizes that "the need for transportation services is tremendous. It was the most common thread that linked all counties and outpaced all other concerns as their most urgent need. The reauthorization of the Intermodal Surface Transportation Efficiency Act including new funds to help those who are making the transition from welfare to work is therefore paramount."

12. Crime -- Juvenile Crime Bill: On Tuesday and Thursday, the Senate Judiciary Committee met to mark up Senator Hatch's juvenile crime bill. While the Committee did not get much work done, it did vote down Senator Kohl's amendment on child safety locks by a one-vote margin. Senator Hatch offered to work with Democrats over the weekend to limit the number of pending amendments (87) and complete action on the bill next week.

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THE WHITE HOUSE
WASHINGTON

July 25, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan EK

SUBJECT: DPC Weekly Report

1. Tobacco Update: As part of our outreach effort, we met with research scientists, state public health officials, and experts in "counter-advertising" this week. We also briefed the Democratic House tobacco task force, chaired by Vic Fazio. At this meeting, Rep. Baesler (D-KY) urged us to convene Democratic members from tobacco-growing states to discuss growers' issues; we plan to host such a meeting at the White House next week with Secretary Glickman. We will also meet next week with Republican and Democratic members of the Senate Labor Committee and with the Senate Republican leadership.

On Thursday, you are scheduled to sign an executive order assuring a smoke-free federal workplace. The order requires agencies to prohibit smoking inside federal buildings, except in designated areas separately ventilated to the outside. Over 10 federal agencies are already smoke-free, but many agencies, including the Department of Defense, will have to change current policies substantially to comply with the order.

We hope to meet with you late this week or early next to review some of the important issues that the settlement raises and to discuss how best to proceed.

2. Crime -- Juvenile Justice Bill: The Senate Judiciary Committee reported out the juvenile justice bill by a vote of 12-6 on Thursday. Senators Feinstein and Torricelli joined the Committee's Republicans in supporting the legislation. The Committee improved the bill during mark-up by adding a provision to separate juveniles and adults incarcerated in the federal system, providing some guaranteed funds for crime prevention programs, and allowing states to use the funds set aside for prosecutors to support court-based programs like Boston's Operation Night Light. But the bill still does not contain some of our key priorities: guaranteed funding for after-school programs, additional funding for prosecutors and court-based programs, a gun ban for violent juveniles, and a child safety lock provision. The legislation is not expected to go to the Senate floor before October.

3. Crime -- Brady Law: The Arkansas Attorney General issued a statement on Thursday making clear that state law permits law enforcement officers to do Brady background checks. Arkansas' about-face leaves Ohio as the only state in the country to have accepted the NRA's argument that state law prohibits law enforcement officers from doing Brady checks. Justice and

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Treasury officials are attempting to persuade the Ohio Attorney General's office to reverse this policy.

4. Drugs -- Household Survey: The HHS 1996 Household Survey on drug abuse, which HHS will issue with the next couple of weeks, offers mixed news about drug use. The survey shows:

- Overall drug use neither increased nor decreased significantly. About 13 million people, or 6.1% of the population, currently use drugs. Most are marijuana users -- 10.1 million people, or 4.7% of the population.

- The steady increase in marijuana use by 12-17 year olds that has occurred since 1992 stopped this year, with a slight (though statistically insignificant) downturn. But marijuana use by 18-25 year olds increased slightly.

- Heroin use increased, particularly among people under the age of 25. There were a record number of new heroin users (141,000) last year.

- Cocaine use is showing signs of coming back, with cocaine use increasing slightly for the first time since 1992 -- including among 12-17 year olds.

Because the Household Survey measures drug use in America's households, rather than in the entire population, the survey misses some groups of people -- for example, homeless persons and prisoners -- with high rates of drug use.

5. Drugs -- Crack Study: The National Institute of Justice is set to release data on crack use in 24 cities. The report finds that crack use decreased substantially -- by at least 10 percent -- in 10 of the cities; that crack use decreased among juveniles in another seven of the cities, which suggests that declines in the overall rate are forthcoming; that crack use held steady at high levels in five of the cities; and that crack use held steady at low levels in the remaining two cities.

6. Welfare -- Report on LEAP: The Manpower Demonstration Research Corp., an organization that designs and evaluates welfare programs, just released updated findings on Ohio's LEAP program. LEAP is a mandatory program for teen parents that provides child care, transportation, and counseling to participants, and cuts cash benefits if they fail to attend school. The study found that LEAP had some success in increasing school attendance and employment and reducing AFDC receipt. But LEAP had little impact on teens who had dropped out of school before entering the program. The program neither induced these teens to return to school nor raised employment rates. One program administrator noted that the state's experience showed that "it is really important to get to teens as soon as possible after they have a child to help them avoid dropping out of school."

7. Education -- Vocational Education Bill: The Perkins vocational education reauthorization bill passed the House this week by a vote of 414 to 12. Democrats and

Republicans reached a compromise on an in-state funding formula and other provisions that target additional funds to low-income and urban areas, thus avoiding a partisan final vote. The most contentious issue on the floor was an amendment by Rep. Mink (defeated 214-207) that would have required each state to have a sex equity coordinator and to maintain funding levels for programs serving single parents, single pregnant women, and displaced homemakers. As passed, the bill would achieve several administration goals, including the consolidation of numerous existing set-asides into a flexible state grant. The Department of Education, however, would like even greater targeting of funds, as well as stronger accountability mechanisms. The Department hopes to address these issues in the Senate.

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THE WHITE HOUSE

WASHINGTON

August 2, 1997

THE PRESIDENT HAS SEEN
8-4-97

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Welfare -- Budget Bill: The final welfare provisions of the budget bill prompted a front-page New York Times headline declaring "In Budget Bill, President Wins Welfare Battle." First, the bill guarantees Medicaid and SSI benefits to legal immigrants on the rolls in August 1996 and to legal immigrants residing in the U.S. on that date who have since become -- or in the future become -- disabled. Second, the bill includes a $3 billion welfare-to-work program, which has all the critical components of our original proposal: it establishes DOL as the administering agency; routes formula money through Private Industry Councils, thereby giving mayors effective control over its distribution; contains a fairly sizable competitive grant fund; allows the funds to be spent on a wide range of programs; targets funds to the hardest-to-place welfare recipients; and contains strong anti-displacement provisions.

Third, the bill contains a good welfare-to-work tax credit, which gives companies that hire long-term recipients a credit for 35% of wages up to $10,000 for the first year and 50% for the second year. Fourth, the bill continues Medicaid coverage for children who will lose SSI under the new definition of childhood disability contained in the welfare law. Fifth, the bill does not contain any provision to exempt workfare recipients from the FLSA and other worker protection laws (though we did agree, in exchange for making the child tax credit refundable, to a provision that benefits received by working welfare recipients would not qualify as wages for purposes of the EITC). Sixth, the bill also does not contain any provision allowing privatization of Medicaid and Food Stamp operations, in part because Governor Bush rejected a compromise that Texas run a substate demonstration covering up to 50% of recipients.

The best analysis of the welfare provisions comes from usually devoted supporters of the Republican Party. Robert Rector of the Heritage Foundation told the Washington Post that "the Republicans appear to have capitulated on almost every welfare issue." And Michael Tanner of the Cato Institute told the New York Times that "the President got everything he wanted and then some."

The Republicans have made clear that they intend to return to the issue of how worker protection laws apply to welfare recipients, perhaps on the Labor-HHS appropriations bill. In final budget discussions, we indicated some willingness to exempt workfare participants from FICA and FUTA, and we can offer that compromise again in a future fight on this issue. We also may not have

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seen the last of the privatization issue; House Republicans are upset at Governor Bush for declining a substate demonstration project, and they may take another run at enabling some state (perhaps Wisconsin) to privatize part of its Medicaid and Food Stamp operations. While awaiting these battles, we will work closely with DOL on implementing the new welfare-to-work program.

2. Health -- Budget Bill: We are very pleased with the health provisions in the budget agreement, especially the children's health package. After your statement at the NGA about the importance of a strong benefits package, we were able to secure a provision requiring States to choose from one of four packages: (1) the FEHBP model; (2) the benefits package of the most popular state HMO; (3) the state employee plan; and (4) the actuarial equivalent of any of the above three packages, provided it offers the same or better benefits for vision, hearing, mental health, and prescription drugs. In the overwhelming majority of states, this provision will ensure that children receive a strong package of benefits, including these four drug services. During final negotiations, we also succeeded in inserting several provisions that give further assurance that states will use the new funds to cover uninsured children, rather than to supplant existing funding. In the days following the agreement, newspapers quoted the General Counsel of the Children's Defense Fund as saying that the initiative will do "extraordinary good for millions of children" and the President of the American Academy of Pediatrics as saying that the package represented an "extraordinary commitment" to children's health care. We are now working on an implementation strategy to encourage and assist states to use the new investment to cover as many uninsured children as possible.

3. Health -- Diabetes Announcement: You are scheduled to announce on Friday -- probably with Speaker Gingrich -- new investments in the budget relating to diabetes. These investments include: $150 million over five years for Type I diabetes research (most common in children); $150 million for diabetes prevention, treatment, and research in the Native American population (the diabetes rate among Native Americans is nearly 3 times the national rate); and a new Medicare benefit for diabetes prevention. The American Diabetes Association (ADA) has said that this new package of investments is the most significant development for diabetes since insulin was discovered in the 1920s. You are also scheduled to announce a new collaborative effort between HCFA, ADA, and the National Committee on Quality Assurance to develop new standards of care for diabetes. Diabetes experts believe that this collaborative effort will significantly improve care for diabetics.

4. Health -- Medicare Fraud: We are preparing to release next week several new initiatives responding to the recent finding that the Medicare program lost $23 billion last year due to overpayments, fraud, and abuse. We hope to be able to announce that HCFA is immediately halting payments to providers identified in the report as committing fraud and that HCFA is undertaking comprehensive audits of providers identified as potentially defrauding the government. We also will announce a new quarterly report by HHS and DOJ on all fines, decertifications, and ongoing investigations of fraud and a new award for state and local governments and other organizations that have made outstanding efforts to eliminate fraud and abuse. Last, but most important, we suggest

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that when you sign the budget bill into law, you highlight the significant anti-fraud provisions that it contains.

5. Education -- National Testing Initiative: Rep. Goodling intends to offer an amendment to the Labor-HHS appropriations bill in September that would prohibit the Education Department from spending any FY 1998 funds on the development or administration of national tests. We thought the vote would be held last week and worked hard to mobilize supporters of the testing initiative -- including the AFT, NEA, Business Roundtable, National Alliance of Businesses, Chief State School Officers, and Council of Great City Schools -- to contact members. But if the vote had occurred last week, we might well have lost. While Democratic support was generally strong (with the exception of the Hispanic Caucus, discussed below), we would have held very few Republican votes. Even Rep. Riggs and Rep. Livingston, who originally were inclined to oppose the Goodling amendment, shifted their position later in the week, in part because of strong pressure from right wing groups, home schoolers, Lynn Cheney, and others. We may be able to ameliorate Republican concerns over the next month by agreeing to have the National Assessment Governing Board oversee the tests.

The Hispanic Caucus has suggested that it might vote en bloc with Mr. Goodling. Members of the caucus object to our current intent to provide the 4th grade reading test only in English. They have asked the Department of Education to create a Spanish language version of the test that students with limited English proficiency could take instead. We are continuing to consult with members of the Caucus and are exploring ways of addressing their concerns, while maintaining our position that students should be expected to read in English.

6. Tobacco: We have completed the public consultation phase of our review of the tobacco settlement, and we will be ready to present you with recommendations shortly. In one of our last meetings, we told Democratic members from tobacco states that they should let their constituents know that the Administration will insist that any settlement do right by tobacco farmers. We have asked Dan Glickman to go to tobacco markets in North Carolina and Virginia later this month to deliver the same message.

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THE WHITE HOUSE

WASHINGTON

August 9, 1997

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MEMORANDUM FOR THE PRESIDENT

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FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health -- Pediatric Labeling: You, the Vice President, and the First Lady are scheduled to participate in an event on Wednesday to announce a proposed FDA regulation to ensure that drug companies test their products for use in children and provide information to pediatricians and other health care professionals on correct dosage levels for children. The drug industry's failure to test and label their products for use in children causes serious harm. Doctors may prescribe incorrect doses of drugs, resulting in under- or over-medicating fragile patients; alternatively, they may decline to prescribe needed medications altogether, for fear of giving the wrong dose and harming their patients. For example, doctors rarely prescribe protease inhibitors for children suffering from AIDS because they do not know how to do so safely. Pediatricians, children's hospitals, consumer advocates, and AIDS groups strongly endorse this regulation.

2. Health -- Implementation of Children's Health Initiative: We have started a process with HHS, OMB, the First Lady's office, and others to ensure effective implementation of the children's health initiative. By next week, we will have a complete schedule for issuing guidelines and regulations to help the states interpret the new legislation and design children's health plans. The schedule also will list meetings with state representatives (Governors, Medicaid Directors, etc.), children's advocates, health care providers, and others who are interested in the initiative. We will evaluate how you, the First Lady, and Secretary Shalala can most effectively highlight the new opportunities to cover uninsured children. In addition, we are now reaching out to foundations to determine their interest in using private dollars for outreach efforts designed to cover the 3 million children currently eligible for, but not enrolled in, Medicaid. The foundations have expressed some interest, and we will keep you informed of developments.

3. Immigration -- Commission Report: The U.S. Commission on Immigration Reform is preparing a report on structural reforms to the current immigration system. A draft of the report comments favorably on a proposal to abolish the Immigration and Naturalization Service (INS) and delegate its main functions to the Departments of State, Labor, and Justice. Under this scenario, the Department of Justice would have responsibility for immigration enforcement, including the Border Patrol, investigations, detentions, and deportations; the State Department would perform functions relating to immigration benefits, services, and visa processing; and the Department of Labor would have responsibility for all workplace-related immigration activities.

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THE PRESIDENT HAS SEEN
8-11-97

The report also discusses other options for structural reform, including establishing a new Cabinet-level department or independent agency on immigration and/or creating an Office for Immigration Policy at the Domestic Policy Council. The Commission will release its final report in late September. We said last week that we would give careful consideration to the Commission's recommendations; the Attorney General, though stating strong support for the job the INS is doing, also expressed a willingness to consider significant structural changes. Either DPC or REGO will begin an interagency process to evaluate the Commission's report and other proposals for structural reform of the immigration system.

4. Crime -- Community Policing Grants: On Thursday, the COPS Office released $92 million to fund approximately 1,300 police officers in 48 states. To date, the COPS program has funded an estimated 63,000 police officers and deputies.

5. Education -- Testing Lawsuit: The NAACP Legal Defense Fund filed a federal suit this week against the Johnston County School District in North Carolina, challenging a year-old policy requiring all students in grades 3 through 8 to achieve a specified score on North Carolina's reading and math tests before going on to the next grade. The plaintiffs claim that the high-stakes testing policy discriminates against African American and Hispanic students, because (1) these students disproportionately fail to attain the specified score and (2) the tests are not valid measures of individual student performance in school. The plaintiffs also claim that the district's test procedure discriminates against special education students by failing to provide accommodations, such as extra time. The case is one of the first ever to challenge state education standards and high stakes testing. The DPC has requested a briefing from the Justice Department this week to discuss the appropriateness of filing an amicus brief in support of the school district.

6. Tobacco: The U.S. Court of Appeals for the Fourth Circuit will hear oral argument on Monday in the tobacco industry's challenge to the FDA rule. Walter Dellinger will argue for the government. We will not know which judges will hear the case until Monday morning.

7. Welfare -- Welfare-to-Work Partnership: You will travel to St. Louis on Tuesday to highlight the success of welfare reform and underscore the critical role of the private sector. You will join Eli Segal in announcing that over 500 companies have joined his welfare-to-work partnership and that about 200 companies in St. Louis alone have committed to hiring welfare recipients. The two of you also will announce the Welfare to Work Partnership's new toll-free hotline and web page to help companies hire welfare recipients. Most important, you will be able to announce new caseload numbers: the rolls declined by an additional 200,000 people in May for a 1.4 million drop in the nine months after you signed the welfare law and a 3.4 million drop (24% of the caseload) since you took office.

8. Welfare -- New York and California Plans: State officials in New York and California finally reached agreement on welfare plans last week. The New York law requires that all individuals able to work accept any workfare assignment offered to them. New parents are exempt from the work requirement until the infant is 3 months old, with extensions allowed

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until the age of one. The plan also exempts from work those who are over 60, ill or incapacitated, or needed in the home because of the illness or incapacity of a family member. In response to a recent notorious case where a woman with a history of heart trouble died on a work assignment, counties must make work assignments consistent with an individual's limitations and consider an individual's medical reports. In addition, counties must allow workfare on college campuses for students on welfare (an idea Mayor Giuliani has resisted).

The plan increases the amount of earnings that can be disregarded for welfare purposes. Child care will be provided for children under 13 whose parents are assigned to work. The final plan preserves current benefit levels, rejecting Governor Pataki's proposal to gradually drop benefits as a family approaches the five-year time limit. After five years, families with children can move to a "safety net" program that offers non-cash benefits (using state rather than federal funds). Also in this program are those without children and immigrants not eligible for federal funds. Finally, New York chose to take advantage of a new state option to purchase food stamps from USDA for people who will lose food stamps under the welfare law. New York will buy food stamps for elderly or disabled legal immigrants and legal immigrant children, which will preserve benefits for about two-thirds of the legal immigrant population.

After a confrontation in California last month that culminated in Governor Wilson's veto of a Democratic bill, the Governor and the legislature reached an agreement earlier this week. They compromised on a plan to limit current welfare recipients to 24 continuous months of benefits and new recipients to 18 continuous months of benefits, with a six-month extension option. At the end of this period, recipients must leave the rolls for at least one year before they can requalify for benefits. Able-bodied adults must work or be in training for at least 20 hours a week; in the year 2000, that requirement increases to 32 hours a week. Women with infants are exempt from the work requirements for three months to one year, at the county's option. Children can continue to get aid after their parents reach the five-year lifetime limit. The state also enacted a lifetime ban on welfare for convicted drug felons. Democrats were unable to win approval of a provision that would assist legal immigrants losing federal food stamps.

9. Welfare -- Child Support Enforcement: You asked recently about a recent GAO study criticizing the nation's child support system. As you know, child support collections increased from $8 billion in 1992 to $12 billion in 1996. But during that time, the percentage of cases in which support is collected remained nearly constant at 20 percent. The main problem is that states have not moved quickly enough to automate their collection systems. Eight states, with about 40% of the nation's welfare caseload, will fail to meet the October 1, 1997 deadline for setting up computer registries needed to implement the 1988 Family Support Act. A much greater number of states need to do substantial work to update their computer systems to implement the provisions of the new welfare law. In response to state deficiencies in this area, Reps. Hyde and Woolsey have introduced legislation that would give all responsibility for child support collection to the federal government. The Administration has opposed this bill, arguing that the states should retain primary responsibility for this function. Given the inadequacies in child support enforcement, however, we must devise proposals for improving state systems. We

accordingly have established an interagency working group, involving HHS, Treasury, and Justice, to track state efforts and consider a range of options for improving child support enforcement.

10. Welfare -- CEA Analysis of Child-Only Cases: In response to a recent item in CEA's weekly economic briefing on the growth of child-only welfare cases (attached), you asked whether certain features of the welfare law need to be fixed. The issue is that one part of the law (work requirements) appears to treat states with growing numbers of child-only cases unfavorably, while another part of the law (time limits) is too generous to such states. Because child-only cases count when measuring a state's caseload reduction credit, a growing child-only caseload reduces the size of that credit -- and means a state must put more people to work. On the other hand, a state with more child-only cases can grant more "hardship exceptions" to the 5-year time limit. This is because child-only cases are included in the denominator of the 20% hardship-exception calculation even though none of these families (which are excluded from the time limit elsewhere in the law) need the exception.

We do not believe a fix is needed at this time. On the caseload reduction credit, the tremendous decline in welfare caseloads is already making the work participation rates far easier to meet than expected. In addition, letting states exclude child-only cases in calculating the credit might give states a positive incentive to create child-only cases by sanctioning parents. On time limits, we are loath to re-open the issue of hardship exceptions so early in the implementation process, especially given that many groups (battered women, people with disabilities, grandmothers, etc.) are pressing for more, rather than fewer, exceptions to the lifetime limit.

THE PRESIDENT HAS SEEN
7-21-97

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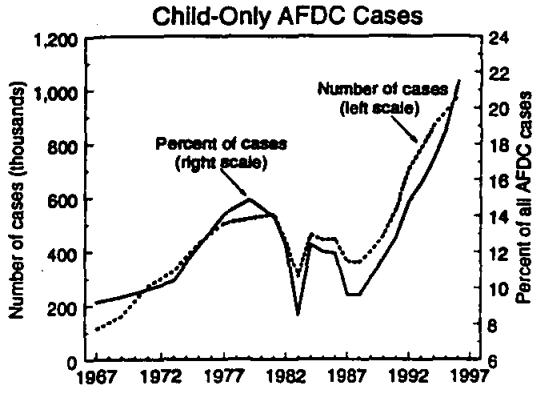
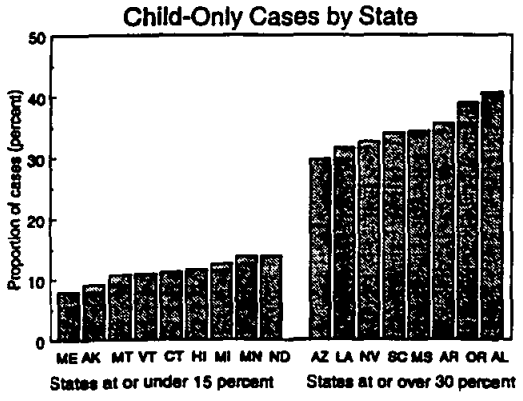
The Growth of Child-Only Welfare Cases

Single mothers with children represent the largest fraction of the welfare caseload. But recent years have seen tremendous growth in the number of "child-only" cases. Although a full explanation remains elusive, the surge in child-only cases has some immediate implications for welfare reform.



The facts. Child-only cases accounted for 21.5 percent of all AFDC cases in 1996, up from 9.6 percent in 1988 (see upper chart). The number of such cases increased from 360,000 to 980,000, resulting in nearly 1.7 million children in child-only AFDC households in 1996. Variation across states is also considerable: In 1996, child-only cases were 30 percent or more of the cases in eight states and 15 percent or less in nine others (see lower chart).



Why has the child-only caseload grown? Child-only cases fall into four main categories:

- caretaker is a non-recipient relative
- parent is an SSI recipient
- parent is an ineligible non-citizen
- parent has been sanctioned

Only scattered information is available about the reasons for growth in child-only cases, but it suggests that growth has probably occurred in each category.

Implications for TANF. Further analysis should provide a better understanding of the causes, but some immediate implications for welfare reform can be drawn from the way child-only cases are treated under Temporary Assistance for Needy Families (TANF):

- No work requirement. Child-only cases are not subject to work requirements. Hence, the changing composition of the caseload must be taken into account on a state-by-state basis to estimate accurately the number of work-related placements or the caseload reduction needed to meet work requirements. Estimates that ignore the growth of child-only cases overstate the difficulty of meeting work requirements, substantially for some states.

THE PRESIDENT HAS SEEN

- No lifetime limit. Child-only cases are not subject to the 5-year lifetime limit on TANF benefits. The growth of child-only cases means a substantial portion of TANF children will be protected from loss of benefits.

And, for TANF aficionados:

- Caseload reduction and hardship exemption. Work requirements and the 5-year lifetime limit do not apply to child-only cases. But, curiously, child-only cases are included in computing the change in a state's caseload after 1995, which is used to reduce the state's caseload work requirements. Child-only cases are also included in determining the number of cases that fall under the "hardship exemption" to the 5-year lifetime limit on eligibility: That is, states may exempt for hardship a number of otherwise "non-exempt" cases equal to 20 percent of the total caseload. As a result, given two states that are equally successful in reducing the non-exempt caseload, it appears that the state with the higher proportion of child-only cases will have a harder time meeting work requirements and an easier time meeting the 5-year time limit.

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Aug. 16, 97 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

August 16, 1997

THE PRESIDENT HAS SEEN
8-17-97

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Crime -- Child Safety Locks: Smith and Wesson -- the world's leading manufacturer of handguns -- announced earlier this week that as of September 2, all of the handguns it sells for commercial use will come equipped with a child-safety lock made by Master Lock. The lock is a keyed device that when in place prevents a person from pulling the gun's trigger. As you know, your juvenile crime legislation would require all federally-licensed gun dealers to provide a child-safety lock with every handgun sold. You also directed federal agencies to ensure that all federal law enforcement agents have child safety locks for their handguns by October 15.

2. Health -- FDA Reform Legislation: The Administration is working with members of Congress and the pharmaceutical industry to reach agreement on an FDA Reform bill in September. Early passage of this legislation is critical to both the FDA and the industry because the bill includes the reauthorization of the Prescription Drug User Fee Act (PDUFA), which provides for user fees to ensure expedited review and approval of new drugs. Without a reauthorization of PDUFA, the user fees will lapse, layoffs of FDA personnel will occur, and the expedited review process will come to an end. The most important issue to be resolved in the bill is the one Senator Kennedy mentioned to you recently: whether federal law should preempt state regulation of cosmetics, perfumes, creams, etc. There is also a question about the environmental impact of certain provisions in the bill.

3. Education -- Investigation of University of California: The Office for Civil Rights (OCR) at the Department of Education is continuing its investigation of the admissions policies of three University of California law schools: Boalt Hall, UCLA, and UC-Davis. OCR hopes to decide by the end of this year whether the law schools, whose new facially race-neutral admissions policies have a clear disparate impact on members of different racial groups, are in violation of federal civil rights law. Senators Hatch and McConnell wrote a letter to Secretary Riley on July 31 denouncing OCR's inquiry as a "politically motivated" effort to "ride roughshod" over the "will of the people, the courts, and the Constitution." The two senators threatened to introduce an amendment this fall to prohibit the Department from using any of its funds to investigate race-neutral admissions policies.

4. Welfare -- Food Stamp Cut-Off: About 900,000 legal immigrants will lose food stamps this month. The welfare law required states to drop legal immigrants from the rolls within a year

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THE PRESIDENT HAS SEEN
8-17-97

after the law's enactment. Most states, with USDA's approval, decided to make the cuts at the last possible moment, so the vast majority will occur between now and August 22. At our urging, Congress recently enacted legislation allowing USDA to sell food stamps to states for distribution to legal immigrants and other individuals made ineligible by the welfare law. This measure will allow states to continue nutrition subsidies to these people without incurring the administrative costs of setting up separate programs. Washington State, Massachusetts, and New York already have signed up for this option, and USDA expects more states to do so.

5. Welfare -- Press Reports: As you know, the Washington Post ran a front-page banner headline on the day after your trip to Missouri saying "Welfare Rolls Continue Sharp Decline." In the wake of the Post story, several good articles on welfare reform have appeared, including the attached, uncharacteristically positive New Republic TRB column by Michael Kelly.

→ Bruce

you should call Kelly & thank him for future articles & point out 2 of things wrong —

① I did not have nothing to do w/ 88 bill — the Gov Carter & I been to UGA academy & spent countless hours w/ Congress — I even participated in exercises made up

② we were active not participants in waiver — I granted 1st waiver in 3 yrs than Reagan & then continued & talked about it incessantly cutting thru HHS red tape etc —

THE PRESIDENT HAS SEEN
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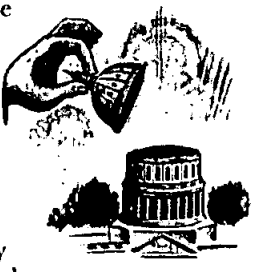
TRB®
FROM WASHINGTON

A promise kept

Last August, when President Clinton signed into law the bill that promised to end welfare as we know it, many in the administration itself regarded the measure as a great gamble. To some liberals, the gamble was insupportable. The Urban Institute, in a famous study, predicted that the new law would impoverish 2.6 million people, including 1.1 million children.

Next week marks the first anniversary of the welfare bill's enactment, and the White House is trumpeting. And trumpet it should. As Bruce Reed, the president's assistant for domestic policy, boasted on August 12, the nation's welfare caseloads have been reduced by 3.4 million, or an astonishing 24 percent, since Clinton became president, and they are declining still. The rolls fell by 1.9 million in the first three and a half years, before passage of the welfare reform act, and they fell an additional 1.45 million in the nine months from the enactment of the law through May of this year, the last month for which figures are available. If the trends of the first nine months are found to have continued, Reed said, the caseload will have fallen by a total of 2 million by the end of the first full year of the welfare law. "These numbers are a stunning success, totally unprecedented in the history of welfare," said Reed. He is right.



Since the beginning of 1993, the welfare rolls in Wyoming have fallen by 68 percent; in Wisconsin, by 54 percent; in Oregon, by 48 percent; in Tennessee, by 47 percent; in Oklahoma and South Carolina, by 46 percent; in Indiana, by 45 percent; in Kansas, by 41 percent; in North Dakota, by 40 percent; in Alabama and Florida, by 38 percent; in Michigan, by 36 percent; in New Jersey and New Hampshire, by 30 percent—and so on.

There are a number of reasons for the good news, and some of them have little to do with the welfare law itself. One obvious reason is the boom economy. But the economy cannot be the primary cause. No remotely comparable decreases in welfare occurred during the fat years of the 1980s; indeed, there have been only two years in which caseloads fell by more than 250,000 in all of welfare's six decades. "The left is trying to say it is only the good economy driving this, but the last time you saw decreases of this magnitude was during the Korean War," says Robert Rector, a welfare policy analyst at the Heritage Foundation.

Another obvious cause of the good news that has nothing to do with Clinton or his welfare law was the passage of an earlier reform, the 1988 Family Support Act. It was this measure that allowed states to apply for waivers from federal welfare requirements and to begin experimenting with the work requirement programs that are an important factor in driving the rolls down. The Clinton administration's role here was the largely passive one of granting waivers.

Still, the law worked out between a Republican Congress and a Democratic president made an immense difference. It ended cash welfare as an entitlement, and it changed the enforcement role of the federal government from ensuring that states met their obligations toward a relentlessly expanding welfare state to ensuring that they meet their obligations toward shrinking the welfare state.

And the famously dire predictions of the Urban Institute? They are, it turns out, no longer operative. Sheila Zedlewski, the policy analyst who wrote the pessimistic report, now says that the number of people pushed into poverty by the law has turned out to be "significantly different" than predicted. Again, the economy helped. Also, in contravention to liberal assumptions, the states did not seize upon the opportunity of reduced federal mandates to starve their citizens. In Zedlewski's careful words, "As we have seen the Food Stamp changes play out, the number of states that have applied for and received waivers [from the requirement to force unemployed adults off the Food Stamp rolls] because of local high unemployment rates or surplus labor areas is higher than people were estimating a year ago."

But the most important factor affecting the prophecy of disaster was at least partially Clinton's doing. The 1996 law's most radical measure eliminated Supplemental Social Security aid to elderly and disabled legal immigrants. Clinton argued, in his usual amazing fashion,

continued on page 41

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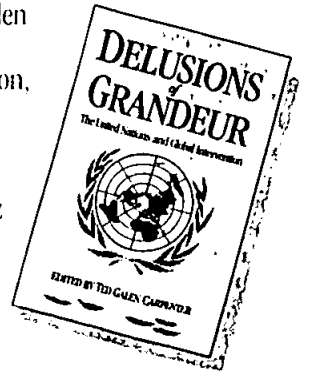
Scholars and policymakers, including Ted Galen Carpenter, Michael Stopford, John R. Bolton, Doug Bandow, Robert B. Oakley, Alan Tonelson, John Hillen, Stefan Halper, Daniel Goure, Edward Luck, Sheldon Richman, Ronald Bailey, Gareth Porter, Richard E. Wagner, Roy D. Morey, Nicholas Eberstadt, Michael Maren, and Ian Vasquez present a wide range of views on the UN and its military, environmental, and economic programs.



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CORRESPONDENCE *continued from page 5*

expanded west to the Oder-Neisse Line and acquire German cities such as Breslau and Konigsberg. Further, Poland was allowed to "ethnically cleanse" its new territory; 10 million Germans were expelled to West Germany. These arrangements were solidified by treaty between Poland and East Germany.

Although the German Federal Republic has abandoned all territorial claims, there is good reason for Poland to be concerned and to clamor for inclusion in the NATO military alliance. However, it should be possible to reassure Poland and guarantee her borders less expensively than what the NATO expansion will cost the American taxpayers.

KURT G. STRAUSS
Tucson, Arizona

The killing fields

To the editors:

The mind reels at the character of justice that Pol Pot's inhumanity demands ("Overdue Process," July 14&21). But your Cambodian hall of villains is incomplete. You chastise China for its interference in the internal affairs of Cambodia but have apparently forgotten that Cambodia's neutrality was first compromised by the North Vietnamese and the "sanctuaries" they established along the southern reaches of the Ho Chi Minh Trail. And you are altogether too modest about America's own contribution to the creation of the killing fields.

Between 1969, when Richard Nixon first ordered the secret bombing of the Vietnamese bases in Cambodia, and 1973, when the U.S. Congress finally halted it, more than a half-million tons of bombs were dropped on the country. The mounting toll of civilian deaths, the CIA-backed overthrow of Prince Sihanouk by Lon Nol in 1970 and the U.S. invasion just weeks later all served to antagonize Cambodian society, making the ranks of the Khmer Rouge swell from an estimated 2,500 in 1969 to an army of 50,000 just three years later—the army which Pol Pot would unleash on its own country.

Your vision of justice might have been achieved at the end of the '70s after Vietnam's invasion of Cambodia ended the slaughter and crushed the Khmer Rouge; unfortunately, our vengeful Vietnamese policy and desire to court Beijing actually allowed the communists to regroup and eventually assert power again. The scenario of Pol Pot on trial is not without merit; let's just hope the court doesn't go searching for accessories.

DAVID SEPPA
Denver, Colorado

TRB *continued from page 6*

that his signing of a law that liberals regarded as a betrayal of liberalism was a reason that liberals should vote to reelect him. Let Clinton fix Clinton.

Well, he did. In the recent budget deal between the White House and Congress, the president accomplished the restoration of SSI benefits to all immigrants who were legal before August 22, 1996, the date of the welfare bill. That restored benefits to half a million deserving people. This and other measures, including funding to provide work for unemployed Food Stamp recipients, that were negotiated into the budget agreement have, in Zedlewski's words, "gone a large way towards fixing the problem." Zedlewski says she cannot say precisely how much she would now cut her estimate of the number of people pushed into poverty by the welfare law, but she notes that fully half of the Urban Institute's previous estimate of 2.6 million came from projections of those who would be hurt by the denial of Supplemental Social Security payments and Food Stamps.

So Clinton has done what he has said he would do. He is the president who will have ended welfare as we know it. If this holds, Clinton will deserve credit for a great historic and moral achievement.

If this holds. In Clintonism, there are no last acts. In May, the White House issued a long-awaited Labor Department ruling on whether welfare recipients placed in work programs under the terms of the welfare reform law and state laws were covered by federal and state minimum wage laws and other labor laws and regulations. Yes, they were covered, said the ruling, to the tune of twenty-five separate statutes. The GOP authors of the welfare law, and Republican and Democratic governors, said that the ruling would make it impossibly expensive for states to continue the work programs that are critical to a continued decline in the welfare rolls.

Congressional Republicans proposed language in the budget reconciliation bill to overrule the Labor Department rulings. But the White House wouldn't budge, except on the one, minor, issue of whether welfare recipients on work programs should be eligible for the earned income tax credit. The president threatened to veto the budget bill unless the offending language was removed. As it stands, the ruling that sharply curtails the ability of the states to enact effective welfare-to-work programs remains in force. Without serious workfare programs, the good news will level off, and then turn bad when the economy softens. If Clinton does not wish to be undone, he must once again undo.

MICHAEL KELLY

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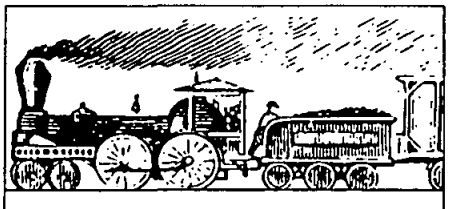

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8-28-97

THE WHITE HOUSE

WASHINGTON

August 23, 1997

'97 AUG 28 AM 11:08

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- National Testing Initiative: Our National Testing Initiative faces a serious challenge when Congress returns from recess and takes up the Labor-HHS-Ed appropriations bill. Mr. Goodling will offer an amendment to the bill in the House prohibiting the Department of Education from spending any funds to develop the tests, and a Republican Senator will probably introduce a similar rider in the Senate. Because many members of Congress have not yet focused on the testing issue, it is difficult to predict how these votes will turn out. But the expected riders pose a real danger -- especially in the House, where Republicans may form an unusual alliance with members of the Black and Hispanic Caucuses. A memorandum more fully describing our strategy for thwarting the Goodling amendment is now in circulation at the White House; you will get it by early next week. Secretary Riley and Mr. Goodling will debate national standards and testing on Face The Nation this Sunday.

2. Welfare -- FLSA and Privatization, Round 2: We are preparing for a new battle with Congressional Republicans on the privatization of social services and the application of the FLSA and other laws to workfare participants. As you may have seen, Speaker Gingrich told the Midwest Republican Leadership Conference yesterday that "we ought to finish welfare reform by passing . . . a welfare reform implementation bill, because the Clinton Administration, working with the unions and the bureaucrats, is trying to undermine and destroy welfare reform." Gingrich further said that this effort would be a "major part of our September and October legislative agenda." We hope to diffuse gubernatorial support for this broad effort by agreeing to exempt workfare participants from FICA and FUTA. We met with labor leaders about 10 days ago to discuss this strategy and to encourage them to put together a broad coalition, including non-labor groups, to support our efforts.

3. Welfare -- Work for College Students: You recently asked the DPC's view of programs that enable welfare recipients to remain in college while fulfilling work requirements. We strongly support these efforts. As you know, New York State's new welfare law requires the provision of on-campus work slots to all workfare participants attending college. We simply do not understand why Mayor Giuliani objects to this provision, and we will encourage other mayors and local officials running workfare programs to provide on-campus slots to participants attending college. Along similar lines, we are working with Secretaries Shalala and Riley on a letter to college presidents encouraging them to use the federal work-study program to provide

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jobs to students receiving welfare, so that these students can both stay in school and meet the welfare law's work requirements. The Secretaries will send this letter next week, as students begin to return to school.

4. Welfare -- Welfare-to-Work Implementation: On September 3, the Vice President will announce state-by-state allocations for the FY 1998 welfare-to-work formula grants included in the new balanced budget -- a total of over $1 billion, of which 85% will go to local private industry councils and 15% will go to states. He also may be able to announce the process and timetable for allocating the new program's competitive grants, which will total about $350 million in FY 1998. The Vice President will make these announcements at his second quarterly meeting with the Welfare to Work Coalition to Sustain Success, the group of civic and religious organizations mentoring welfare recipients that he chairs.

5. Welfare -- Jonathan Alter Column: We are attaching a column by Jonathan Alter on welfare reform in which he notes that the success of the law "blows the doors off even the most optimistic predictions" and concludes that "if the economy holds up and the private sector does its part, we're on the threshold of the greatest social-policy achievement in a generation."

6. Crime -- Sex Offenders: Federal appeals courts in the Second and Third Circuits upheld the New York and New Jersey sex offender laws last week. Both decisions dismissed constitutional objections to laws to register sex offenders and notify residents of their presence in a community, even as applied retroactively (to people who committed sex crimes before enactment of the laws). The decisions bode well for the federal sex offender law you signed last year, which requires states to impose community notification systems or risk losing federal funds; the federal law is even less vulnerable to constitutional challenge than the New York and New Jersey laws because it applies only prospectively. We are discussing with Rahm whether you should issue next week, in the wake of these decisions, a directive requiring registration of all sex offenders released from federal or military prisons.

7. Crime -- COPS Program: The COPS Office will announce on Friday $73 million in grants to police departments to fund 1,000 additional officers and deputies. The grants will go to 48 states and two U.S. territories, bringing the total of community officers funded under the COPS program to more than 64,000.

8. Food Safety -- Hudson Foods Recall: In the wake of Hudson Foods' recall of 25 million pounds of ground beef, USDA investigators are attempting to determine the source of the *E. Coli* contamination. In addition, USDA has stepped up its efforts to prepare legislation that will further improve food safety systems. We will work closely with USDA on this legislation, which may include proposals to enhance USDA's authority to require recalls and to facilitate USDA's ability to trace contamination in livestock.

BETWEEN THE LINES

A REAL PIECE OF WORK

THE PRESIDENT HAS SEEN 8-28-97

Welfare reform is one year old and a huge success so far. But will business do its part?

BY JONATHAN ALTER

WHAT A DIFFERENCE A year makes. Last summer, conservatives were arguing that an increase in the minimum wage would absolutely, positively mean fewer jobs. Liberals were arguing that the welfare bill was deeply immoral and would throw a million or more children into poverty. Don't hold your breath waiting for confession of error. But it's worth noting that the success of welfare-reform legislation, signed by President Clinton one year ago this week, blows the doors off even the most optimistic predictions. The caseload is on a path toward dropping by nearly 2 million since the bill was signed—bringing the total reduction since 1993 to nearly 4 million women and children (and a few men), or more than a quarter of all welfare recipients. When you hear the Clintonites bragging, it's more than just spin.

JOHN FIGARA FOR NEWSWEEK

Fresh start: *Clinton at a St. Louis program that moves the poor from dole to payroll*

The strong economy obviously helps, but it's not a complete explanation. In the 60-year history of welfare, through many fat economic times, the largest previous caseload drop was 250,000 in a single year. And it's not as if folks are getting routinely booted off the rolls. Only Florida and Wisconsin are doing that now. In other states, the time limits haven't kicked in yet. So what accounts for the change? No one knows for sure. Of course, the threat of a cutoff has a way of concentrating the mind. The most important change, as Clinton domestic-policy chief Bruce Reed puts it, is in expectations. These days, when poor mothers go into state agencies to apply for welfare, they find themselves facing bureaucracies that are structured around work, not merely writing checks. Even the American Public Welfare Association, the advocacy group for case workers, is taking the word "welfare" out of its name.

All the good news is tempered by the knowledge that the hardest part lies ahead. Those who could get jobs on their own have, by now, largely done so. From here on, the government and the private sector will have to be especially innovative. The government's role probably won't be in actually providing jobs; "workfare" hasn't proven a good avenue into permanent work, and the Clinton administration (thanks to union pressure) is making it increasingly impractical with loads of federal rules.

Instead, the action is in government support for stepped-up private-sector efforts. A new Coopers & Lybrand survey of the fastest-growing small companies shows 60 percent of employers would be willing to hire welfare recipients (26 percent already have). Some employers may be responding to what Clinton in St. Louis last week called their "moral obligation" to help, a duty that applies especially to those who bellyached about the old system. But most managers aren't saints; they just need warm bodies for entry-level jobs. The only way companies will get them is if there is state-supported child care, transportation and help for employers with what might be called "the alarm-clock problem"—basic work skills.

I went to St. Louis in advance of the president last week to listen in as nearly 300 local employers gathered in small groups for private discussions about hiring welfare recipients. "To go from cynical to skeptical—that would be tremendous movement," says Eli Segal, who is spearheading Clinton's new Welfare to Work Partnership, which initially targeted St. Louis, a once depressed city now experiencing a 24-year low in unemployment. The partnership (1-888-USA-JOB1) is asking companies there and elsewhere to hire applicants off welfare.

Dennis Drummond of Jefferson Smurfit Corp., a paper-products company, came over the border from Illinois to tell other executives about his experiences in hiring 17 welfare recipients. "The first thing you learn is they come in late. They've often never owned an alarm clock," he explained, echoing familiar frustrations. "You're ready to fire them. They don't know where the bathroom is. But we didn't know where it was when we were new either. If you work with them, give them a 'buddy' at the start, they often turn into outstanding employees."

Keith Guller, an oxygen-equipment manufacturer in St. Louis, told me he can't get anyone to answer his help-wanted ads for low-wage work. So he's turned to "job intermediaries" that help screen, train and place the unemployed. Clinton spoke at one such St. Louis program called Mid-Tec. "If they go through Mid-Tec, the odds are better they'll be good," Guller says. They learn technical skills—plus how to behave in a job. These nonprofit intermediaries, sprouting everywhere, may turn out to be the hot charities of the late '90s. They are essential to welfare reform.

Also essential are state officials with their heads screwed on right. Missouri has a transportation-assistance program and guaranteed child care to anyone who meets the income threshold. It's also "seamless" (the new buzzword in policy circles), which means that the child-care state money goes directly to the day-care centers instead of to the worker. So is the program in Illinois, which has nearly doubled the money for child care in one year. Ohio, on the other hand, is actually cutting child-care funding, which is idiotic if you expect poor mothers to actually work.

How far can all of this go? Under Michigan's Project Zero, every single one of the 413 welfare families in Ottawa County near Grand Rapids is now off the dole. The results aren't the same in Detroit, but the signs are encouraging there, too. Yes, the hard-core welfare recipients shall always be with us, beset by personal demons. Yes, homelessness and visits to food banks are rising a bit in areas with the toughest new laws. But if the economy holds up and the private sector does its part, we're on the threshold of the greatest social-policy achievement in a generation.

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August 29, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- National Testing Initiative: A team from the White House and Department of Education worked throughout the week to refine and implement our strategy for defeating the Goodling amendment. Among the key steps taken:

Legislative

- Secretary Riley announced that we will send up legislation at the beginning of next week to put NAGB in charge of the tests. This announcement helped to solidify support in the business community; it also may help to reenlist support from Diane Ravitch and other conservative opinion leaders. Rep. Riggs told us that he would talk with Rep. Goodling about using the NAGB legislation as a basis for a compromise. We remain doubtful that Goodling wants to compromise (or that Riggs will do so without him), but we encouraged Riggs to proceed.

- Secretary Riley made calls to key members in both houses in an effort to shore up our support and explore avenues for compromise. Many similar staff-level conversations have also taken place.

- Reps. George Miller, Bill Clay, and Matthew Martinez are sending a "Dear Colleague" letter in support of the tests and in opposition to the Goodling amendment.

Outreach

- Supporters in the education and business community have stepped up their efforts to contact key members of Congress; a number have also submitted op-eds in support of the tests.

- OPL and DPC have set up meetings with African-American and Hispanic groups in an effort to address their concerns.

- We have enlisted the support of mayors and governors from participating cities

and states.

Communications

- Your radio address will discuss the importance of national standards and note the threat your initiative faces in Congress.

- Secretary Riley will participate in an event in Philadelphia on Tuesday with Mayor Rendell and Superintendent Hornbeck to highlight impressive test score gains over the last two years -- including gains among LEP students on tests in English.

- The Vice President will do an event on the testing initiative on Thursday and will enlist the support of business leaders in a conference call on Wednesday.

2. Food Safety: As you know from yesterday's daily, Secretary Glickman held a press conference today to announce new proposed legislation to give USDA enhanced authority to enforce food safety laws. To emphasize the coordinated nature of our food safety policies, the Secretary also announced that the FDA would seek similar enforcement authority. Both pieces of legislation will go to Congress next week.

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Aug. 29, 97 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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September 19, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Labor-HHS-Ed Appropriations: The Labor-HHS-Ed appropriations conferees are expected to meet next week. In addition to securing adequate funding for your priorities, we are working to make sure that the final bill rejects block granting and provides the funds and authority to proceed with national testing. We believe it will be relatively easy to remove the block grant provision from the Senate bill, given the failure of a similar amendment in the House to generate support. To win on our testing initiative, we must cast the House vote on the Goodling Amendment as yet another indication of the Republican Party's indifference to improving public education. Your radio address and charter schools event on Saturday were key steps in that strategy; we are now developing additional events involving the Vice President, Secretary Riley, and others. We are also urging business leaders and opinion leaders (e.g., Checker Finn and Diane Ravitch) to help make the case for the national tests as authorized by the Senate (i.e., with NAGB as overseer). Finally, we are continuing to look for ways to reduce the opposition of the Black and Hispanic Caucuses, either through adjustments to the testing proposal or agreements on other issues, such as school construction.

2. Education -- Vouchers: The District of Columbia Appropriations bill, as passed by a House subcommittee last week, includes a provision authorizing funds for private school tuition vouchers. (The bill would provide vouchers worth $3,500 to about 2,000 parents.) We sent a SAP to Congress last week saying that senior advisors would recommend a veto if the bill comes to you with this provision. Republican supporters of the voucher proposal may make use of a new Harvard University study of Cleveland's voucher program. The study, which received significant press attention last week, found high levels of student achievement and parental satisfaction among those receiving vouchers. The Education Department argued, in response to press inquiries, that (1) the study examined students in only two of the forty-one schools participating in Cleveland's voucher program, and (2) the Administration's basic case against voucher programs rests on the harm they do to children who do not use vouchers and remain in public schools. Later in the year, the Ohio Department of Education will release the results of a state-commissioned evaluation of the Cleveland voucher program, which will cover all participating schools. We do not know what this study will show.

3. Education -- Proposition 209 and Hopwood: A University of California Task Force charged with examining declines in minority enrollment in the wake of Proposition 209 has

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recommended dropping the SAT as an admission requirement. The group based its recommendation on projections that continued use of the test would cause Hispanic enrollment to decline by as much as 70% at the system's flagship campuses, and lead to similar declines in African-American enrollment. Governor Wilson denounced the Task Force's recommendation, which probably will not be voted on until the spring. Earlier this year, Texas responded to the Hopwood decision by taking action similar to the UC Task Force's recommendation. A new law, signed by Governor Bush, requires automatic admission of students in the top 10% of their high school classes to the state university of their choice; these students need not provide any standardized test scores.

Our efforts to develop policy responding to Proposition 209 and Hopwood have focused not on changing university admissions standards (we do not think the federal government usefully can do much in this area), but on getting universities to partner with high schools and middle schools in economically deprived areas to provide mentoring and academic support. (The University of California Task Force also has recommended establishing such mentoring programs.) Our efforts in this direction seemed to us to dovetail with NEC's work on the Chaka Fattah proposal, and we are now encouraging NEC to make this partnering initiative a significant part of the revised Fattah proposal.

4. Health -- Children's Health Implementation: The DPC is pushing HHS to move quickly to disseminate information and guidance to states regarding implementation of the new children's health initiative. In the past two weeks, the Department has published state funding allotments and has issued a document showing what information states will have to supply in their applications for funding. In addition, HHS has given detailed briefings on the program to the NGA, members of Congress, and interest groups. But much more needs to be done. We are working to distribute additional materials to the states, providers, consumers, and other interested parties in October -- the first month the program goes into full effect. In addition, we are developing events for you and/or the First Lady to highlight the program and provide information about it.

5. Health -- FDA Reform: After months of delay, the Senate is scheduled to pass an FDA reform bill next week. At the same time, the House version of the bill will come before the full Commerce Committee. There is great interest in enacting an FDA reform bill this year because failure to do so will result in the expiration of the Prescription Drug User Fee Act (PDUFA), which has significantly expedited the FDA's review of new drugs. The Administration has two principal concerns about the Senate version of the bill. First, the bill would prevent user fees from going into effect unless the FDA receives "full funding" -- a triggering mechanism that may interfere with the Administration's future budget decisions. Second, the bill would preclude the FDA from reviewing new medical devices for uses other than the manufacturer's intended use. We believe these issues can be resolved prior to the bill coming to you for signature.

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6. Health -- AZT Trials: An editorial in *The New England Journal of Medicine* this week criticized U.S.-funded clinical trials designed to discover ways to reduce maternal-infant transmission of HIV in developing countries. The article, which received significant press coverage, compared the trials to the Tuskegee syphilis test because some participants in the trials receive placebos, while others receive a drug with proven benefits (AZT). HHS officials (including Drs. Varmas and Satcher) believe that the criticism is misguided, as does Dr. Harold Shapiro, the Chair of the National Bioethics Advisory Commission, and many other well-respected ethicists and scientists. In addition, international experts convened by the World Health Organization -- and ethical review boards in each of the countries in which the studies are occurring -- have determined that the studies are scientifically well-founded, ethical, and essential to the fight against AIDS. The studies are designed to find effective AZT treatments that are simple and affordable enough to use in developing countries, given poor economies and low standards of public health care. Giving placebos to some participants -- which is equivalent to the local standard of care -- is necessary to obtain reliable and timely information about these experimental AZT regimens.

7. Health -- Dr. Satcher: Your nomination of Dr. Satcher to be Surgeon General has been well received. Dr. Satcher made many successful courtesy visits on the Hill last week. Many members, including Senators Frist and Jeffords, issued supportive statements. Most important, Senator Lott said that he saw no reason why Dr. Satcher should not be confirmed. We will continue to seek endorsements from members and advocacy organizations. We are hopeful that the confirmation hearings will begin in the next couple of weeks.

8. Welfare -- Fair Labor Standards Act: In the wake of Speaker Gingrich's pledge to fix what he called the Administration's effort " to undermine and destroy welfare reform" by applying the minimum wage and other labor protections to workfare participants, Rep. Clay Shaw is trying to garner bipartisan support for a bill to address state concerns about the cost of work programs. Shaw's latest version (1) provides an exemption from FICA and FUTA that seems to cover not only workfare participants, but other working welfare recipients, including those in subsidized private sector jobs; (2) contains a set of definitions that <u>could</u> be read to suggest that working welfare recipients are not regular employees for purposes of other labor laws (although Shaw insists that this is not his intent); and (3) limits required work hours -- again, apparently for all working welfare recipients, not just workfare participants -- to the sum of the welfare grant and food stamps, less any child support collected by the state, divided by the minimum wage.

Although this draft legislation appeals to a bipartisan group of governors (Governors Carper and Chiles like it), it is not attracting much support in the House. Blue Dog Democrats are criticizing the draft on the ground that it significantly weakens work requirements; in low-benefit states, the bill would result in welfare recipients working less than 20 hours each week, with the remaining hours spent in activities such as job search. Liberal democrats (and unions) are criticizing the draft on the ground that it weakens labor protections for welfare recipients. And the Republican leadership is criticizing the draft on the ground that it does not sufficiently

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weaken labor protections for welfare recipients. Given this criticism, Shaw may well go back to the drawing board.

9. Welfare -- Privatization of Food Stamps and Medicaid: The Department of Agriculture has received a waiver request from Arizona to privatize food stamp and Medicaid operations in Eastern Maricopa County (representing 13% of the state's caseload). Under the welfare law, USDA must act on a request to privatize food stamp operations -- either by approving it, denying it, or seeking additional information -- within 60 days. This 60-day clock will run on October 3. Even apart from broader concerns about privatization, Arizona's demonstration proposal suffers from a serious defect: because the state wants to test many aspects of the social service system in Maricopa county (essentially creating a mini-replica of Wisconsin Works), it will be very difficult to isolate the effects of privatization on social service delivery. At a meeting last week, USDA, DPC, and OMB agreed that USDA should meet the October 3 deadline by asking Arizona for further information addressing this issue. Congressional Republicans have not resurrected the privatization issue this fall, and we should not do anything to provoke them before November.

10. Welfare -- Child Support Computer Systems: As you know, as many as eight states (California, Michigan, Illinois, Pennsylvania, Ohio, Maryland, D.C., Nevada, and Hawaii) will not meet the October 1 deadline -- established in the 1988 Family Support Act and already extended from 1995 to 1997 -- for putting in place a statewide child support computer system. California is probably two to three years away from meeting this goal. Under current law, any state failing to meet this deadline loses both federal child support funds and TANF funds.

You recently asked whether the Administration should endorse Senator Feinstein's proposed approach to this problem: a six-month moratorium on imposing penalties on states that are not in compliance with the computer systems requirement. We and Secretary Shalala agree that supporting this proposal would signal to states that we are not serious about enforcing child support rules and might slow state progress toward completing computer systems. In addition, the Feinstein proposal does not actually accomplish anything because even under current law, states have until December 31 to inform HHS that they have failed to meet the October 1 deadline and the ensuing process for imposing penalties will take several additional months.

We do think, however, that some change in current law is necessary. Rep. Shaw has asked us to work with him on a bipartisan basis to develop legislation providing HHS with additional penalty options -- e.g., the loss of 5-15% of federal funds -- so that HHS can sanction states for noncompliance while not depriving them of all TANF and child support funds. We believe a proposal of this kind can be enacted before HHS has to withhold TANF and child support funds from any state under the current law.

11. Welfare -- Children's SSI Terminations: Rep. Shaw and other House Republicans held a press conference last Wednesday to rebut claims by advocates that the children's SSI cuts are too severe. They released a new GAO report that validates SSA's new childhood disability

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standard, judging it to be consistent with the welfare reform law, not overly strict, and fairly administered. They also praised a recent random sample study by SSA of 40 children whose benefits were terminated, arguing that it showed the new standard is fair. Advocates have attacked the SSA study. SSA continues to tell the press that the disability standard it adopted is consistent with congressional intent and that it is working hard to make sure the standard is administered fairly. At his confirmation hearing, Ken Apfel committed to a "top-to-bottom" review of the SSA's administration of the new standard within 30 days of his confirmation; this promise echoed the one you recently made to disability advocates. Some press stories have reported erroneously that Apfel committed to reviewing the standard itself, and not just SSA's administration of it.

12. Crime -- Brady Law: The Center to Prevent Handgun Violence released a study on Friday showing that the Brady Law has helped to disrupt illegal gun trafficking patterns. According to the study, states that did not require background checks for handgun purchases prior to the Brady Law became less important as source states for gun traffickers after enactment of the law. The study suggests that the few jurisdictions that have stopped doing background checks in the wake of the Supreme Court's decision may be inviting gun traffickers to locate in their communities. We issued a statement from you highlighting the study and its findings.

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THE WHITE HOUSE

WASHINGTON

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September 26, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Food Safety -- Initiative on Imported Fruits and Vegetables: We developed and leaked a food safety initiative last week to preempt expected criticism (including a major article by Jeff Gerth of the New York Times) that fast track legislation would endanger the nation's food supply by increasing imports of fruits and vegetables. The initiative: (1) calls for legislation authorizing the Food and Drug Administration (FDA) to halt imports of fruits, vegetables, or other food from any foreign country whose food safety systems and standards are not on par with those of the United States (the USDA currently has this authority over meat and poultry); (2) commits to seeking sufficient funds in Fiscal Year 1999 to enable the FDA to create a significant international inspection force; and (3) directs the FDA to issue guidance on good agricultural and manufacturing practices for fruits and vegetables, dealing with such matters as sanitation, worker health, and water use. We are still considering whether to add to this package a legislative proposal requiring "country of origin" labeling on produce, meat, and other food products. We like this proposal as a matter of policy, but do not yet know whether it would help or hurt the effort to enact fast track legislation.

2. Education -- National Testing -- Test Development: The group working on test specifications completed its work almost two weeks ago and included a controversial proposal to permit students to use calculators while taking the math test. Diane Ravitch, Checker Finn, Bill Bennett, and their Congressional allies reacted negatively both to the content of this proposal and to the continuation of any work on test development under the Department of Education's auspices. At our urging, Secretary Riley issued a statement opposing the calculator proposal, lauding the Senate-approved plan for placing NAGB in charge of the tests, and announcing that the test contractor would not develop any test items until NAGB approves the test specifications. This move reassured our Republican supporters that we will not proceed independently of NAGB. Bill Goodling, however, denounced Riley's statement, alleging that NAGB would become a "national school board" and vowing to continue his fight against the tests.

3. Education -- National Testing -- Filibuster Threats: On Thursday, Sen. Ashcroft released a letter signed by 27 Republican Senators expressing opposition to the tests, urging the conferees to support the Goodling amendment, and threatening to filibuster the Labor-HHS appropriations bill if the conference report includes support for the testing initiative. Fourteen of the signatories had voted in favor of the Senate-passed compromise testing plan, but switched

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sides under pressure from the Eagle Forum and similar groups. We are working with Ravitch and Finn (and through them with Bennett) to shore up the remaining Republicans. In addition, we worked hard to round up 43 Democratic Senators to sign a letter, released by Sen. Bingaman the next day, vowing to filibuster the Labor-HHS bill if the conference report does not include the testing plan.

4. Education -- National Testing -- Goodling Letter: You received a letter from Bill Goodling on Friday afternoon concluding that "your stance on testing is making my job of authorizing an 'America Reads' program almost impossible." We are working with NEC to craft an appropriate response.

5. Education -- Single Sex Schools: We must determine how to proceed with respect to an experimental all-girls public middle school opened one year ago in New York City's East Harlem neighborhood. The New York Civil Liberties Union filed a complaint against the school with the Department of Education, charging that the school violates Title IX's prohibition against sex discrimination. Without informing the White House, the Department (through its Office of Civil Rights (OCR)) responded to the complaint last week by asking the New York City Board of Education either to admit boys to the school or to establish a separate all-boys school nearby. Chancellor Rudy Crew apparently will reject both of these proposals. If he does, OCR will face the choice of either dismissing the complaint or referring it to the Justice Department for legal action. The DPC is working with the Counsel's office to determine the best course to follow.

6. Education -- Vouchers: The Senate debated the DC appropriations bill on Thursday, with Democrats filibustering because of a voucher provision similar to one you have vetoed previously. A cloture vote is expected Tuesday morning. Education groups count a solid 43 votes to sustain the filibuster. If the cloture motion fails, Senators Coats and Lieberman may withdraw the voucher provision. In the House, the Appropriations Committee is scheduled to mark-up its DC bill on Monday. Rep. Dixon is leading the effort against a "scholarship" (i.e., voucher) provision sponsored by Rep. Armey; Dixon has not decided whether he will seek to substitute another program or simply move to strike.

Meanwhile, the House version of the Coverdell K-12 IRA proposal, sponsored by the Speaker, is expected to be marked-up by Ways and Means on October 8. A floor vote probably will occur as part of a Republican "Education Week" from October 20 to 24, which also will include action on a reading/literacy bill, charter schools legislation, and FFEL/Direct Lending consolidation. Rep. Rangel is planning to offer as an alternative a proposal to provide tax credits for school construction. Senate Republicans have made no decision on when to bring up the Coverdell proposal, but many Democrats are already planning to offer the Daschle school construction bill as an alternative. As you may recall, you promised during negotiations for the Balanced Budget Agreement to meet with the Speaker and others (including a family) on the Coverdell proposal; we are trying to schedule this meeting to attract as little press attention as possible.

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7. **Immigration -- Commission Report:** The U.S. Commission on Immigration Reform will release its final report to Congress on Tuesday. The final report reiterates many of the recommendations made in interim reports during the Commission's six-year tenure. The report also contains two new recommendations: (1) a "structural reform" proposal to divide all functions now performed by the Immigration and Naturalization Service (INS) among a new bureau at the Department of Justice, a new undersecretaryship at the Department of State, and the Employment Standards Administration at the Department of Labor; and (2) an "Americanization and integration" proposal to help new immigrants become full participants in our national community. The DPC has begun a process (involving NPR, OMB, the Counsel's Office, and the interested agencies) to review the Commission's proposal to restructure the immigration system. As might be expected, the Justice Department (and particularly the INS) is quite anxious about this review process. In addition, DPC staff will work with the staff of the Race Commission to review the Commission's Americanization proposal.

8. **Immigration -- Expiration of Law:** Section 245(i) of the Immigration and Nationality Act, which permits certain illegal immigrants to file here for legal status instead of at U.S. consulates abroad, is set to expire on Tuesday. Congress will consider a three-week extension of the provision on Monday as part of the continuing resolution. The current Senate version of the Commerce-Justice appropriations bill contains an open-ended extension of the provision, as requested by the Administration, but the current House version does not contain any extension at all. As you know, the provision mainly benefits those already on track for legal residency who overstay their visas while their residency applications are pending. If the provision expires, thousands of immigrants will have to choose between remaining in the U.S. illegally or leaving the country, probably for several years, until they can obtain green cards at consulates abroad.

9. **Crime -- FBI Statistics:** The FBI will release the final 1996 Uniform Crime Report next Saturday. The final figures confirm preliminary data released earlier this year-- that serious crime dropped three percent in 1996, the fifth annual decrease in a row. Violent crime declined seven percent, with murder showing the greatest decline at 11 percent.

10. **Tobacco -- Congressional Meeting:** You will host a meeting on tobacco with the bipartisan congressional leadership on Wednesday. We think you should challenge them to work together to draft bipartisan legislation by the end of the year and to make tobacco the first issue they take up in 1998. We believe the prospects are good for a bipartisan bill to emerge in the Senate. Two days after your meeting, the Vice President will hold a tobacco event in Tampa to highlight Florida's success in taking on the tobacco industry and to build public support for tobacco legislation. We are working with the Vice President's office to plan a series of regional town halls on tobacco in the months to come.

11. **Welfare Reform -- Fair Labor Standards Act:** Rep. Clay Shaw is continuing his effort to draft a bill that will address state concerns about the cost of workfare programs. His first draft was attractive to several Democratic Governors (including Carper and Chiles), but not

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THE PRESIDENT HAS SEEN
9-29-97

conservative enough for House Republicans. (As we told you last week, even that draft cut back on labor protections for workfare participants and weakened work requirements.) His new draft is a disaster. It deprives all workfare participants of the protections of the FLSA (including the minimum wage) and other labor laws (including workplace safety protections and anti-discrimination laws) by classifying these people as "trainees." It exempts not only workfare participants, but all working welfare recipients -- including those in subsidized private employment -- from FICA and FUTA. And it continues to weaken work requirements, again not only for workfare participants, but also for people in other kinds of subsidized work programs. We are telling Democratic Governors that we will not be able to support this bill, but remain amenable to narrow legislation exempting workfare participants from FICA and FUTA. We also are actively pursuing a new idea to accomplish this exemption through administrative action.

Great work. Go. Push this. OK.

good

12. **Welfare -- Welfare-to-Work Transportation Proposal:** The Senate Banking and Urban Affairs Committee voted 11 to 7 on Thursday to add the Administration's welfare-to-work transportation proposal to the federal transit legislation. Sen. Moseley-Braun offered the amendment, which all Democratic committee members and Sens. D'Amato, Bennett, and Enzi supported. The Vice President sent a letter to the committee urging adoption of the amendment. The Senate version authorizes an $100 million annual appropriation to help states and communities finance transportation projects to help welfare recipients get to work. In the House, Rep. Schuster had a $42 million program in his budget-busting transportation proposal, but last week abandoned this proposal in favor of a six-month extension of current law.

good

13. **Welfare -- Federal Welfare Hiring:** We expect the federal agencies to have hired more than 1,400 welfare recipients by October 1, six months after making the commitment to hire 10,000 in four years. The Vice President may highlight this achievement at a public appearance next week.

14. **Health -- FDA Reform:** The Senate passed the FDA reform bill this week by an overwhelming majority (98-2). As expected, the Senate bill did not sufficiently address our outstanding concerns -- particularly a provision that would preclude the FDA from reviewing new medical devices for uses other than the one the manufacturer says is intended. The House Commerce Committee is currently debating the legislation. We remain hopeful that we will be able to resolve all outstanding issues before the bill comes to you for signature -- probably in early November.

good

15. **Health -- Genetic Screening/Medical Records Privacy:** Your SEIU speech calling on Congress to pass legislation on medical records privacy and genetic discrimination provoked a very positive reaction. The Senate Labor Committee asked us for help in drafting legislative language on medical records privacy, and plans to schedule another hearing on this issue in late October. The Committee also asked for a series of briefings on genetic discrimination by health insurers. The first of these meetings, which took place last week, went very well. We are also working with the Vice President and Department of Labor on issues relating to genetic discrimination in the workplace.

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16. Health -- Consumer Bill of Rights: Three leading health plans (Kaiser Permanente, Group Health Cooperative of Puget Sound, and HIP Health Insurance Plans) and two national consumer groups (AARP and Families USA) released joint principles for consumer protections this week. The principles included making health care services more accessible, providing consumers with a choice of plans, ensuring confidentiality, requiring full disclosure of benefits and other relevant processes, and guaranteeing coverage of emergency care. While the groups said that these protections should be national, they did not suggest a mechanism for enforcement. The principles received a great deal of media attention, thus enhancing Congressional interest in the consumer protection issue. We believe this announcement helps lay the groundwork for the Consumer Bill of Rights that you requested the Quality Commission to release this fall.

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Oct. 3, 1997 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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October 3, 1997

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.

Want to do this

Good to do

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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.

Should do?

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.

Would agree

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.

Bruce
your calm should
discuss - this works
pretty good to me -

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Oct. 10, 1997 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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10-14-97

October 10, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Charter Schools Bill: Ten Democrats and fourteen Republicans on the House Education Committee voted on Thursday to approve amendments to the Charter Schools Program. The bill would provide incentives to states that allow the number of charter schools to increase, give charter schools significant autonomy, and periodically review charter schools to ensure that academic performance requirements are met. The bill also incorporates your goal of increasing the number of charter schools to 3,000 by the year 2000. Prior to committee action, the DPC and Department of Education worked with members to make substantial improvements in the bill. We believe you should endorse the bill shortly after you return from South America, as one of a series of events to counterattack the Republicans' Education Week October 20-24. The Education Department is also preparing to release a study that week showing that students who take 8th grade algebra and advanced math classes are much more likely to go to college -- another good argument for our 8th grade math test.

Good

2. Education -- National Tests: As the Labor/HHS conference proceeds, Reps. Obey, Porter and a number of others have begun to float possible compromises on the national tests. Each of the proposals presumes that we receive the funds and authority to develop the tests under NAGB's control. They differ primarily with respect to the circumstances under which test implementation would be permitted to proceed. Specific proposals -- none of them very attractive -- include (1) requiring specific Congressional authorization before implementation; (2) requiring a majority of states to sign up before implementation could begin; and (3) making test implementation an allowable state and local use of Chapter II funds, but providing no specific funding for initial implementation. A more promising possible compromise would give us an authorization and funding for our test, but also provide new funding to statistically link tests already used by states and local school districts to the NAEP performance standards so that states could continue to administer existing tests and provide students with a statistically-derived score on the national test as well.

Good idea

Goodling and Ashcroft publicly are hardening their opposition to the tests. Ashcroft has announced that he now has 35 Republican Senators lined up in opposition to the tests (though he has not produced a list of them), up from the 27 he named a week ago. Both Goodling and

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Ashcroft have sent Secretary Riley a series of letters continuing to criticize steps the Education Department had taken prior to its temporary halt on test development.

In addition, Goodling announced at Thursday's scheduled mark-up on America Reads that he was postponing action on the bill until we reversed our position on national testing. In reality, Goodling is under strong pressure from the right wing on his committee not to advance a reading bill that reflects our priorities. Consequently, Goodling is now in the position of blocking two key steps to improve early reading -- higher standards and tests and a reading program that helps families, schools and volunteers help kids learn to read.

On Wednesday, John Doerr, Jim Barksdale and 4 additional high-tech CEO's met with Gingrich, Lott, Goodling, and a number of other Republicans in both houses to urge them to support the tests. Feedback from their meetings as well meetings Legislative Affairs has had suggest that both Lott and Gingrich are urging that a compromise be found.

3. Welfare -- Exempting Workfare from FICA Taxes: Rep. Shaw appears to have abandoned his effort to exempt workforce from the FLSA, and come around to our view that we should only address FICA and FUTA taxes. We have expressed support for a new proposal he introduced this week to exempt workfare participants from FICA and FUTA. Unlike Shaw's earlier proposals, this one applies only to employment taxes: it does not exempt workfare participants from minimum wage, health and safety, antidiscrimination, and other worker protection laws; neither does it undermine the welfare law's work requirements. Governors strongly support the legislation, though many think it does not go far enough; unions will not actively oppose it. The Department of Labor has some concern that employers will try to interpret the FICA/FUTA exemption to cover not only participants in traditional workfare programs, but also recipients of subsidized private sector jobs. DPC and the Department agree, however, that we can address this potential problem through regulation. It is unclear what vehicle Shaw will use to move his legislation. He tried to add the proposal to a tax technicals bill in the Ways and Means Committee on Thursday, but had to withdraw it as non-germane before a vote could be taken.

4. Welfare -- Senator Murray's Proposal: As you may know, Senator Murray has long advocated a proposal that would wholly exclude individuals with a history of domestic violence from the welfare work requirements and time limits. Currently, states can exempt these women from work requirements and time limits, but still must put 30 percent of their overall caseload to work and move 80 percent off of welfare after 5 years. Under Senator Murray's approach, if 10 percent of the caseload were granted domestic violence waivers, then only 20 percent of the total caseload would have to work and only 70 percent would be subject to the time limit. This proposal has passed the Senate several times -- most recently as part of the Labor-HHS appropriations bill -- but has always been dropped in Conference. Murray now is lobbying the Administration to make a push for the amendment.

DPC and HHS have told Murray that we have serious concerns with her approach and have suggested some alternative language. (We also have made clear that irrespective of any legislation, we are intending to address this issue in regulations.) We believe that adoption of the Murray proposal would (1) give states a way to "game" the work rates and time limits by handing out waivers to people whether they need them or not, and (2) encourage states to ignore these women, rather than giving them the services, supports, and work opportunities that will help them become self-sufficient. Our preferred approach is for HHS to excuse states from penalties for failing to meet work rates if the states show (1) that their failure is attributable to granting temporary waivers to victims of domestic violence and (2) that they have provided these women with needed services. We believe that this approach will both limit states' ability to game the system and ensure that states provide needed services to victims of domestic violence.

5. Welfare -- California Caseload Numbers: New data from California show that caseloads there have begun to drop steeply. In 1993 and 1994, the welfare rolls rose in the State; in 1995 and 1996, the caseloads fell, but only by 2 percent and 7 percent respectively. The rate of decline this year has nearly doubled from last, with caseloads dropping 7 percent in only seven months. The LA Times carried an article on Thursday noting this caseload "plummet." Twenty two percent of the nation's welfare recipients live in California.

6. Welfare -- Studies on Welfare Reform: We have received some preliminary data from two studies tracking individuals who left the welfare rolls in Massachusetts and Maryland. The Massachusetts study found that six months after going off welfare, about 50 percent of these people were working; about 30 percent had other means of support or had left the state; 9 percent had children who had grown too old to qualify; and 6 percent were in the process of reapplying for welfare. The average wage of former recipients was $6.72 per hour, with the majority of those employed working in the clerical, sales, health care, and service industries. The Maryland study similarly found that 54 percent of former recipients were working within three months of leaving the rolls and that four-fifths were still off the rolls after six months. The study did not account for the remaining recipients, but plans to do so in a follow-up report to be released next year. The study found that welfare recipients with younger children were more likely to return to the rolls. It found no increase in foster care caseloads as a result of welfare reform.

7. Welfare -- Review of SSA's Children's Disability Determination Process: In a meeting with you last month, disability advocates expressed concern about the process for redetermining the eligibility of 288,000 children for SSI benefits under the new childhood disability standard. At that meeting, you stated that you had asked SSA to send you a report on its process in 30 days. While that meeting was going on, Ken Apfel was testifying at his confirmation hearing that he would begin a "top-to-bottom" 30-day review of the process as soon as he was confirmed. He was confirmed a few weeks later. SSA has requested that, instead of having two overlapping 30-day reviews, we have a single 30-day review beginning from the date of Apfel's confirmation. Advocates appear to be comfortable with this revised timetable, and we have approved it.

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8. Adoption -- Senate Legislation: A bipartisan group of Senators led by Rockefeller and Chafee and including Craig, Jeffords, Dewine, Bond, Coats, Levin and Landrieu have announced agreement on child welfare legislation called the Promotion of Adoption, Safety and Support for Abused and Neglected Children Act (PASS). As you know, the House passed a child welfare bill last spring, but Senate action had been stalled. Like the House bill, PASS incorporates many provisions of your Adoption 2002 proposal. It also includes other measures that we support, including judicial reforms and reauthorization of the Family Preservation and Support Act . The Senate bill, however, also contains a provision that we do not like to "delink" federal adoption assistance from means-tested programs (effectively providing such assistance regardless of income). We do not believe this provision will increase the number of adoptions; in addition, it costs $2.4 billion and is paid for with an offset that the Administration had hoped to use for other priorities (such as child care). We therefore are working with HHS, OMB, and the First Lady's Office to develop a less expensive and more sensible proposal that Chafee and Rockefeller might accept.

OK - this is important

9. Health Care -- Surgeon General Confirmation: The Senate Labor and Human Resources Committee held its confirmation hearing for Dr. David Satcher this Wednesday. The hearing went extremely well, and Senators on both sides of the aisle praised Dr. Satcher. Few controversial issues were raised. He was not questioned on many of the high profile issues we were expecting, including needle exchange and AIDS research in Africa. It appears likely that the full Senate vote on Dr. Satcher's confirmation will take place as early as the week of October 20.

10. Health Care -- Kassebaum-Kennedy Implementation: As you know, there was a story in *The New York Times* last Sunday that reported that some insurers are giving agents incentives to not enroll high-risk populations. Such actions are completely inconsistent with the spirit of the Kassebaum-Kennedy law. We are meeting with HCFA, the agency responsible for administering this provision of the new law, to review all of the Federal and State statutory authority to stop such practices. We will keep you apprised as we move forward.

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THE WHITE HOUSE

WASHINGTON

October 17, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health -- Breast Cancer Event: You are scheduled to announce several new initiatives on breast cancer in your radio address next week. The most important is an FDA final rule establishing nationwide quality standards for mammography. The rule, which addresses accreditation, facilities, personnel, equipment, and performance standard alternatives, should receive praise from physicians, mammography facilities, and advocacy groups alike. You also will discuss a new education campaign at NIH to ensure that health care providers and women know about recommendations that women ages 40-49 have regular mammograms; new outreach efforts to encourage minority Medicare beneficiaries to get regular mammograms (see also item 4 below); reforms in the balanced budget providing copayments for mammograms; and the First Lady's annual mammography campaign. Finally, you will announce the release of several new PSAs on mammograms.

2. Health -- Quality Commission Bill of Rights: The Quality Commission has finished a draft of the bill of rights that you requested it submit to you this fall. The draft includes a wide range of consumer protections, including access to specialists and emergency services, provisions for participation in treatment (e.g., anti-gag rules), and choice of health plans. At this point, the Commission will not recommend an enforcement mechanism for the bill of rights, which will help mitigate criticism from the business community. The Commission will meet to discuss the draft this week and plans to submit it to you by mid-November. Chris has leaked highlights of the draft to USA Today for publication on Monday or Tuesday, and we expect significant coverage in other papers.

3. Health -- Children's Coverage: DPC and HHS staff had an encouraging meeting with NGA representatives on outreach efforts for the new children's health care program. The states seem receptive to new ideas on working through schools and child care centers to identify uninsured children. State officials also have expressed great interest in a proposal we made to allow wider use of a $500 million fund established by the welfare law to help ensure that children moving off the welfare rolls retain Medicaid coverage. Under this proposal, states could use the fund for outreach activities directed toward enrolling children in either Medicaid or the children's health program.

4. Race -- Vaccination Study and Health Care Proposal: The Center for Disease Control released a study on Thursday showing that vaccination levels for minority children have reached an

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all-time high and that the disparity in vaccination levels for white and minority children is at an all-time low. Dr. Satcher announced the study's findings, and we arranged for the Race Advisory Board to issue a statement. The new rates provide evidence that carefully constructed and targeted health care initiatives, supported by adequate resources, can help reduce some of the existing health disparities among racial and ethnic groups. We can use these kinds of statistics to prepare the way for a new health care proposal, currently being fine-tuned by DPC, HHS, and OMB, to address racial disparities in six carefully selected areas: infant mortality, breast and cervical cancer, heart disease and stroke, diabetes, AIDS, and immunization. This proposal will include nationwide measures on each of the six health conditions to go into effect in the next two years, as well as intensive five-year pilot projects in thirty communities focused on one or another of the six conditions (say, a project on diabetes on an Indian reservation or a project on AIDS in an inner city). The stated aim of the proposal will be to eliminate racial disparities in these six areas by 2010.

5. Race -- Higher Education Affirmative Action Suit: The conservative organization that successfully represented the plaintiffs in Hopwood filed suit in Federal district court this week alleging that the University of Michigan's admissions policies unconstitutionally discriminate against white students. A diversity plan called the Michigan Mandate has increased minority enrollment at the school from 12.7% in 1986 to just over 25% this year. The plaintiffs' complaint charges that in making admissions decisions, the University adhered strictly to a set of grids that specify different minimum grade point averages and standardized test scores for white and non-white applicants. University officials have responded that they used the grids only as one of many guidelines, rather than as a rigid barrier to admission. As you know, the DPC is preparing a proposal, which will be joined to the NEC's new version of the Chaka Fattah bill, that would promote minority access to higher education by supporting partnerships between universities and low-income intermediate and high schools. The DPC is also working with Sylvia and the communications people to highlight your commitment to diversity in higher education in a Race Initiative-related speech or town hall.

We are also attaching to this memo a list of other policies, prepared originally for Erskine and Sylvia, that the DPC is developing for possible announcement as part of the Race Initiative.

6. Tobacco -- Medicaid Reimbursement Letter: In recent testimony before the Senate Labor Committee, Secretary Shalala indicated that HHS would send letters to states that have settled with the tobacco industry demanding the federal government's normal share (usually around 50%) of state recoupment of Medicaid costs. Many states reacted negatively to the Secretary's comments, maintaining for a variety of reasons that the federal government has no rightful claim to most of the settlement monies. State officials (including Governor Chiles, who put in a call to Bruce) warned us that a letter of the kind Secretary Shalala promised would undermine the willingness of states to cooperate with us on anti-tobacco efforts. Attorneys at both the Justice Department and HHS, however, argue strenuously that failing to send this letter would indicate an intent not to enforce the law and might constitute a waiver of the federal government's claim to these monies. At a meeting with HHS and DOJ, the DPC recommended a compromise solution: sending a letter to all fifty states that simply notes the federal statute governing allocation of Medicaid reimbursements and

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then indicates our desire that future tobacco legislation provide for the distribution of funds between the federal and state governments in a mutually acceptable manner. HHS is now attempting to draft such a letter.

7. Drugs -- Needle Exchange: As you know, the House version of the Labor-HHS appropriations bill includes a rider eliminating Secretary Shalala's authority to permit the use of federal funds for needle exchange programs upon finding that these programs reduce HIV transmission and do not increase drug use. Recent reports suggest that House Republicans will refuse to drop this provision. At the same time, several members of your Advisory Council on AIDS have threatened to resign because Secretary Shalala has not used this authority. In light of these developments, we have developed a compromise proposal that would allow a community to use federal monies for needle exchange only if the Secretary, the community's chief health officer, and the community's chief law enforcement officer all made the requisite findings. We hope that this proposal can break the congressional logjam over needle exchange; we also think that, if enacted, it could make use of the Secretary's authority much easier.

8. Education -- National Testing Initiative: In response to comments made by Senator Lott's staff, DPC and the Education Department have developed some compromise proposals on the national testing initiative that we hope can help us gain Congressional support. These proposals, which we would offer one by one, would: (1) make it possible for states and school districts to link their own tests with the national standards and test, so that a state or school district could compare the performance of individual students to national standards without having to administer the national test; (2) treat 1999 as a "field test" and proceed with full implementation of the national test in 2000; (3) limit participation in the 1999 field test to 50% of all the 4th and 8th grade students in the nation; and (4) evaluate the field test and report the results to Congress before proceeding with full implementation (but not requiring congressonal authorization). We hope to discuss these possibilities with Sen. Lott's staff early next week.

9. Education -- Single-Sex Schools: As you recall, the Department of Education's Office of Civil Rights (OCR) has told New York City that it must either admit boys to its all-girls school or open a similar all-boys school to avoid violating Title IX. At a meeting last week, the Justice Department expressed the view that Title IX may be inapplicable to this situation, giving OCR no authority over this case. The Justice Department believes, however, that the all-girls school is vulnerable to constitutional challenge unless New York (1) demonstrates that the school compensates for past discrimination against girls in the city school system or (2) establishes a similar school for boys. In light of your request to be involved in this issue (and our own belief that OCR should let New York City operate this school), DPC and the Counsel's Office have asked Education and Justice to prepare a memo on the critical legal and factual questions.

10. Education -- IDEA Regulations: The Department of Education will publish proposed regulations next week implementing recent legislation reauthorizing the Individuals with Disabilities Education Act (IDEA). Although the regulation attempts to strike a balance between the goals of parents and disability advocates and those of school districts, states, and teachers' unions, it probably

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will please the former group more than the latter. Perhaps most notably, the regulation requires a hearing officer to hold a hearing with both sides present before he can use the authority, granted by the new law, to remove a misbehaving child from a classroom for up to 45 days. The regulation also reflects the Department's view that the new law requires states to provide services to youths with disabilities incarcerated in adult correctional facilities on penalty of losing all IDEA funds. Governor Wilson has contested this interpretation, insisting that he may decline to provide services to these youths but still remain eligible for IDEA funds. The Education Department has asked the Department of Justice to bring suit against Governor Wilson on this matter (DOJ has not yet determined whether it will do so), while the House Labor-HHS appropriations bill contains a rider supporting Wilson's position.

11. Child Care -- Conference Plans: DPC and the First Lady's Office are concluding work on this week's child care conference. We will give you a memo on Monday or Tuesday detailing the conference program and proposed policy announcements. This memo also will give you a sense of the work we are doing to prepare for a much larger policy announcement at the State of the Union.

12. Immigration -- Central American Legislation: Last week, the House Republicans unveiled a proposal to give amnesty to Nicaraguans in the country before December 1995; allow certain Guatemalans and Salvadorans to have their suspension of deportation claims heard under the relatively generous standard of the old immigration law; and essentially eliminate the unskilled workers category for legal immigrants. This proposal, like our own legislation, provides relief to Central Americans from the hardships imposed by the 1996 immigration law. The proposal, however, would go further than our proposed approach in granting complete amnesty to Nicaraguans. The Administration has never before supported amnesty, and none of the relevant agencies or White House offices believes that there is a strong substantive argument for doing so here. Further complicating matters, members of the Hispanic and Black Caucuses are now seeking to extend amnesty to other Central Americans and Haitians. And members of Congress who strongly oppose cuts to legal immigration may raise concerns about the elimination of the unskilled workers category. DPC is working with NSC, WH Legislative Affairs and INS/DOJ on a strategy for improving the Republican proposal.

13. Immigration -- Rand Study: The Rand Corporation recently released a study assessing the impact of immigration on California over the past several decades. The study finds that immigration helped fuel California's rapid economic growth from 1960 to 1990, and continues to benefit the state's economy. But the study also details recent problems associated with the combination of a decreased demand for low-skill workers and a steady influx of low-skilled immigrants -- most notably, an increased fiscal burden resulting from use of public services and a downward pressure on some workers' wages. To address these concerns, the Rand study recommends: (1) a more flexible system to allow for more frequent changes to immigration quotas and entry criteria; (2) a reduction in annual immigration levels to somewhere between current levels (800,000) and those in the 1960s (300,000); (3) a greater emphasis on the educational levels of new immigrants; and (4) more proactive federal and state policies to integrate immigrants. Some of these recommendations resemble those in the U.S. Commission on Immigration Reform's final report,

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released last month. The Commission recommended lowering the level of legal immigration to about 550,000 annually, as well as promoting the further integration of immigrants through an "Americanization" proposal (including education, orientation, and naturalization efforts). The DPC will consider the Rand Study recommendations in the context of our evaluation of the Commission's proposals.

14. Immigration -- Requirements on Sponsors: Pursuant to the 1996 immigration law, the INS will release guidelines on Monday that require sponsors of certain immigrants to meet a minimum income threshold and to shoulder financial responsibility for those whom they have brought into this country. Under the law, as implemented by these guidelines, each sponsor will have to prepare a legally binding affidavit of support demonstrating an income level of at least 125% of the poverty level. During consideration of the immigration bill, the Administration supported making sponsors financially responsible for immigrants, while working to reduce the income requirement to the final 125% level (on the ground that a higher income requirement would have interfered unduly with legal immigration designed to unify families).

15. Welfare -- FICA Exemption for Workfare Participants: Rep. Shaw has decided to drop his legislative proposal to exempt workfare participants from FICA and FUTA. We supported this proposal, but Shaw apparently now thinks that it has no chance of passage given opposition from conservative Republicans (who believe it does too little) and liberal Democrats (who believe it does too much). The Governors are angry about the failure to act on this issue. The DPC is exploring whether there is a way to add the Shaw language to some piece of pending legislation. As for administrative action, the IRS continues (and continues and continues) to consider whether workfare is subject to or, alternatively, exempt from FICA and FUTA under current law.

16. Crime -- Child Safety Locks: October 15 was the deadline for federal agencies to comply with your March 1997 directive to provide child safety locks for all handguns issued to federal law enforcement officers. All agencies except the State Department have reported that they are in full compliance. We are following up with the State Department.

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We can do this by Ex Order, but Treasury Dept. — Treasury argues it is 2020 to decide under Gen Counsel

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THE WHITE HOUSE
WASHINGTON

October 24, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- National Tests: Rep. Goodling has drafted a new proposal on testing that would (1) continue to prohibit the development or implementation of national tests; (2) require the Education Department to cancel the current contract for test development; and (3) direct the National Academy of Sciences to conduct a study, with NGA and NCSL, of the feasibility of comparing the results from different existing standardized tests as an alternative to implementing national tests. House Republicans have forwarded Goodling's proposal to the Democrats; it is not yet clear whether this proposal is intended as a first step in negotiations, or if it reflects a decision to force a veto. We are working closely with Rep. Obey and others to determine how best to respond. In addition, we are making clear to the press that this "compromise" is unacceptable and would cause you to veto the bill.

2. Education -- Vouchers/Coverdell: The House passed the Gingrich/Armey version of Sen. Coverdell's K-12 education savings account legislation on Thursday. Vote on final passage was 230-198, with 8 Republicans voting against the bill and 15 Democrats voting for it. A Rangel substitute, which would have expanded a school construction bond provision enacted in the balanced budget bill, was defeated by a vote of 224-199. On Friday, the Republicans canceled a mark-up of legislation that would have allowed ESEA Title VI funds to be used to pay for private school tuition. They were evidently unable to muster sufficient Republican support to get the bill out of committee But Republicans probably will attempt to attach voucher language to the Riggs-Roemer charter schools bill on the House floor next week.

3. Health -- Consumer Bill of Rights: The Quality Commission released preliminary consensus recommendations this week responding to your request for a Consumer Bill of Rights. Consumer and business groups alike responded favorably to these recommendations -- though inevitably some groups thought the recommendations went too far and other groups thought the recommendations went not far enough. Because of the generally favorable response, we are planning a White House event to highlight the final recommendations for a Consumer Bill of Rights in mid-November. We are considering whether you should use that event to call for federal legislation providing an enforcement mechanism for at least some of the consumer protections that the Commission has agreed

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upon. (The Commission itself will make no recommendations on an enforcement mechanism in November.)

4. Health -- Mental Health Parity Regulations: *The New York Times* reported inaccurately last week on the Administration's likely interpretation of the "1 percent" exemption provision in the mental health parity statute. This provision allows businesses and health plans to opt out of the law's requirements if the costs of coming into compliance increase premiums by more than 1 percent. The *Times* reported that the White House will interpret the provision to allow companies to project that the costs associated with the law would exceed the threshold and to opt out of the law on the basis of that future projection. The mental health community strongly supports a fully retrospective approach, under which no business could obtain an exemption from the law until after paying premiums for the first year of the law's implementation. Some advocates apparently thought that the best way to kill a more prospective approach was to tell the *Times* that we were likely to adopt it. The truth is that HHS has not yet made a recommendation, let alone forwarded a proposed regulation to OMB. Our flexibility in interpreting the law is unclear, but if we have some leeway, we hope to opt for a more retrospective approach.

5. Health -- Satcher Nomination: The Senate Labor and Human Resources Committee favorably reported out Dr. Satcher's nomination on Wednesday by a vote of 12-5. Most of the members were effusive in their praise for Dr. Satcher, and called for the Senate to confirm his nomination before the recess. The dissenting members -- in particular, Senator Coats -- fought hard against the nomination because of Dr. Satcher's support for the Administration's position on partial birth abortion legislation. We have some concern that Republicans will try to use Dr. Satcher's confirmation vote as yet another vehicle to attack the Administration on this issue. While we remain generally optimistic that Dr. Satcher will be confirmed, we are working with the communications and legislative affairs offices to mount a strong Administration defense if needed.

6. Crime -- Assault Weapons Directive: We are working with Rahm on a directive to the Treasury Department that would (1) reexamine and, if necessary, modify the criteria used to keep non-sporting weapons out of the country; and (2) pending this reexamination, temporarily suspend any pending and future applications for permits to import modified -- or "sporterized" -- assault weapons, including the new Uzi American and Galil Sporter. Although only a limited number of these firearms has come into the country over the past few years (10,000 in 1995, 25,000 in 1996, and 20,000 to date this year), applications are now pending to import as many as 900,000 of these firearms.

Can Must stop treasury Temporarily it Hard

The one issue we have not resolved is whether the Administration should take the additional step of temporarily suspending permits that already have been granted. These permits allow the future importation of about 300,000 sporterized assault weapons. Senator Feinstein is insisting that we temporarily suspend these permits, and she already has told the press that a directive would be meaningless unless it does so. Administration lawyers,

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however, have serious doubts that we have a factual basis for temporarily suspending existing permits, and they worry that a loss on this issue could undermine our ability to defend any future action by Treasury to modify the test for non-sporting weapons. Senator Biden thinks that a loss on the temporary suspension issue would have detrimental political consequences, and that we should not take the action unless we believe a court could sustain it.

We are pressing Treasury, Justice, and White House Counsel lawyers to develop the strongest possible case for suspending existing permits; when we are satisfied that they have done so, we will together evaluate the strength of that case and determine whether to recommend temporary suspensions. We have met with staff for Sens. Feinstein and Biden and Reps. Schumer and McCarthy to brief them on our concerns about this issue. We are also trying to develop some kind of compromise option.

7. Crime -- Juvenile Crime Bill: The Senate clearly will not vote on juvenile crime legislation this year. A pending issue is whether the FY 98 Commerce, Justice, State Appropriations bill will include funding for new juvenile crime and prevention programs (including our prosecutors and afterschool programs) given that Congress has failed to enact authorizing legislation. We recently heard that the CJS appropriators probably will rebuff our efforts to get funding for these programs this year.

8. Immigration -- Central Americans: House Republicans are close to unveiling legislation to remedy certain problems the 1996 immigration law created for Central Americans. Although we have yet to see the language, we have heard that it will: (1) grant amnesty for Nicaraguans in the country before December 1995; (2) ensure that certain Guatemalans and Salvadorans will have their suspension of deportation claims decided under the older, more lenient standards; (3) retroactively apply the tougher standards of the new law to the suspension claims of all *non*-Central Americans; and (4) eliminate the unskilled workers category, but clear out the pipeline by grandfathering all individuals with approved visa petitions (about 70-75,000 individuals, representing seven years' worth of immigration by unskilled workers).

The Senate is also preparing a bill granting amnesty to Nicaraguans and protecting Guatemalans and Salvadorans from retroactive application of the new law's tough standards, but probably extending this protection to certain *non*-Central Americans (contra #3, above). This extension would comport with the Administration's proposal. Two other aspects of the legislation are uncertain. First, it is unclear what the Senate will do with respect to the unskilled workers category. Chairman Abraham opposes reducing legal immigration, especially as a tradeoff for protecting illegal immigrants. But he knows that Lamar Smith will support a deal only if it includes this provision, and he therefore may consider a "moratorium" on the category, attached to a broad grandfathering provision (perhaps even broader than we expect from the House). Second, the Senate <u>may</u> decide to provide protection for certain Haitians who are not protected under either the House bill or our own proposal. The CBC is pressing strongly for such protection.

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The DPC has begun an interagency process to consider questions relating to the unskilled workers category and protection for Haitians. In preliminary discussions, both INS and State have indicated support for a moratorium on, rather than elimination of, the unskilled workers category and for a strong grandfathering provision. White House offices are more divided on these questions, with DPC favoring a restrictive approach in line with your comments last week. All interested agencies and White House offices seem favorably inclined to assist certain Haitians, who entered the country under circumstances similar to those of the Central Americans. We will provide you with more information on agency and White House views next week.

9. Drugs -- Crack Cocaine: Notwithstanding determined efforts, the Administration's crack cocaine working group (including Justice, ONDCP, and DPC) failed to gain any serious Congressional support for our proposed sentencing revision. No Republican would agree to support a reduction in the current sentencing disparity that involved lowering crack penalties. And in the absence of Republican support, Senators Biden and Kennedy advised us strongly not to press our proposal. The working group is now developing a long-term political, outreach, and communications strategy to take us through next year. Kennedy and Biden recommend preparing a defensive strategy, on the assumption that the Republicans will advance a proposal next session to reduce the sentencing disparity solely by rasing powder penalties.

10. Drugs -- ONDCP Reauthorization: This week, the House passed by voice vote a two-year reauthorization bill for ONDCP. The Drug Office has numerous concerns with the House bill. Perhaps most troublesome, the bill contains wholly unrealistic numerical targets for drug use reduction within four years. While the Administration took a position opposing the bill, our SAP did not threaten a veto. Senators Biden and Hatch have reached agreement on a much better bill that reauthorizes the Drug Office for seven years and does not include numerical targets. The Senate may take up this bill next week, and both DPC and ONDCP are staying in close touch with Biden's office. Meanwhile DPC and OMB are reviewing ONDCP's own proposed performance standards, which set 10-year targets for reduced drug use. The crime bill required ONDCP to develop such performance measures, which we intend to publish in next year's budget and annual drug strategy document.

11. Race -- Hate Crimes Conference and Legislation: In preparation for the November 10th White House Conference on Hate Crimes, DPC has worked with the Justice Department to develop a number of policy announcements. We will give you a memorandum closer to the date of the Conference detailing each of these policy announcements, which mostly focus on improving enforcement of hate crimes laws. The most notable proposal is to endorse an expansion of the federal hate crimes statute to include gender, sexual orientation, and disability. (The law now covers only race, nationality, and religion.) Sen. Kennedy has told us that he will introduce legislation of this kind shortly before or on the day of the Conference.

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There is some dispute within the Justice Department as to the details of the proposed legislation. In particular, various DOJ offices disagree as to whether the statute should require a specific showing of animus for bias crimes involving gender, sexual orientation, and disability. (The current law has no such requirement for bias crimes involving race, nationality, and religion.) The prosecuting offices of the Justice Department argue that without this provision, the statute will cover most gender-related offenses, including all rapes -- and that reviewing all these offenses and selecting the ones most appropriate for federal prosecution will involve a substantial expenditure of resources. The civil rights office of DOJ -- as well as all the advocacy groups -- argue against an added animus requirement on the ground that it would create two classes of hate crimes, one (for gender, sexual orientation, and disability) more difficult to prove than the other (for race, nationality, and religion).

I'm w/ them

Senator Kennedy's legislation will not have an animus requirement, and the Attorney General seems to favor this approach as well. Their view is that no such requirement is needed to enable prosecutors to review all covered offenses and make decisions about what cases to prosecute, without substantial additional resources. We will continue to work with DOJ on this issue and make a formal recommendation to you within the next week or two.

12. Race -- Staff Diversity: We have just hired Julie Fernandes, an African American lawyer now working at the Justice Department's Office of Legal Counsel, as a new special assistant to work on the race initiative, civil rights matters, and immigration policy. With Julie's addition, over 25 percent of the staff of the Domestic Policy Council are members of minority groups (African American, Hispanic, Asian American, and Native American), and almost 70 percent of the staff are women. We are continuing to seek a diverse staff, and we believe that both of these percentages will increase as we fill three open slots over the next few weeks.

13. Welfare -- Letter to College Presidents: At our request, Secretaries Riley and Shalala sent a letter to all college presidents last month explaining how the welfare law affects college students on welfare. The letter encourages colleges to work with states to provide work opportunities that allow students to stay in school. In particular, the letter explains that work-study qualifies as work from our perspective, although the final decision rests with states. The two departments indicated their willingness to work with colleges that have questions or concerns about the impact of the law.

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NLWJC - KAGAN

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THE WHITE HOUSE

WASHINGTON

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October 31, 1997

THE PRESIDENT HAS SEEN
11-4-97

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- National Testing Initiative: As you may know, Rep. Obey announced a compromise testing provision for the Labor-HHS Appropriations bill last Wednesday, with the support of Rep. Porter and Sens. Specter and Harkin. The provision allowed development of the tests to continue, but prohibited their implementation without congressional authorization. The provision also prohibited the use of the tests for high stakes purposes, such as promotion decisions. We had informed Obey and the other conferees in advance that this proposal would be unacceptable to us, and we immediately warned of a veto. (With help from Sens. Bingaman, Kennedy, and Dorgan, we enlisted 37 Senators to sign a letter expressing support for such a veto.) At the same time, Rep. Goodling and his conservative supporters denounced the compromise proposal because it permits continued development of the tests. The conferees have so far refused to make changes to their testing provision, but because of the continuing controversy on this issue, they have not yet filed a conference report.

We are now working closely with John Hilley and others to engage Speaker Gingrich and Sen. Lott in discussion about a number of compromise proposals, either to go into the conference report or to break the impasse after a veto. These compromise ideas include: (1) limiting participation in the test to 50 percent of the nation's fourth and eighth grade students in the first two years of implementation; (2) appropriating money for NAGB to link existing standardized tests to the national tests, so that a state or school district can compare the performance of individual students to national standards without having to administer the national test; and (3) prohibiting the development of national tests in other subjects and grades without congressional authorization.

2. Education -- Charter Schools and Vouchers: The House passed a special rule on Friday linking the bipartisan Riggs-Roemer charter schools bill with the HELP voucher bill, also sponsored by Rep. Riggs. The rule, which passed 214 to 198, provides that the House will separately vote on the two bills, but automatically join them if they both pass. Earlier this week, OMB issued a SAP warning that if the charter bill were amended to include the voucher provisions, senior advisors would recommend a veto. Further House action is scheduled for Tuesday.

3. Health -- Kyl Amendment and Nancy-Ann Min DeParle's Confirmation: Republicans are refusing to confirm Nancy-Ann Min DeParle to be Administrator of HCFA until we reach an accommodation with them on a proposal offered by Sen. Kyl to modify the Medicare

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provisions of the Balanced Budget Act. Under the Act, physicians may enter into private contracts with Medicare eligible individuals, but only if they waive the right to receive any Medicare reimbursements (for those patients or any others) for two years. Sen. Kyl wishes to allow physicians to enter into these private contracts without forfeiting their ability to receive Medicare payments for their treatment of other Medicare beneficiaries. The issue is very complicated. Sen. Kyl argues that the public would benefit from a system enabling wealthy patients to assume their own medical costs. But our Democratic base and most advocacy organizations believe that the Kyl Amendment's encouragement of private contracting would reduce the access of non-wealthy Medicare beneficiaries to the best doctors -- and in areas with a physician shortage, to any doctors at all. The Amendment also might create opportunities for fraud, as doctors try to bill both private individuals and the Medicare program for delivery of the same services. Whatever the merits, we and HHS think that we should refuse to consider, or even testify about, the Kyl proposal until Nancy-Ann is confirmed. To do otherwise would only reward this kind of hostage-taking.

4. Health -- NIH Ground Breaking and Cancer Trials Initiative: The Vice President will join Secretary Shalala on Tuesday to dedicate a new building for clinical research on the NIH campus that will be named for Senator Mark Hatfield -- a longstanding advocate of NIH during his years as Senate Appropriations Chair. We are currently working with NIH and HHS on an appropriate announcement for the Vice President to make at this event. We have decided not to announce the Medicare cancer clinical trials initiative that you and Chris recently discussed, both because we are still reviewing cost estimates and because we think you should highlight this initiative at an event focused on the war against cancer. Parenthetically, because 80 percent of men with prostate cancer are over 65, the NCI has indicated that coverage of these clinical trials will represent a major contribution to the effort to diagnose, treat, and eventually cure prostate cancer.

5. Health -- Kassebaum-Kennedy Implementation: We have convened an interagency group (HHS, Treasury, and Labor) to follow up on recent reports that insurance companies are giving incentives to insurance agents not to enroll high-risk individuals. HHS has no sure way of determining the extent of the problem, but state insurance commissioners believe that recent publicity has served to curtail these practices. We are nonetheless pushing HHS to take administrative action to ensure nationwide compliance with the law. In response to our entreaties, HHS is reviewing its authority to send a notice to all states (1) interpreting the law to prohibit this insurance company practice; (2) advising states to enforce the law accordingly; and (3) emphasizing our commitment to enforce the law ourselves if the states fail to do so, through the back-up enforcement authority the statute provides.

6. Tobacco -- Medicaid Letter: We reached an agreement with HHS and the Justice Department last week on a letter to be sent to all 50 states regarding the federal government's claim to certain monies received from settlements between states and the tobacco industry. The letter, which is scheduled to be sent on Monday, lays down the legal marker that the Justice Department and HHS felt was needed to prevent any waiver of the federal government's rights. But the letter has a non-threatening tone and explicitly recognizes that forthcoming national legislation may well address the distribution of tobacco funds between the federal and state governments. In preparation

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Chiles view is that we should wave our flag of whether if they are affected by state to expand health coverage - what about this?

for the letter's release, we met with the Florida Deputy Attorney General and staff from Governor Chiles' office. The meeting went surprisingly well, with the Florida representatives indicating that they would not object to a low-profile letter that simply states our view of current law. We will roll out the release of this letter carefully, including by giving advance notice to the NGA, APWA, and appropriate Members of Congress.

7. Immigration -- Central Americans: House and Senate conferees are continuing to discuss a legislative package designed to provide relief for certain Central Americans from the suspension of deportation provisions of the 1996 immigration law. Two key issues remain uncertain. First, the Senate -- particularly Chairman Abraham -- opposes the House proposal to eliminate the unskilled worker category (10,000 visas annually) as a tradeoff for providing relief to Central Americans. The Senate is considering a counter proposal to reduce the annual number of unskilled worker visas and diversity visas by 5,000 each. (The diversity category provides 50,000 visas each year for individuals from underrepresented countries. The category is mostly used by nationals from Africa and Europe.) Second, some Members are now seeking to expand the final legislation to cover other illegal immigrants. Abraham is proposing special treatment for certain individuals from former Communist bloc countries. And as you know, the CBC is pushing to extend the legislation to the Guantanemo Haitians. We have prepared a letter from you urging that Congress provide the same relief to the Haitians as it does to most Central Americans. We are talking with the legislative affairs office about timing issues, but think we probably should send this letter on Monday or Tuesday.

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8. Crime -- Surplus Military Weapons: The CJS Appropriations Conference Report may include a provision to allow the importation of certain surplus military weapons. Years ago, the U.S. government gave or sold at very low cost millions of these weapons to foreign governments as a form of military assistance. We have repeatedly opposed their importation because their low cost and ease of conversion to fully automatic weapons make them attractive to criminals. We successfully fought a similar provision in the Treasury-Postal Appropriations bill. The language we have seen for the CJS conference report is more limited in scope than the Treasury-Postal version; the provision would allow the importation of nearly one million M1 Garand rifles, but retain the bar against M1 carbines and .45 caliber semiautomatic pistols. We are working with John Hilley and Rahm to try to remove this provision.

9. Crime -- COPS Program: The COPS Office announced on Thursday $62 million in grants to fund 1,000 new police officers. The funds will add community police officers in 47 states, bringing the total number of police officers funded by the Clinton COPS Program to 65,000.

10. Welfare -- New Regulations: We expect to publish regulations within the next few weeks for both the $3 billion welfare-to-work program included in the Balanced Budget Act and the Temporary Assistance for Needy Families program established by the welfare law. The regulations for the $3 billion program are straightforward and should provoke little comment. The TANF regulations are both more complicated and more significant, involving a number of issues that will determine the meaning and efficacy (or lack thereof) of the law's work requirements. We hope that

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we can release both sets of regulations on November 17th, the day you are scheduled to dedicate Cessna's new welfare-to-work facility in Wichita.

In our conversations with HHS on the TANF regulations, we have insisted on holding states accountable for outcomes -- particularly in putting welfare recipients to work -- while maintaining state flexibility in designing and implementing welfare reform efforts. Most important, we are seeking to ensure that states do not circumvent the work participation rates -- either by segregating their hardest-to-employ cases in separate state programs that are not subject to work requirements or time limits (but that count towards the state's maintenance of effort), or by arbitrarily reclassifying families with parents living in the home as "child only" cases in order to avoid work rates and time limits (the law rightfully exempts child-only families from such requirements to avoid burdening grandparents and other non-parent caregivers). Relatedly, we are trying to discourage states from maintaining waivers that have less stringent work requirements than the new law has, by limiting the ability of any state that does so to get high performance bonuses, caseload reduction credits, and breaks on penalties. Finally, we are trying to structure a penalty system that is firm, fair, and credible -- that will give states a "second chance" to come into compliance with work and other requirements, but will impose penalties if they still fail to do so. Depending on how our discussions with HHS go, we may give you a decision memo on certain specific issues in the regulation within the next week or two.

11. Welfare -- Domestic Violence Amendment and Regulations: As you know, Sen. Murray long has advocated a proposal that would allow states to exclude victims of domestic violence in calculating whether they have met the law's work rates and time-limit requirements. This week, the conferees voted not to include her amendment in the Labor-HHS bill. DPC, OMB, and HHS all have had serious reservations about Sen. Murray's approach on the ground that it would give states a way to escape the welfare law's work rules and time limits, while failing to provide victims of domestic violence with the services they need to become self-sufficient. The draft TANF regulations discussed above take a different and better approach. The regulations will authorize HHS to excuse states from penalties if they fail to meet the work rates because they have given waivers to victims of domestic violence, so long as the exemptions are temporary and the state also provides services to help these women become self-sufficient. We are still discussing with HHS the issue of excusing states from penalties attached to the 5-year time limit; we hope to develop a middle ground approach at the staff level.

try to work this — it's important to her

12. Welfare -- Welfare Indicators Report: HHS has prepared the first annual report on Indicators of Welfare Dependence, required by a 1994 law authored by Senator Moynihan, and plans to send it to the Hill next week. The report reflects the advice of a bipartisan advisory board created by the law, which includes state welfare directors (Gary Stangler, Gerald Miller, Eloise Anderson), researchers (Judy Gueron, Marvin Kosters, Kristin Moore) and advocates (Bob Greenstein, Wade Horn). The law required HHS and the advisory board to develop a definition of welfare dependence and to track, through an annual report, changes in the incidence of dependence. This report defines a family as "dependent on welfare" if more than 50 percent of its total yearly income comes from TANF, food stamps, or SSI and this income is not associated with work (i.e., no one in the family

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is working in a subsidized or unsubsidized job at the same time). This first annual report shows that 4.8 percent of Americans were dependent on welfare in 1993 (the most recent year for which the data were available).

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Nov. 8, 1997 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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November 8, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Immigration -- Central Americans/Haitians: House and Senate Republicans have concluded their negotiations over the legislative package intended to provide relief to certain Central Americans. The final package (to be incorporated in the D.C. appropriations bill) provides amnesty to Nicaraguans and Cubans, while ensuring application of the old immigration law's standards to Guatemalans, Salvadorans, and nationals of former Soviet bloc countries. Notwithstanding our best efforts, the bill provides no relief to Haitians. The bill also cuts in half unskilled worker visas (from 10,000 to 5,000 annually), and reduces diversity visas by 5,000 as well (from 50,000 to 45,000 annually).

Can NO do this?

Because this package provides no relief to Haitians, Senator Moseley-Braun yesterday threatened to put a hold on the D.C. appropriations bill unless the Administration agrees to suspend the deportation of certain Haitians pending Congress's reconsideration of this issue next year. We quickly convened meetings involving the Departments of State and Justice, NSC, the Office of Legislative Affairs, the Office of Public Liaison, and others to discuss our options. We decided to ask Sen. Moseley-Braun and Rep. Conyers to seek commitments from the House and Senate leadership to consider Haitian legislation by a date certain. (In the Senate, Sens. Mack and Abraham appear to be on board this proposal.) With such commitments in place, the Attorney General could and would announce a decision to exercise prosecutorial discretion to suspend the deportations of individuals covered by the bill until Congress has had an opportunity to pass it.

If we cannot get commitments (or, at a minimum, informal assurances) from the Republican leadership to consider the Haitian issue next session, the Attorney General probably would not be able to exercise her prosecutorial discretion in this manner. In that event, you could decide to issue a Deferred Enforced Departure (DED) order to grant temporary relief to Haitians, as you said you would do to protect Central Americans in the absence of legislative action. The NSC might well recommend such an action on the basis of foreign policy considerations, though the Justice Department currently has some concerns about it. Everyone agrees, however, that we should not take this step without careful consideration and preparation -- i.e., we should not take it within 24 hours of a Senator's threat to hold an appropriations bill. Thus, if the AG cannot invoke her discretionary authority, we will attempt to convince Sen. Moseley-Braun that we share her objectives, that we are carefully considering ways of providing administrative relief to Haitians, and that she should drop her hold of the D.C. appropriations bill and allow this consideration to proceed.

Yes

Yes, but wait

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2. **Immigration -- INS Reorganization:** The House Judiciary Subcommittee on Immigration held a hearing yesterday on the Commission on Immigration Reform's proposal to disband the INS and reallocate its functions among the Departments of Justice, State, and Labor. The subcommittee did not invite witnesses from the Administration, but Bruce sent a letter to the Chair and Ranking Member (Rep. Lamar Smith and Rep. Watt) informing them of the Administration's intent to review the Commission's recommendations and work with the subcommittee to improve the management and administration of the nation's immigration system.

3. **Education -- National Testing:** The House passed on Friday the Labor-HHS Appropriations Bill, which included a compromise on national testing that we worked out with Rep. Goodling. The compromise language allows test development to proceed under NAGB's control with the $16 million we asked for in our FY 1998 budget, but delays pilot testing until October 1998. The final legislation also directs the National Academy of Science to study (1) the feasibility of linking existing state and commercially available tests to each other and NAEP; (2) the technical quality of the national test items now under development; and (3) a set of issues, of concern to the Black and Hispanic Caucuses, regarding the use and misuse of test results. We were able to ward off any requirement for future congressional authorization to proceed with implementation of the national tests. We will have a repeat of this battle a month before the 1998 elections. Assuming we prevail, pilot testing will begin in the fall of 1998, field testing will commence in the spring of 1999, and the tests will be ready for full implementation in the spring of 2000. The attached chart shows how the final compromise solution compares to both our original plan and the House-passed Goodling Amendment.

4. **Education -- Charter Schools:** The House also passed on Friday charter schools legislation that you previously had endorsed. The bill provides incentives to states to issue more charters, to give charter schools greater autonomy while ensuring that performance goals are met, and to allocate to charter schools their fair share of state funding. Earlier in the week, the Department of Education sponsored a national charter schools conference that drew over 800 participants, including charter schools operators and teachers. The conference gave participants the opportunity to become familiar with Education Department resources, to share lessons and strategies with each other, and to provide advice to the Education Department on the implementation of the charter schools program.

5. **Education -- Vouchers/Coverdell:** The House defeated a bill last week to permit local school districts to use Chapter 2 block grant funds for vouchers for low income students. The vote was 228 to 191, with 35 Republicans voting against the bill. In the Senate, proponents of the Coverdell proposal to permit tax-fee IRA's for K-12 education again failed to end a filibuster. The vote was 56-44.

6. **Health -- Quality Commission Update:** We have tentatively scheduled an event on November 20 in which you will accept the Quality Commission's Consumer Bill of Rights and announce support for federal legislation (though not necessarily an Administration bill) to enforce certain consumer protections. We are also working with HHS on executive actions to apply the

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Commission's recommendations to federal government programs. As you know, the consumer protection issue has received much attention recently because of statements from Republican leaders (Lott, Nickles, Armey) urging the business and insurance communities to oppose Federal legislation in this area. Sen. Lott supposedly has told businesses to "get off your butts and get out your wallets" and Rep. Armey has labeled any effort in this area "Clinton II." These statements are not playing well with the press or public. (Indeed, the 85 Republicans who have joined legislation by Rep Norwood (R-GA) going far beyond what the Quality Commission will recommend may have their doubts about these statements.) But the concern of the business community about premium increases is growing, and we will have to position ourselves carefully on this issue.

7. Health -- Children's Health Outreach Initiative: As you know, three million children are now eligible for but not enrolled in Medicaid. Many more children will be eligible for but not enrolled in the new children's health insurance program (CHIP). We have been meeting with HHS, NEC, and the First Lady's office to develop ideas for a major children's health outreach initiative. Policy options could include: simplifying Medicaid eligibility rules; distributing a model single application form for both programs; taking off restrictions on certain funds so that states can use them for outreach; and making it easier to enroll children in these programs at schools and child care referral centers. We are also considering other private sector outreach initiatives, such as having businesses that market health plans to parents promote enrollment. Finally, we hope to form a public/private steering committee that would continue to develop and encourage innovative outreach efforts. This committee could include representatives from HHS, NGA, Americorps, America's Promise, prominent non-profit foundations, provider groups, and children's advocacy groups. If you and/or the First Lady are interested, we could design an event to announce this initiative.

8. Crime -- Brady Bill: The Department of Justice expects to sign a memorandum of understanding (MOU) next week between the Attorney General, the Ohio Attorney General, and the Franklin County Sheriff (OH) to ensure that all handgun purchasers in Ohio are subject to background checks. Since the Supreme Court's decision in Prinze, the Ohio Bureau of Criminal Identification and Investigation (BCI&I) has conducted background checks only on consenting purchasers. Under the proposed MOU, the Franklin County Sheriff will conduct background checks on any non-consenting purchasers. Arkansas is now the only state in the country not conducting background checks on all purchasers.

9. Crime -- Stalking Report: The Attorney General may release a report next week showing that an estimated 1.4 million women are the victims of stalkers each year, and that as many as 1 out of 12 women will be stalked during the course of their lives. The Justice Department simultaneously will release a manual of "best practices" for prosecutors to address the stalking problem.

10. Race -- Equal Employment Opportunity Commission Reforms: You recently asked about how to improve the performance of the EEOC and obtain additional resources for it. As you know, the EEOC has come under attack from all sides for inefficiency and delay in resolving cases. At the same time, Congress has denied the Administration's requests for additional funding to cope

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with expanded case filings (from 62,135 in FY 1990 to a projected 80,000 in FY 1997), choosing to provide marginal or no increases in resources.

For the last several months the DPC has led a review (also involving OMB, PIR, NEC, OPL, and the Counsel's office) of the primary federal offices involved in civil rights enforcement. Our goal is to propose a coordinated package of reforms for the EEOC and the civil rights offices at DOJ, HUD, HHS, Education, and DOL. With respect to the EEOC in particular, our review has suggested several ways to improve the performance of the agency. The most important, favored by employers and civil rights advocates alike, is a swift expansion of the EEOC's mediation program. Along with other changes at the Commission, including the improved use of technology and additional staffing, this reform could substantially increase the average speed of resolving complaints and reduce the EEOC's current backlog. We are working closely with OMB to determine the most appropriate level of resources to devote to this effort.

This is important
Push it!

KEY ELEMENTS OF THE PRESIDENT'S PLAN FOR NATIONAL TESTS

CLINTON PLAN	HOUSE BILL	FINAL AGREEMENT
Authorizes development of first-ever voluntary national tests in 4th-grade reading and 8th-grade math	NO -- total ban on development of national tests	YES -- authorizes immediate development of national tests
Puts independent, bipartisan NAGB in charge of tests	NO	YES
Provides $16 million in FY98 for test development	NO -- no money for national tests	YES -- $16 million for tests in FY98
Can proceed with pilot testing, field testing, and test administration without further authorization from Congress	NO -- would have required Congressional authorization before proceeding	YES -- does not impose requirement for future authorization from Congress
Begin pilot testing in 1998 (scheduled for March)	NO -- prohibits pilot testing	YES -- begin pilot testing in October 1998 instead of March

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THE WHITE HOUSE

WASHINGTON

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November 14, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. **Family -- Adoption Legislation:** You are scheduled to sign new adoption legislation on Wednesday, in an event giving a prominent role to the First Lady. The legislation is a huge step forward in promoting adoption and improving our nation's child welfare system. The final bill largely incorporates the Administration's proposals in this area. In particular, the bill (1) makes clear that children's health and safety are the paramount concerns of the public child welfare system; (2) clarifies the "reasonable efforts" standard; (3) speeds up court hearings for children in foster care and generally requires states to initiate proceedings to terminate parental rights after a child has been in foster care for 15 of the previous 22 months; (4) provides states with financial incentives to increase the number of children who are adopted; (5) reauthorizes the Family Preservation Program (staving off an expected battle next year) and increases its funding; (6) ensures health coverage for adopted children with special needs by requiring states to provide coverage through Medicaid or the new child health program; (7) expands HHS's authority to issue waivers to states for child welfare and foster care demonstration projects; and (8) breaks down barriers to adoptions across state lines by prohibiting states from denying a suitable out-of-state adoption when no in-state adoption is available.

2. **Health -- FDA Reform Legislation:** You are scheduled to sign FDA reform legislation on Friday. This legislation reauthorizes the very successful user fee program that has enabled the FDA to speed the approval of new drugs. The bill also codifies the REGO reforms, emphasizing agency performance and accountability, that the Vice President successfully implemented at the FDA in 1995 and 1996. In the course of considering the legislation, Congress deleted or amended the provisions (involving, for example, off-label uses of drugs and devices) to which consumer advocates most strongly objected. We worked closely with Senator Kennedy in the effort to ensure consumer protections, and he happily cast the 100th vote in the Senate's unanimous passage of this legislation.

3. **Health -- Quality Commission:** You are scheduled to accept the Quality Commission's Bill of Rights on Thursday. We plan to submit a memo to you early this week summarizing the Bill of Rights and recommending an appropriate response. We are also reviewing possible executive actions to improve the quality of health care in the federal government. We will discuss these proposals in the memo as well. As a lead-up to your announcement on Thursday, we have

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asked the board of the Journal of the American Medical Association (JAMA) to brief the Vice President, Secretary Shalala, and Secretary Herman on its upcoming issue, which is dedicated entirely to concerns about health care quality. JAMA representatives are previewing this issue at the National Press Club on Tuesday, and an event with the Vice President on the same day should take advantage of media interest and provide a good basis for your announcement later that week.

4. **Health -- Satcher Nomination:** The Senate adjourned before acting on the nomination of Dr. David Satcher, notwithstanding a 12-5 committee vote in favor of confirmation. Senator Ashcroft placed a hold on the vote on the ground that Dr. Satcher supports the Administration's position on late term abortion. Some have suggested that the Senator took this action solely to position himself for a 2000 Presidential run. Dr. Satcher has never played a prominent role in the abortion debate and has disavowed any intent to use the Office of the Surgeon General to forward any "abortion rights agenda." Dr. Satcher continues to enjoy the strong support of a number of Republican Senators (Frist, Nickles, Jeffords) and of virtually every credible health care group in the nation, including the AMA. Although we are optimistic that the Senate will vote to confirm Dr. Satcher soon after returning in January, we will work hard throughout the recess to ensure that this nomination does not become a referendum on partial birth abortion.

5. **Health -- HHS Study on Take-Up Rates for Health Insurance:** You recently asked about an HHS study showing a decline in take-up rates for health insurance. The study reported on 10-year trends in access to and participation in employer-sponsored health insurance. It found that between 1987 and 1996, the proportion of workers with access to employer-based insurance remained constant at about 82 percent. The proportion of workers accepting that coverage, however, declined from 93 to 89 percent. The decline was most pronounced for young and low-income people; only about 75 percent of the individuals in each of these groups with access to insurance decided to purchase it. The study noted that the decline in take-up rates occurred during a period when premiums increased three times as much as wages. These findings confirm what the Administration has long recognized -- that affordability of insurance is as important as access to insurance. We hope that we will have an opportunity to build next year upon our efforts in granting Medicaid waivers and enacting the Children's Health Insurance Program to provide premium assistance for uninsured Americans.

6. **Tobacco/Health -- Florida Tobacco Settlement and Children's Coverage:** You asked last week whether we could agree to Florida's proposal to keep all the money it will gain from settling with the tobacco industry on condition that it use that money to expand children's health coverage. Current law gives us little room to enter into this kind of arrangement. The statute explicitly requires us to collect a specified share of any Medicaid dollars that states have recaptured. If we do not, private plaintiffs are likely to bring *qui tam* suits on behalf of U.S. taxpayers against Florida and other settling states; recovery in such suits would be split between the federal treasury (70-85 percent) and the private plaintiffs (15-30 percent). Of course, the federal government would have no right to recover (and any *qui tam* suits would fail) if the monies gained from the settlement were not Medicaid-related. But the Department of Justice believes that the damages Florida claimed -- and the amount it received in the settlement -- derive

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from costs to the Medicaid program. Given these circumstances, we think it most fruitful to pursue a legislative solution to the problem of allocating tobacco funds between the federal and state governments -- preferably through a comprehensive national settlement, but if necessary (in the event no comprehensive settlement is reached) through legislation authorizing states to retain all Medicaid funds recaptured in tobacco litigation provided they use these funds for agreed-upon purposes.

7. Tobacco -- Proposed Legislation: A number of Senators introduced tobacco legislation in the last two weeks. Sen. McCain introduced a bill precisely incorporating the terms of the settlement, except for the addition of provisions to protect tobacco farmers. Sen. Hatch introduced legislation increasing the cost of the settlement from $368 billion to $397.5 billion, raising (but not eliminating) the cap on penalties for failing to reduce youth smoking, and amending the FDA provisions, though not in a way that the public health groups will view as much of an improvement. Sen. Kennedy introduced a bill raising the cost of the settlement to more than $600 billion, primarily by increasing the tobacco excise tax by $1.50 over three years; the Kennedy bill does not provide tobacco producers with any relief from litigation. Sen. Lautenberg introduced a similar bill, costing $494 billion.

No one has introduced comprehensive legislation in the House, and last week the Speaker indicated interest in breaking the settlement into a number of separate bills and acting on each as a consensus emerges. Also last week, Rep. Bliley ~~said that he would~~ not move legislation until the tobacco companies release 864 documents currently at issue in Minnesota's lawsuit. (The trial court found that these documents fall within the crime/fraud exception to the attorney-client privilege, but the tobacco companies have appealed this ruling.) Gingrich's and Bliley's statements may suggest a strategy of delay, but could as well have some altogether different meaning.

We are continuing to seek a bipartisan process for enacting comprehensive tobacco legislation. Both the Speaker and Sen. Lott, however, are proceeding slowly -- in part because they have had to attend to more immediately pressing matters, in part because they have not yet settled on an overall tobacco strategy, and in part because so many Members wish to play a role in developing tobacco legislation. We and John Hilley are keeping in close touch with Congressional leadership so that we can take advantage of whatever opportunities emerge in the next few months.

8. Welfare -- Cessna Event: At an event in Wichita on Monday, you will dedicate a new state-of-the-art welfare-to-work facility at Cessna Aircraft Company, which is one of the founding members of Eli Segal's Welfare to Work Partnership. You will announce (1) that in six months 2,500 companies from all 50 states have joined the Welfare to Work Partnership -- far exceeding the goal of 1,000 set at the launch of the Partnership; (2) that the U.S. Chamber of Commerce has committed to enlist every local chamber of commerce in persuading their members to join the Welfare to Work Partnership; (3) that welfare caseloads fell 236,000 in July 1997, 1.9 million in the 11 months since you signed the welfare law, and 3.8 million since you took office; and (4) that the Departments of Labor and Health and Human Services are issuing new work-focused welfare regulations (see below).

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9. **Welfare -- New Regulations:** The Administration will announce two sets of new regulations on Monday: (1) proposed regulations from HHS to states operating the TANF program (essentially, the regulations for the entire welfare law), and (2) interim final regulations from the Department of Labor to states and localities receiving grants from the $3 billion Welfare to Work fund you won in the balanced budget agreement. The welfare to work regulation should arouse little comment. The TANF regulation, by contrast, may provoke extensive reaction from both Governors and advocates. As we told you in a prior weekly report, we worked extensively with HHS on this regulation. In the end, we were able to resolve all issues in a way that we think reinforces the importance of the law's work requirements while giving states flexibility to design welfare reform programs and a fair opportunity to correct any failures.

Under the TANF regulations, states that fail the work rates will be levied a penalty based on performance -- how close they came to meeting the rates. States will have the opportunity to correct or eliminate violations through a corrective compliance plan, and states that make substantial progress during their corrective compliance period will be eligible for a reduced or eliminated penalty. To protect states from unreasonable risk, the penalty for failing to meet the two-parent participation rate will be proportional to the size of the two-parent caseload in the state.

The regulation creates a system of disincentives to prevent states from gaming the work requirements, either by placing hard-to-employ individuals in state maintenance-of-effort programs (where the work rates do not apply) or by reclassifying the benefits received by these individuals as child-only (so that the individuals do not figure in the state's calculation of work rates). If the Secretary finds that a state has diverted recipients into a state program or reclassified benefits as child-only to evade the work requirements, she will refuse to reduce or limit the size of any penalties levied for failing to meet the work rates or time limits. The same disincentives apply when a state places individuals receiving child support payments in its state maintenance-of-effort program so as to prevent the federal government from gaining a share of these payments.

The regulation, like the law, allows states to reduce the required work participation rate by the percent the caseload has declined since 1995, so long as the lower caseloads are not due to new eligibility restrictions. HHS initially proposed that states should not get a credit for caseload reductions attributable to enforcement measures like fingerprinting, but ultimately agreed to change this position.

The regulation also addresses Sen. Murray's concerns about victims of domestic violence without threatening the integrity of the work rules. Under the regulation, a state will not be penalized for failing to meet work rates or time limits if its failure to do so is attributable to granting waivers to victims of domestic violence -- provided that the waivers are temporary and that they are accompanied by services to help the individual prepare for work and self-sufficiency. Sen. Murray may think that the regulation does not go far enough, but we think it represents the best accommodation of the full range of interests.

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10. Immigration -- Central Americans/Haitians: The D.C. appropriations bill, as finally enacted, includes provisions to (1) give amnesty to certain Nicaraguans and Cubans, (2) ensure application of the old immigration law's standards to certain Guatemalans, Salvadorans, and East Europeans, and (3) reduce the number of unskilled worker visas and diversity visas. Although the bill provides no relief to Haitians, we were able to secure commitments from the Republican leadership to consider legislation on this issue early next session. These commitments allowed the Attorney General to announce that the Department of Justice would suspend the deportation of any Haitians covered by the proposed legislation for approximately six months.

11. Crime -- Crime Statistics: The Justice Department released new crime data on Saturday from the annual National Crime Victimization Survey (NCVS). The highlights of the survey were included in this week's radio address. Crime victimization rates are today at their lowest level since the inception of the NCVS in 1973. The murder and violent crime rates fell 10 percent and property crime rates fell 8 percent in 1996. The decreases are even more significant when viewed over time: since 1993, violent and property crime rates dropped 16 percent and 17 percent respectively, and murder rates dropped a stunning 22 percent. Equally notable, these reductions were felt by all Americans -- by men and women alike, and by individuals from every racial group and income level.

12. Crime -- Juvenile Crime: The final Commerce/Justice/State appropriations bill contains significant new funding for ~~our key juvenile crime~~ priorities. The bill authorizes and funds a new $250 million Juvenile Accountability Incentive Block Grant, 45 percent ($113 million) of which must be spent on prosecutors, probation officers, and juvenile gun and drug court programs. Our budget contained $150 million in direct funding for the same purposes. In addition, the Labor-HHS appropriations bill provides substantial new funding ($40 million) for afterschool programs through the 21st Century Schools Program at the Department of Education. We proposed $63 million for afterschool programs in our budget.

13. Race/Education -- Urban Education Initiatives: DPC staff met this week with senior representatives of several national organizations interested in urban education, including the Council of Great City Schools, the U.S. Conference of Mayors, the National Urban League, the Rainbow Coalition, the AFT and NEA, and MALDEF. Our staff provided a broad overview of education proposals under consideration for FY 1999, including (1) the College-School Partnership initiative to increase college enrollment among low income and minority students by providing mentoring and other support services and (2) the Education Opportunity Zone initiative to provide increased educational assistance to high-poverty districts that agree to adopt a standards-based reform agenda involving the end of social promotions, the removal of bad teachers, and the reconstitution of failing schools. The groups generally liked these proposals, but expressed a wide range of views about student accountability provisions. The AFT felt strongly that even the mentoring initiative should include a requirement that students meet certain academic standards, while the civil rights groups expressed opposition to any performance requirements.

14. Race/Education -- California Bilingual Education Ballot Initiative: Opponents of bilingual education in California have collected enough signatures to place an initiative on the June

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1998 ballot to require that Limited English Proficient (LEP) children be taught in English (specifically, in "sheltered English immersion" classes for one year and then in ordinary English-language classes) unless a parent requests bilingual instruction. A recent Los Angeles Times poll found that over 80 percent of Californians supported such an initiative, including 84 percent of Latino voters. Most Hispanic groups have come out against the initiative, as has the California Teachers Association and Sen. Boxer. Other education groups and most public officials (Gov. Wilson, Lt. Gov. Davis, Attorney General Lungren, and Sen. Feinstein) have not yet taken positions on the initiative. The DPC has convened a working group with representation from the Department of Education and other White House offices to review the educational, legal, and political issues this initiative raises and provide you with appropriate analysis and advice. At this early stage, everyone in the group agrees that you should refrain from taking a formal position on the initiative. agree

15. Race -- Service Initiatives: We are working with the Corporation for National Service and the PIR on several race-related service initiatives that you might want to take a part in announcing. The actions are designed to lead up to Martin Luther King Day, which Congress officially designated in 1994 as a day of service -- "a day on, not a day off" -- in recognition of Dr. King's belief in service activities. The CNS will award $225,000 in mini-grants to 70 communities to organize local days of service in observance of Martin Luther King Day. In addition, Harris Wofford wants to promote something called the "Kindness and Justice Curriculum," which is the brainchild of a youth service group involving Dexter King. The group is encouraging schools and students to do acts of "kindness and justice" in the two weeks leading up to Martin Luther King Day, to discuss them in class, and to post them on the Web. Finally, we are exploring ways to encourage interracial dialogue in the Corporation's service-learning programs, where children serve together and then reflect on that experience in school. These efforts can build on successful AmeriCorps service projects, like the CityYear program, that focus on diversity issues as part of the service experience.

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Nov. 21, 1997 - DPC Weekly Report

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November 21, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health -- Quality Commission Bill of Rights: Your endorsement of the Quality Commission's bill of rights was well received. Many groups representing consumers, providers, and labor stated strong support for these consumer protections. In addition, Congressional Democrats are pleased with your position; Sen. Daschle and Rep. Gephardt both indicated strong interest in working with the Administration on this issue. The business community's response was relatively muted; only the National Federation of Independent Business came out strongly against the proposals, on the ground that they would raise health care costs and impose an intolerable burden on small businesses. As Chris mentioned in his memo to you, a recent analysis by Lewin and Associates concluded that the cost of these consumer protections would be modest --about ½ percent to 1 percent of premiums. We will continue our work with moderate Republicans and Democrats in Congress to develop legislation that you can endorse early next year.

2. Health -- Mental Health Parity Regulation: As you know, the Administration is currently considering how to implement the provision in last year's mental health parity legislation that exempts health plans from complying with the parity requirement if they can show that the cost of doing so would increase premiums by more than 1 percent. Two options are under discussion. The first would allow health plans to claim an exemption only after they have complied with the parity requirement for at least six months. The second would allow health plans to claim an exemption even before complying with the parity requirement, based on projections from their most recent cost data. Some of the lawyers believe that the second option represents the more natural reading of the legislative language, although all agree that both options are legally defensible. DPC, HHS, and the mental health community favor the first approach; OMB, Treasury, and the business community favor the second. The involved agencies plan to meet with Erskine this week to review the options and try to arrive at a consensus; we will give you a recommendation after the Thanksgiving holiday.

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3. Crime -- Police-Public Contact Survey: The Justice Department released a survey on Saturday showing that an estimated 45 million Americans -- roughly 1 in 5 -- have face-to-face contact with police officers each year. The survey shows that police initiate a bit less than a third of these contacts; most of the others occur when citizens report a crime, seek other assistance, or offer information to police officers. About 1 percent of those who came in contact with police reported that the police threatened or used force against them. Half of these individuals were black

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or Hispanic; almost two-thirds reported that their own actions -- such as threatening the police or resisting arrest -- may have provoked the police action. According to the survey, persons in their twenties are most likely to have contacts with police, while the elderly (aged 60 and older) are least likely. Males are slightly more likely than females to have police contacts (23 percent of males vs. 19 percent of females), and whites are somewhat more likely than blacks or Hispanics (22 percent of whites vs. 16 percent of blacks and 15 percent of Hispanics). Only teenagers and Hispanics reported that police officers initiated the contacts more often than they did.

4. Welfare -- U.S. Conference of Mayors Report: The U.S. Conference of Mayors released a 34-city survey on Friday regarding implementation of the welfare law. The survey found that states have failed to consult appropriately with cities about welfare reform. The survey also concluded that although local private sector employers are willing to hire welfare recipients, many cities do not have enough low-skill jobs to meet the welfare law's work requirements. This finding rests on cities' unsubstantiated estimates of the number of low-skill jobs available and the number of city residents applying for them; it also conflicts with several other recent studies, including one by former OMB Program Associate Director Isabelle Sawhill. In any event, our new $3 billion welfare-to-work program will give cities additional resources to hire or place welfare recipients.

5. Race -- Attached Materials: We are attaching to this memo a recent article by William Julius Wilson on strategies for achieving racial equality. In a recent memo, we quoted this article's thesis that the best way to make racial progress today is to focus on "issues and programs that concern families of all racial and ethnic groups, so that individuals in these groups can honestly perceive mutual interests and join in a multiracial coalition to move America forward." As you know, we believe that you should make this insight central to the Race Initiative and the President's Report that will conclude it. We thought you would like to read the entire article. We are also attaching a recent article by Harvard professor Orlando Patterson, who largely agrees with Wilson's views.

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The New Social Inequality and Affirmative Opportunity

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William Julius Wilson

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As the turn of the century approaches, the movement for racial equality needs a new political strategy. That strategy must appeal to America's broad multiethnic population, while addressing the many problems that afflict disadvantaged minorities and redressing the legacy of historical racism in America.

The nation seems to have become more divided on issues pertaining to race, especially since the first O. J. Simpson murder trial. And affirmative action programs are under heavy assault. Americans' understanding of the meaning and significance of race has become more confused. Many Americans are puzzled by complex racial changes—not only the growth of socioeconomic inequality among African-Americans, but also the sharp increase in joblessness, concentrated poverty, and welfare receipt among the black poor living in ghettos. Such changes have unfolded in the aftermath of the passage of comprehensive civil rights legislation in the 1960s and the subsequent enactment of affirmative action programs and the antipoverty efforts of the Great Society. By now, some three decades later, not only have many changes transpired for African-Americans and for American race relations. In addition, broad public sympathy for those minority individuals who have suffered the most from racial exclusion has waned.

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Indeed, many white Americans have turned against public programs widely perceived as benefiting only racial minorities. Several decades ago, efforts to raise the public's awareness and conscience about the plight of African-Americans helped the enactment of civil rights legislation and affirmative action programs. By the 1980s, however, black leaders' assertions that black progress was a "myth"—rhetoric used to reinforce arguments for stronger race-based programs—ironically played into the hands of conservative critics. Although this strategy may have increased sympathy among some whites for the plight of black Americans, it also created the erroneous impression that federal antidiscrimination efforts had failed. And it overlooked the significance of the complex racial changes that had been unfolding since the mid-1960s. Perhaps most pernicious of all, arguments for more and more race-based programs to help blacks fed growing white concerns, aroused by demagogic messages, that any special efforts by politicians to deal with black needs and complaints were coming at the expense of the white majority.

While these developments happened in politics, Americans confronted jarring new economic conditions. National and international economic transformations have placed new stresses on families and communities—stresses that are hardly confined to blacks. Along with African-Americans, large segments of the white, Latino, and Asian populations are also plagued by growing economic insecurities, family breakups, and community stresses. Such conditions are breeding grounds for racial and ethnic tensions. In this social climate, conservatives have attempted to unite white Americans around anger at the government and racial minorities. Their political message seems plausible to many white taxpayers, who see themselves as being forced to pay for programs that primarily benefit racial minorities.

In this essay I suggest how progressives can redefine the issues so that the concerns of both the larger American population and the racial minority population are simultaneously addressed. Progressives can pursue policies that unite rather than divide racial groups, thus opening the way for the formation of a multiracial progressive coalition in national politics.

The Changing Climate for Race-Based Programs

When affirmative action programs were first discussed in the 1960s, the economy was expanding, and incomes were rising. It was a time of optimism, a time when most Americans believed that their children would have better

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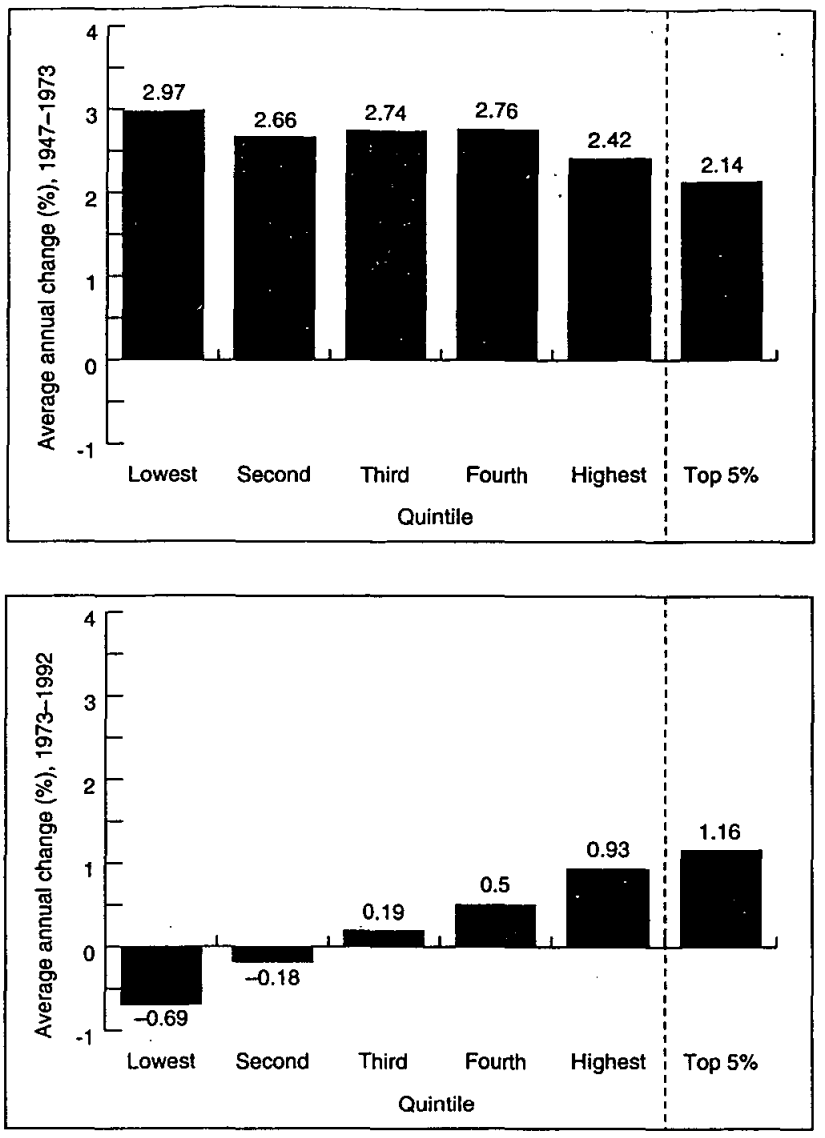
In the decades immediately after World War II, all income groups experienced economic advancement, including the poor. A rising tide did indeed lift all boats. In fact, as revealed in figure 1, between 1947 and 1973 the lowest quintile in family income experienced the highest growth in annual income, "which meant that the poor were becoming less poor in both relative and absolute terms" (Bronfenbrenner et al. 1996, p. 14). But this pattern began to change in the early 1970s. Growth slowed, and the distribution of inflation-adjusted income started to become more unequal. Whereas average income gains from 1973 to 1992 continued for the higher quintiles (but at a rate considerably slower than that of the previous two decades), the two lowest quintiles actually experienced annual declines in income during this period. Wage data since 1979, based on percentiles instead of quintiles (see figure 2), show a pattern quite similar to the trends in family income. The wages of those at the top have continued to climb in recent years, while those at the bottom have fallen steadily.

Thus the downward trend in wages during the past two decades has lowered the incomes of the least well-off citizens. This trend has been accompanied by a growing sense among an increasing number of Americans that their long-term economic prospects are bleaker. And they would not be reassured to learn that the United States has had the most rapid growth of wage inequality in the Western world. In the 1950s and 1960s the average earnings of college graduates was only about 20 percent higher than that of high school graduates. By 1979, it had increased to 49 percent, and then it rapidly grew to 83 percent by 1992. "When the American economy rebounded from a recession in the early 1990s, roughly 2 million new jobs were created per year, but a large percentage of these offered wages below $8 an hour (or about $16,000 a year), with few if any health benefits and not much opportunity for advancement" (Bronfenbrenner et al. 1996, p. 117).

In sum, since the late 1970s, real wages (that is, wages adjusted for inflation) have fallen in the United States. Wage disparities between those with college degrees and those without have widened considerably. Working-class Americans feel economically pinched, barely able to maintain current standards of living even on two incomes. Many are insecure about keeping their jobs and fear that they will never be able to afford to send their children to

Figure 1. Family Income in the United States



Source: Adapted from Bronfenbrenner et al. (1996). The 1947 figures are from *The Statistical History of the United States, Colonial Times to 1970.* The 1969 and 1992 figures are from the Bureau of the Census, *Income of Families and Persons in the United States, 1990.* Figures are adjusted for inflation based on constant 1992 dollars.

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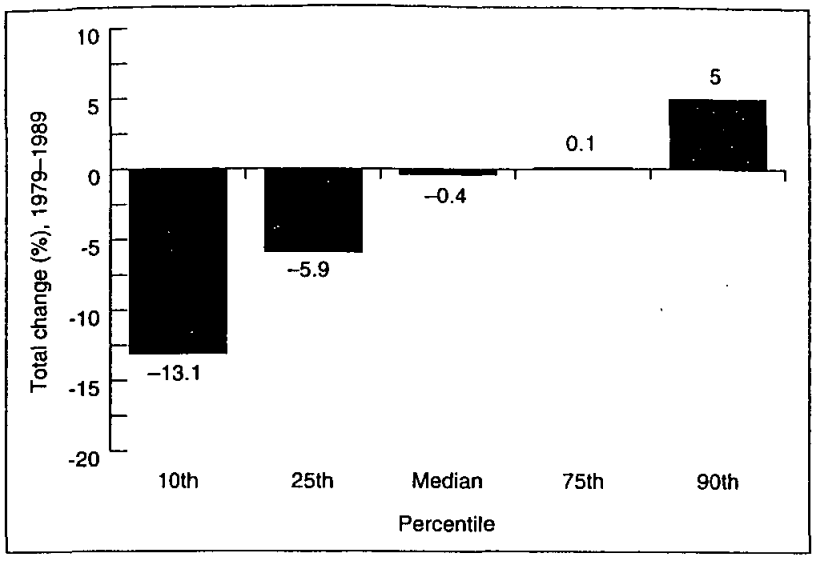
Figure 2. Wage Growth in the United States



Source: Adapted from Bronfenbrenner et al. (1996). Data reported in the Council of Economic Advisors, *Economic Report of the President, 1995.* Wages are in constant 1982–1984 CPI-U-X1 dollars.

college. Many believe that for all their hard work, their children's lives will be worse than theirs. For example, a 1995 Harris poll, conducted for *Business Week,* revealed that only one-half of all parents expected their children to have a better life than theirs; nearly seven out of ten believed that the American dream has been more difficult to achieve during the past ten years; and three-quarters felt that the dream will be even harder to achieve during the next ten years (cited in Bronfenbrenner et al. 1996).

Unfortunately for those who support race-based programs, this period of economic hard times has not been an ideal climate for a national debate on affirmative action. Despite the recent economic recovery and low rates of unemployment, most families continue to struggle with declining real wages, increasing job displacement, and job insecurity in a highly integrated and highly technological global economy. During periods when people are beset with economic anxiety, they become more receptive to simplistic ideological messages that deflect attention away from the real and complex sources of their problems, and it is vitally important that political leaders channel

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Research by social scientists, however, reveals that between 1962 and 1973, class began to affect career and generational mobility for blacks as it had regularly done for whites (Wilson 1980; Featherman and Hauser 1978; Hout 1984). In particular, blacks from the most advantaged backgrounds experienced the greatest upward mobility. For the first time in American history, more advantaged blacks could expect their success to persist and cumulate. These trends have continued since 1973 but at a slower rate (Hochschild 1995, p. 44). On the other hand, among the disadvantaged segments of the black population, especially the ghetto poor, many dire problems—joblessness, concentrated poverty, family breakup, and the receipt of welfare—were getting even worse between 1973 and 1980.

The differential rates of progress in the black community have continued through the 1980s and early 1990s. Family incomes among the poorest of the poor reveal the pattern. From 1977 to 1993, the percentage of blacks with incomes below 50 percent of the amount designated as the poverty line, what we call the poorest of the poor, increased from 9 percent of the total black population in 1977 to 17 percent in 1993. In 1977, fewer than one of every three poor blacks fell below one-half of the poverty-line amount, but by 1993 the proportion rose to more than one-half (these figures and those that follow have been adjusted for inflation). In 1993 the average poor black family slipped further below the poverty level than in any year since 1967, when the Census Bureau started collecting such data (U.S. Bureau of the Census, 1994).

From 1975 to 1992, while the average income of the lowest quintile of black families in the United States declined by one-third and that of the second-lowest quintile declined by 13 percent, the average income of the highest quintile of black families climbed by 23 percent and that of the top 5 percent by 35 percent. Although income inequality between whites and blacks is substantial and the financial gap is even greater between the two races when wealth is considered—total financial assets, not just income (Oliver and Shapiro 1995; Wolff 1995)—in 1992 the highest fifth of black families nonetheless secured a record 49 percent of the total income among black families, compared to the 44 percent share of the total income received by the highest fifth of white families, also a record. So while income inequality has widened generally in America since 1975, the divide is even more dramatic among black Americans. If we are to fashion remedies for black

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poverty, we need to understand the origins and dynamics of inequality in the African-American community. Without disavowing the accomplishments of the civil rights movement, black leaders and policymakers now need to give more attention to remedies that will make a concrete difference in the lives of the poor.

The Achievements and Limits of Affirmative Action

The demands of the civil rights movement reflected a general assumption on the part of black leaders in the 1960s that the government could best protect the rights of individual members of minority groups, not by formally bestowing rewards and punishments based on racial group membership, but by using antidiscrimination legislation to enhance individual freedom. The movement was particularly concerned about access to education, employment, voting, and public accommodations. From the 1950s to 1970, the emphasis was on freedom of choice; the role of the state was to prevent the formal categorization of people on the basis of race. Antibias legislation was designed to eliminate racial discrimination without considering the proportion of minorities in certain positions. The underlying principle was that individual merit should be the sole determining factor in choosing candidates for desired positions. Because civil rights protests against racial discrimination clearly upheld a fundamental American principle, they carried a degree of moral authority that leaders like Martin Luther King, Jr., were able to repeatedly and effectively emphasize.

It would have been ideal if programs based on the principle of freedom of individual opportunity were sufficient to remedy racial inequality in our society. But long periods of racial oppression can result in a system of inequality that lingers even after racial barriers come down. The most disadvantaged minority individuals, crippled by the cumulative effects of both race and class subjugation, disproportionately lack the resources to compete effectively in a free and open market.

Eliminating racial barriers creates the greatest opportunities for the better-trained, most talented, and best-educated members of minority groups because these members possess the resources to compete most effectively. These resources reflect a variety of advantages—family stability, financial means, positive peer groups, good schooling—provided or made possible by their parents (Fishkin 1983).

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By the late 1960s, a number of black leaders began to recognize this. In November 1967, Kenneth B. Clark said, "The masses of Negroes are now starkly aware of the fact that recent civil rights victories benefited a very small percentage of middle-class Negroes while [poorer blacks'] predicament remained the same or worsened" (Clark 1967, p. 8). Simply eliminating racial barriers was not going to be enough. As the black economist Vivian Henderson put it, "If all racial prejudice and discrimination and all racism were erased today, all the ills brought by the process of economic class distinction and economic depression of the masses of black people would remain" (Henderson 1975, p. 54).

Accordingly, black leaders and liberal policymakers began to emphasize the need not only to eliminate active discrimination but also to counteract the effects of past racial oppression. Instead of seeking remedies only for individual complaints of discrimination, as specified in Title 7 of the Civil Rights Act of 1964 (which prohibits employers from discriminating against individuals on the grounds of race, color, religion, gender, or national origin), they sought government-mandated affirmative action programs designed to ensure adequate minority representation in employment, education, and public programs.

But if the more advantaged members of minority groups benefit disproportionately from policies that embody the principle of equality of individual opportunity, they also profit disproportionately from affirmative action policies based solely on their racial group membership (Fishkin 1983). Minority individuals from the most advantaged families tend to be disproportionately represented among those of their racial group most qualified for preferred status, such as college admissions, higher-paying jobs, and promotions. Thus policies of affirmative action are much more likely to enhance the socioeconomic positions of the more advantaged minority individuals than the positions of the truly disadvantaged (Loury 1984 and 1995).

To be sure, affirmative action was not intended mainly to benefit the more advantaged minority individuals. As William L. Taylor, the former director of the United States Civil Rights Commission, has stated, "The focus of much of the [affirmative action] effort has been not just on white-collar jobs, but also on law enforcement, construction work, and craft and production in large companies—all areas in which the extension of new opportunities has provided upward mobility for less advantaged minority workers"

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(Taylor 1986, p. 1714). As Taylor also notes, studies show that many minority students entering medical schools during the 1970s were from low-income families.

Affirmative action policies, however, did not really open up broad avenues of upward mobility for the masses of disadvantaged blacks. Like other forms of "creaming," they provided opportunities for those individuals from low socioeconomic background with the greatest educational and social resources. A careful analysis of data on income, employment, and educational attainment would probably reveal that only a few individuals who reside in the inner-city ghettos have benefited from affirmative action.

Since the early 1970s urban minorities have been highly vulnerable to structural changes in the economy, such as the shift from goods-producing to service-producing industries, the increasing polarization of the labor market into low-wage and high-wage sectors, the destabilizing innovations in technology, and the relocation of manufacturing industries outside the central city. These shifts have led to sharp increases in joblessness and the related problems of highly concentrated poverty, welfare receipt, and family breakup, despite the passage of antidiscrimination legislation to correct discriminatory patterns through litigation and the creation of affirmative action programs that mandate goals and timetables for the employment of minorities (Wilson 1987, 1995).

On the other hand, affirmative action programs have helped to bring about sharp increases in the number of blacks entering higher education and gaining professional and managerial positions. Moreover, as long as minorities are underrepresented in high-paying, desirable positions in society, affirmative action programs will be needed. Nonetheless, in response to cries from conservatives to abolish affirmative action altogether, some liberals have argued for a shift from affirmative action based on race to one based on economic class or need (Kahlenberg 1995).

The major distinguishing characteristic of affirmative action based on need is the recognition that the problems of the disadvantaged—low income, crime-ridden neighborhoods, broken homes, inadequate housing, poor education, cultural and linguistic differences—are not always clearly related to previous racial discrimination. Children who grow up in homes plagued by these disadvantages are more likely to be denied an equal chance in life because the development of their aspirations and talents is hindered by their en-

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vironment, regardless of race. Minorities would benefit disproportionately from affirmative opportunity programs designed to address these disadvantages because they suffer disproportionately from the effects of such environments, but the problems of disadvantaged whites would be addressed as well.

An affirmative action based solely on need, however, would result in the systematic exclusion of many middle-income blacks from desirable positions because the standard or conventional measures of performance are not sensitive to the cumulative effects of race. By this I mean having one's life choices limited by race, regardless of class, because of the effects of living in segregated neighborhoods (that is, being exposed to styles of behavior, habits, and the particular skills that emerge from patterns of racial exclusion), because of the quality of de facto segregated schooling, and because of the nurturing by parents whose experiences have also been shaped and limited by race, which ultimately affects the resources they are able to pass on to their children (Heckman 1995).

Thus if we were to rely solely on the standard criteria for college admission, like SAT scores, even many children from black middle-class families would be denied admission in favor of middle-class whites who are not weighed down by the accumulation of disadvantages that stem from racial restrictions and who therefore tend to score higher on these conventional measures. An affirmative action based solely on need or economic class position could create a situation in which African-Americans who are admitted to Harvard represent the bottom half of the socioeconomic continuum in the black community, while those who are in the top half tend to be excluded because they are not eligible for consideration under affirmative action. They would therefore be left to compete with middle- and upper-income whites who are not burdened by the handicaps of race—as their higher scores on the conventional tests reflect.

The extent to which standard aptitude tests like the SAT and tests used for promoting police officers are measuring not privilege but real merit or the real potential to succeed is not readily apparent. Ideally, we should develop flexible criteria of evaluation or performance measures, as opposed to numerical guidelines or quotas, that would not exclude people with background handicaps, including minority racial background, who have as much potential to succeed as those admitted without those handicaps. While some test scores may correlate well with performance, they do not necessarily

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measure important attributes that also determine performance, such as perseverance, motivation, interpersonal skills, reliability, and leadership qualities. Accordingly, since race is one of the components of being disadvantaged in this society, the ideal affirmative action program would emphasize flexible criteria of evaluation based on both need and race.

The cumulative effects of historical discrimination and racial segregation are reflected in many subtle ways that result in the underrepresentation of blacks in positions of high status and their overrepresentation in positions of low status. Some of these problems can be easily addressed with affirmative action programs that are at least in part based on race; others have to be combated by means of race-neutral strategies. As indicated earlier, less-advantaged blacks are extremely vulnerable to changes in our modern industrial society, and their problems are difficult to solve by means of race-based strategies alone—either those that support equality of individual opportunity, such as the Civil Rights Act of 1964, or those that represent affirmative action. Now more than ever, we need broader solutions than those we have employed in the past.

From Preference to Affirmative Opportunity

Given the current political climate and the new social inequality, any program designed to significantly improve the life chances of disadvantaged minorities, including increased employment opportunities, would have to be broadly applicable. That is, it would have to address the concerns of wide segments of the U.S. population, not just those of minority citizens.

Almost two decades ago, Vivian Henderson argued that "the economic future of blacks in the United States is bound up with that of the rest of the nation. Politics designed in the future to cope with the problems of the poor and victimized will also yield benefits to blacks. In contrast, any efforts to treat blacks separately from the rest of the nation are likely to lead to frustration, heightened racial animosities, and a waste of the country's resources and the precious resources of black people" (Henderson 1975, p. 54).

Henderson's warning seems to be especially appropriate in periods of economic stagnation, when public support for programs targeted to minorities—or associated with real or imagined material sacrifice on the part of whites—tends to wane. The economy was strong when affirmative action programs were introduced during the Johnson administration. When the

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economy turned down in the 1970s, the public's view of affirmative action increasingly soured.

Furthermore, as Joseph A. Califano, Johnson's staff assistant for domestic affairs, observed in 1988, such programs were generally acceptable to whites "only as a temporary expedient to speed blacks' entry into the social and economic mainstream." But as years passed, many whites "saw continuing such preferences as an unjust insistence by Democrats that they do penance for an era of slavery and discrimination they had nothing to do with." They also associated the decline in public schools not with broader changes in society but with "forced integration" (Califano 1988, p. 29).

The Democrats also came under fire for their support for programs that increasingly were misrepresented as being intended for poor blacks alone. Virtually separate medical and legal systems developed in many cities. Public services became identified mainly with blacks, private services mainly with whites. In an era of ostensible racial justice, many public programs ironically seemed to constitute a new and costlier form of segregation. White taxpayers saw themselves as being forced through taxes to pay for medical and legal services that many of them could not afford to purchase for their own families.

White reaction to race-based problems has several dimensions, however. Over the past fifty years, there has been a steep rise in white support for racial desegregation. For example, although in 1942 only 42 percent of white Americans supported integrated schooling, by 1993 that figure had skyrocketed to 95 percent. Public opinion polls reveal similar patterns of change during the past five decades in white support for integration with regard to public accommodations, mass transportation, and housing (Bobo and Smith 1994).

Nonetheless, the virtual disappearance of Jim Crow attitudes toward racial segregation has not resulted in strong backing for government programs to aggressively combat discrimination, increase further integration, enroll blacks in institutions of higher learning, or enlarge the proportion of blacks in high-level occupations. Indeed, as evidenced in the public opinion polls, whites overwhelmingly object to government assistance targeted to blacks. Whereas eight of every ten African-Americans believe that the government is not spending enough to assist blacks today, only slightly more than one-third of white Americans feel this way. The idea that the federal government "has a special obligation to help improve the living standard of

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blacks" because they "have been discriminated against so long" was supported by only one in five whites in 1991 and has never exceeded more than one in four since 1975 (Bobo and Kluegel 1994). And the lack of white support for this idea is unrelated to such background factors as age and education level.

Of course, the most widely discussed racial policy issue in recent years has been affirmative action. Despite a slight decrease in opposition to affirmative action programs in education and employment between 1986 and 1990, sentiments against these programs remain strong. In 1990, almost seven in ten white Americans opposed quotas to admit black students in colleges and universities, and more than eight in ten objected to the idea of preferential hiring and promotion of blacks.

Such strong white opposition to quotas and preferential hiring and promotion should not lead us to overlook the fact that there are some affirmative action policies that are supported by wide segments of the white population, regardless of racial attitudes. Recent studies reveal that, while opposing such "preferential" racial policies as college admission quotas or job hiring and promotion strategies designed to achieve equal outcomes, most white Americans approve of such "compensatory" affirmative action policies as race-targeted programs for job training, special education, and recruitment (Bobo and Smith 1994; Bobo and Kluegel 1993; Lipset and Schneider 1978; Kluegel and Smith 1986; Kinder and Sanders 1987). For example, in the 1990 General Social Survey, 68 percent of all whites favored spending more money on schools in black neighborhoods, especially for preschool and early education programs. And 70 percent favored granting special college scholarships to black children who maintain good grades (Bobo and Smith 1994).

Accordingly, programs that enable blacks to take advantage of opportunities, such as race-targeted early education programs and job training, are less likely to be "perceived as challenging the values of individualism and the work ethic." In other words, compensatory or opportunity-enhancing affirmative action programs are supported because they reinforce the belief that the allocation of jobs and economic rewards should be based on individual effort, training, and talent. As sociologists Larry Bobo and James Kluegel (1993) put it: "Opportunity-enhancing programs receive greater support because they are consistent with the norm of helping people help themselves. In addition, opportunity-enhancing programs do not challenge principles of

equity. Indeed, requirements that beneficiaries of such programs make the effort to acquire the training and skills needed to improve their economic positions are fully consistent with reward on the basis of individual effort."

Unlike preferential racial policies, opportunity-enhancing programs have popular support and a relatively weak connection to antiblack attitudes (Bobo and Smith 1994). For all these reasons, to make the most effective case for affirmative action programs in a period when such programs are under attack from many quarters, emphasis should be shifted from numerical guidelines to opportunity. The concept that I would use to signal this shift is "affirmative opportunity."* By substituting "opportunity" for "action," the concept "affirmative opportunity" draws the focus away from a guarantee of equality of results, which is how "affirmative action" has come to be understood. It echoes the phrase "equal opportunity," which connotes a principle that most Americans still support, while avoiding connotations now associated (fairly or not) with the idea of affirmative action—connotations like quotas, lowering of standards, and reverse discrimination, which most Americans detest.

However, by retaining the term "affirmative," the concept keeps the connotation that something more than offering formal, legal equality is required to overcome the legacy of slavery and Jim Crow segregation. As a society, we also have the continuing moral obligation to compensate for the enduring burdens—the social and psychological damage—of segregation, discrimination, and bigotry. To practice affirmative opportunity means to renew the nation's commitment to enable all Americans, regardless of income, race, or other attributes, to achieve to the highest level that their abilities will permit. In this sense, the phrase echoes President Johnson's 1965 Howard University commencement speech on human rights, which was uniformly praised by black civil rights leaders.

To repeat, polling data suggest that Americans support the idea of affirmative action programs to enable people to overcome disadvantages that are not of their own making. This should be done, however, by using flexible

*My views on affirmative opportunity have greatly benefited from my discussions with Noel Salinger of the Irving B. Harris School of Public Policy at the University of Chicago. Salinger helped me to draft several memoranda on affirmative action for the White House, and my views here were initially developed in those memoranda.

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criteria of evaluation, not numerical guidelines or quotas. The obvious rejoinder is that "using flexible criteria" is another way of saying that lower standards will be permitted. On the contrary, using flexible criteria of evaluation will ensure that we are measuring merit or potential to succeed rather than privilege. In other words, we want to use criteria that would not exclude people who have as much potential to succeed as those admitted who have more privileged backgrounds.

The differences in average test scores, touted by some opponents to compensatory social programs and affirmative action, are largely measures of differences in opportunities between the advantaged and the disadvantaged, especially in equal access to high-quality child care and good schooling (Heckman 1995; Neal and Johnson 1995). Flexible criteria accommodate the need to design metrics of ability that predict success and that are not captured by such tests. Indications of these attributes may be obtained from letters of recommendation, past performance, or other measures. Mayor Richard Daley's use of merit promotions in the Chicago Police Department, which are based on such factors as job performance and leadership ability, is an example of how such criteria can be used.

Relying on flexible criteria may be a way of replacing the goals and timetables currently used by government agencies and contractors. Having said that, I should also note that it will be extremely important to calibrate the use of flexible criteria in practice. They must be presented as a way of expanding the pool of qualified applicants by making attributes other than raw test scores count more. Flexible criteria must be applied in thoughtful ways, based on the experience of what works in certain situations and particular institutions. Otherwise, the practice will be infected with arbitrariness, which would quickly undermine public support.

New Social Rights for All Americans

Affirmative opportunity efforts remain vital to a progressive strategy and central to the continuing quest for racial justice in America. But affirmative opportunity programs alone are not enough. They ought to be combined with appropriate race-neutral public policies in order to address economic insecurities that now affect many groups in an era of rising social inequality.

In thinking about social rights today, we must appreciate that the poor and the working classes of all racial groups struggle to make ends meet and

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that even the middle class has experienced a decline in its living standard. Americans across racial and class boundaries worry about unemployment and job security, declining real wages, escalating medical and housing costs, the availability of affordable child care programs, the sharp decline in the quality of public education, and crime and drug trafficking in their neighborhoods.

Not surprisingly, these concerns are clearly reflected in public opinion surveys. For the last several years, national opinion polls consistently reveal strong public backing for government labor-market strategies, including training efforts, to increase employment opportunities. A 1988 Harris poll indicated that almost three-quarters of its respondents would support a tax increase to pay for child care. A 1989 Harris poll reported that almost nine out of ten Americans would like to see fundamental changes in the health care system of the United States. A September 1993 *New York Times*–CBS poll, on the eve of President Clinton's health care address to the nation, revealed that nearly two-thirds of the nation's citizens would be willing to pay higher taxes "so that all Americans have health insurance that they can't lose no matter what." Finally, recent surveys conducted by the National Opinion Research Center at the University of Chicago reveal that a substantial majority of Americans want to see more money spent on improving the nation's educational system and on halting the rise in crime and drug addiction (General Social Survey 1988–94).

Despite being officially race-neutral, programs created in response to these concerns—programs that increase employment opportunities and job skills training, improve public education, promote better child and health care, and reduce neighborhood crime and drug abuse—would disproportionately benefit the most disadvantaged segments of the population, especially poor minorities. Social programs, too, can further racial justice, provided that they are designed to include the needy as well as the somewhat better off.

A comprehensive race-neutral initiative to address economic and social inequality should be viewed as an extension of—not a replacement for—opportunity-enhancing programs that include race-based criteria to fight social inequality. To repeat, I feel that such programs should employ flexible criteria of evaluation in college admission, hiring, job promotion, and so on, and should be based on a broad definition of disadvantage that incorporates

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notions of both need and race. Although recent public opinion polls indicate that most Americans would support race-based programs intended to enhance opportunities, mobilizing and sustaining the political support for such programs will be much more difficult if they are not designed to reach broader segments of the American population.

Other programs that can be accurately described as purely race-neutral—national heath care, school reform, and job training based on need—would greatly benefit not only racial minority populations but large segments of the dominant white population as well. National opinion poll results suggest the possibility of a new alignment in support of a comprehensive social rights initiative that would include such programs. If such an alignment is attempted, perhaps it ought to feature a new public rhetoric that would do two things: focus on problems that afflict not only the poor but the working and middle classes as well; and emphasize integrative programs that would promote the social and economic improvement of all groups in society, not just the truly disadvantaged segments of the population.

In the new, highly integrated global economy, an increasing number of Americans across racial, ethnic, and income groups are experiencing declining real incomes, increasing job displacement, and growing economic insecurity. The unprecedented level of inner-city joblessness represents one important aspect of the broader economic dislocations that cut across racial and ethnic groups in the United States (Wilson 1996). Accordingly, where economic and social reforms are concerned, it hardly seems politically wise to focus mainly on the most disadvantaged groups while ignoring other segments of the population that have also been adversely affected by global economic changes.

Unfortunately, just when bold new comprehensive initiatives are urgently needed to address these problems, the U.S. Congress has retreated from using public policy as an instrument with which to fight social inequality. Failure to deal with this growing social inequality, including the rise of joblessness in U.S. inner cities, could seriously worsen the economic lives of urban families and neighborhoods.

Groups ranging from the inner-city poor to the working- and middle-class Americans who are struggling to make ends meet will have to be effectively mobilized in order for the current course taken by policymakers to be changed. Perhaps the best way to accomplish this is through coalition poli-

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tics that promotes race-neutral efforts—such as jobs creation, further expansion of the earned income tax credit, public school reform, access to excellent child care programs, and universal health insurance. A broad-based political coalition is needed to successfully push such programs through the political process.

Because an effective political coalition in part depends upon how the issues to be addressed are defined, it is imperative for leaders to underscore the need for economic and social reform that benefits all groups, not just America's minority poor. Changes in the global economy are creating growing social inequality and situations which intensify antagonisms between different racial and ethnic groups. Yet groups who often see themselves as antagonists may become allies in a reform coalition to redress common problems—especially problems perceived as caused by forces outside their own control.

In the absence of a broad, effective coalition, disadvantaged groups could find themselves in a very vulnerable political position. According to recent proposals in the House of Representatives, more than two-thirds of proposed spending cuts from the federal budget for the year 2000 would come from programs targeted for low-income citizens, even though these programs represent only one-fifth of the current federal budget. And the situation is even more clear-cut when we consider possibilities for new social programs. Unless progressives can build broad coalitions, it is unlikely that Congress will ever vote to finance the kinds of reforms that are needed to combat the new social inequality. The momentum is away from, not toward, adequate social programs.

Instead of recognizing and dealing with the complex and changing realities that have led to economic distress for so many Americans, policymakers seek to assign blame and associate the economic problems of families and individuals alike with such personal shortcomings as lack of initiative, work ethic, or motivation. Consequently, there is very little support in favor of financing any social programs, even the creation of public service jobs for the limited number of welfare recipients who reach a time limit for the receipt of welfare checks. Considering the deleterious consequences that this shortsighted retreat from public policy will have for so many Americans, it is distressing that progressive groups, far from being energized to reverse the public policy direction in which the country is now moving, at times appear intimidated and paralyzed by today's racially charged political rhetoric.

Comprehensive solutions for the new social inequality stand little chance of being adopted or even seriously considered if no new political coalition begins pressing for economic and social reform. Political leaders concerned about the current shift in public policy will have to develop a unifying rhetoric, a progressive message that both resonates with broad segments of the American population and enables groups to recognize that it is in their interest to join a reform coalition dedicated to moving America forward.

Bridging the Racial Divide

Given America's tense racial situation, especially in urban areas, the formation of a multi-ethnic reform coalition will not be easy. Our nation's response to racial discord in the central city and to the growing racial divide between the city and the suburbs has been disappointing. In discussing these problems we have a tendency to engage in the kind of rhetoric that exacerbates, rather than alleviates, urban and metropolitan racial tensions. Ever since the 1992 Los Angeles riot, the media has focused heavily on the factors that divide rather than unite racial groups. Emphasis on racial division peaked in 1995 following the jury's verdict in the O. J. Simpson murder trail. Before the verdict was announced, opinion polls revealed, whites overwhelmingly thought that Mr. Simpson was guilty, while a substantial majority of blacks felt that he was innocent. The media clips showing public reaction to the verdict dramatized the racial contrasts: blacks appeared elated and jubilant; whites appeared stunned, angry, and somber. America's racial divide, as depicted in the media, seemed wider than ever.

The country's deep racial divisions certainly should not be underestimated, but the unremitting emphasis on these gaps has obscured the fact that African-Americans, whites, and other ethnic groups share many concerns, are beset by many similar problems, and have important values, aspirations, and hopes in common.

For example, if inner-city blacks are experiencing the greatest problems of joblessness, their situation is nevertheless a more extreme form of economic difficulties that have affected many Americans since 1980. Solutions to the broader problems of economic marginality in this country, including those that stem from changes in the global economy, can go a long way toward addressing the problems of inner-city joblessness, especially if the applica-

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tion of resources includes wise targeting of the groups most in need of help (Wilson 1996). Discussions that emphasize common solutions to shared problems promote a sense of unity, regardless of the different degrees of severity in the problems afflicting different groups. Such messages bring races together, not apart, and are especially important during periods of racial tension.

Because the problems of the new social inequality are growing more severe, a vision of interracial unity that acknowledges racially distinct problems but at the same time emphasizes transracial solutions to shared problems is more important than ever. Such a vision should be developed, shared, and promoted by all leaders in this country, but especially by political leaders.

A new democratic vision must reject the commonly held view that race is so divisive that whites, blacks, Latinos, and other ethnic groups cannot work together in a common cause. Those articulating the new vision must realize that if a political message is tailored to a white audience, racial minorities draw back, just as whites draw back when a message is tailored to minority audiences. The challenge is to find issues and programs that concern families of all racial and ethnic groups, so that individuals in these groups can honestly perceive mutual interests and join in a multiracial coalition to move America forward.

Despite legacies of racial domination and obstacles thrown up by recent events, a politics about problems and solutions relevant for people across racial groups is very possible in the United States today. Political leaders—above all popular Democrats—should forcefully articulate such a message and work to fashion the multiracial coalitions that must be at the heart of any progressive new majority in American democracy.

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Dec. 6, 97 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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December 6, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Budget and State of the Union: Over the next few days, we will send you memos on proposed initiatives to include in your FY 99 budget and State of the Union. These initiatives involve education, child care, health, crime, welfare, housing, and civil rights enforcement.

2. Health -- Pediatric Labeling: You recently asked about a *New York Times* story on the Administration's pediatric labeling regulations. The *Times* reiterated the pharmaceutical industry's claims that clinical trials required under the regulation will expose children to inappropriate and potentially harmful doses of medication. These claims, however, are spurious. The testing requirement generally ensures that doctors will not endanger children by giving them inappropriate doses of medication. When the application of this requirement poses unacceptable health risks to children, the FDA Commissioner has the authority to waive it. The American Association of Pediatrics and other consumer advocates immediately responded to the *Times* article by emphasizing the ethical propriety of, and the medical need for, this regulation. The industry's true complaint is not with the regulation's ethics, but with its cost. Even here, however, the industry has no legitimate grievance: the FDA reform bill you recently signed contains a provision to give a company that has tested a drug for use on children the exclusive right to market that drug for six months.

3. Health -- Medicaid AIDS Demonstration: About six months ago, the Vice President asked HHS to consider the feasibility of a demonstration program that would provide Medicaid coverage to relatively healthy HIV-infected people, so that they could get the benefits of early drug treatment. After much study, HHS concluded that a program of this kind would cost a significant amount of money ($8 billion over five years), thus violating the Administration's rule of budget neutrality for Medicaid demonstrations. We now have asked HCFA to develop a legislative proposal for a capped Medicaid demonstration to provide HIV-infected individuals with early access to drugs. The Vice President's request created high expectations among AIDS advocates, and they are demanding that the Administration make room for this program (in addition to increasing support for other AIDS treatment and research activities) in the FY 99 budget. We will give you an options memo on this issue later this week.

4. Race -- Race and Service Link: We are attaching a column by Steve Waldman of *U.S. News* arguing that service activities by people of diverse backgrounds, such as AmeriCorps' CityYear program, does more to foster racial understanding than dialogue or more traditional efforts

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THE PRESIDENT HAS SEEN
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to promote racial harmony. In keeping with this article, Harris Wofford has urged the race initiative to focus on common action by Americans of different backgrounds. In a recent note to us, you indicated that you would like to engage in service activity on Martin Luther King Day, in recognition both of Dr. King and the effort to make the holiday "a day on, not a day off." We are currently considering whether you should go to a literacy project connected to D.C. Reads, where AmeriCorps members, local work-study students, and senior volunteers help teach children from kindergarten to the third grade how to read.

Can we involve Colin Powell too?

Consider using Charlie Sci Wagman's suggestion.

Sweating to the oldies

Toiling together will do as much for race relations as talking together

BY STEVEN WALDMAN

The topic was supposed to be race, but the conversation quickly turned to music. As alumni of the national service program City Year gathered at a conference in Boston, one panel of young people convened to discuss how their ethnic backgrounds had affected their experiences with the program.

More than one former team of workers described how, whenever they would arrive at a work site to do graffiti removal or housing renovation, conflict would arise over what music to play on the boom box. Black corps members (and some urban whites) would generally put on hip-hop or rap—music that some of the white suburbanites found annoying. When a white City Year participant would change it to heavy metal or grunge, the black corps members would be insulted. The daily decision of what music to play became a constant issue of "respect," a proxy for whatever insecurities and anxieties each group had about working with the other.

One team of corps members hit upon a comical, yet poignant, compromise. Instead of listening to rap or grunge, they agreed to listen to oldies—a musical genre that no one there particularly liked but which no one felt threatened by. The key to the compromise, the alumni agreed, had been the mutual trust they'd gradually developed through working together toward common goals.

ROBERT TRIPPETT—SIPA FOR USNEWR

City Year corps members warm up before starting a project.

Racially loaded arguments about music sometimes erupted at the work site.

Colorblind huddle. Usually when critics recommend that racial dialogue be accompanied by action, they mean acts such as appointing more minorities to important positions or promoting affirmative action. But there is also a need for people of different races to work jointly toward goals that have nothing to do with race. The failure to recognize this reality is one reason President Clinton's race initiative has been such a dud.

The same dynamic described by the City Year alumni is typical of team sports. Republican politician Jack Kemp, for example, has often talked about how his experience as a pro football quarterback made him more understanding of African-Americans. As John Mackey, a former football buddy of Kemp's, explained, "The huddle is colorblind." Whatever Kemp's preconceived notions, he was far less concerned with the race of his offensive linemen than with their ability to keep him from getting killed by an opposing linebacker. Similarly, although there's no statistical proof, it sure seems that most interracial friendships in high schools are forged on sports teams.

The other widely cited example of black-white cooperation is the military—where, again, the goals toward which soldiers strive have nothing explicitly to do with racial harmony. Indeed, if the *goal* of the Army were race mixing instead of defending our shores, it might do neither job well.

By contrast, college students spend a great deal of time talking about racial issues—and yet it doesn't seem to translate into better relations. A recent study by the Corporation for National Service on diversity in civilian service programs included this telling passage: "A white female . . . commented that the college she had attended was very diverse but the students there 'hung out in groups where everyone was the same.' In contrast, at her AmeriCorps program, members truly served and socialized across racial, ethnic, and class lines."

Why the contrast between college and national service? Primarily, it's a question of individual goals versus group goals. While the college student's grades reflect only on her, a service corps—like an army or a sports team—measures success collectively. (At the end of the day, are the graffiti gone, the hill taken, the other team defeated?) Few things force you to take an honest measure of people as much as having to rely on them to accomplish an objective. You don't have the luxury of your prejudices. Young people in City Year didn't learn that everyone worked hard or was pleasant company; they learned that there wasn't a correlation between those qualities and race.

So how could Clinton improve his race initiative? Perhaps by no longer thinking of it as a race initiative. He should pick a goal largely unrelated to race and create opportunities for people of different backgrounds to work together toward that goal. The president could help organize a partnership between black churches and white churches to fight drug addiction, or between Hispanic high schools and non-Hispanic ones to renovate low-income housing. There would be a lot less time for talk and perhaps more time for progress. ■

Steven Waldman is national editor of U.S. News. *In 1996, he worked as an official at the Corporation for National Service.*

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Dec. 12, 97 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

December 12, 1997

THE PRESIDENT HAS SEEN
12-15-97

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health -- Mental Health Parity Regulation: The Wall Street Journal is expected to run a story Monday on how the Administration will implement the provision in last year's mental health parity legislation that exempts businesses from complying with the parity requirement if they can show that doing so would increase their costs by more than one percent. The story will report (accurately) that the Administration has decided to require businesses to comply with the parity requirement for at least six months prior to claiming an exemption. (As you recall, the other option under consideration would have allowed businesses to claim an exemption even before complying with the requirement, based solely on projections from current cost data.) The Administration is not issuing the regulation until the end of next week, but HHS sources leaked it to the Journal. The Journal will portray the regulation as a victory for mental health advocates over business.

2. Crime -- Homicide Study: The National Institute of Justice issued a study of homicide in eight U.S. cities last week. Some of the key findings of the ten-year study (1985-94) are: (1) the proportion of homicides committed with firearms increased throughout the ten-year period, to approximately 80 percent; (2) homicide rates were strongly linked to crack cocaine use throughout the period; (3) black men between the ages of 18 and 24 represented a disproportionately high -- and steadily increasing -- percentage of homicide victims in all cities (in Baltimore, these men were 24 times more likely than the average person to be the victim of homicide); (4) homicides where the victim and offender were related or intimate made up only 20 percent of all homicides, but over 50 percent of female-victim homicides; and (5) homicide rates were somewhat related to poverty and employment levels. The eight cities studied were: Atlanta, Washington DC, Detroit, Tampa, New Orleans, Richmond, Indianapolis, and Miami.

3. Crime -- Death Penalty Study: The Justice Department will release new data on Sunday showing an increase in prisoner executions. During the first 11 months of this year, 70 prisoners were executed in 16 states -- 25 more prisoners than in all of last year. Texas alone accounted for 36 of these executions, the highest number in a single state since 1930. In 1996, the length of time a prisoner sat on death row before execution was 10 years and 5 months -- 9 months shorter than in 1995. Among the 358 individuals executed between 1977 and 1996, 56 percent were white, 37 percent were black, 21 percent were Hispanic, and 3 percent were members of other racial groups.

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12-15-97

4. Crime -- Boston Juvenile Homicide: A Boston youth was shot to death last week, for the first time in two and one-half years. The 16 year-old Dorchester youth was unarmed and had no known criminal history.

5. Welfare Reform -- Reports Released by Union-Sponsored Group: On Wednesday, Jobs With Justice, a group funded primarily by AFSCME, SEIU, and the AFL-CIO, released two reports critical of welfare reform. The first, called Welfare Reform *as we know it*, is highly critical of workfare programs. Welfare recipients quoted in the report, which is largely anecdotal in nature, complain that workfare assignments are not paid as well as comparable work, do not lead to real jobs, and do not meet all required health and safety standards. We find some of the specific charges worrisome, but do not agree with the overall message of the report, which is that welfare recipients should not be required to work unless they are trained and placed in skilled, well-paid, and unionized jobs.

The second report, Welfare Reform: The Jobs Aren't There argues that there are about twice as many welfare recipients seeking work as there are low wage jobs. The report arrives at this conclusion by estimating that (1) 430,000 low-skilled jobs were created in 1997 and 270,000 will be created in 1998, and (2) one-third of all adults on welfare, or 1.2 million persons, will need to enter the labor force next year as a result of the 30 percent participation rate established by the welfare law.

Our own economists and welfare experts dispute the report's conclusion, along with the estimates that underlie it. CEA notes generally that the U.S. economy historically has shown a tremendous capacity to absorb new workers -- e.g., the millions of women and baby boomers who joined the workforce during the last 30 years -- and should be able to do so again. More specifically, CEA believes that this study greatly underestimates the number of available low-skilled jobs because it counts only jobs in occupational categories with average incomes in the lowest 20 percent, omitting all low-skilled jobs in occupational categories with higher average incomes. At the same time, HHS staff believe that this study greatly overestimates the number of welfare recipients needing jobs because it fails to recognize (1) that some welfare recipients are already working and thus will not need "new" jobs, and (2) that states can (and almost all will) lower the required work participation rates through caseload reduction. HHS staff estimate that the work rates will require between 440,000 and 880,000 people to begin "work activities" in 1998, depending on the extent of caseload reduction. And even these people may not need "jobs" as defined by economic statistics because the law allows states to count community service, workfare, vocational education, high school (for teen parents), and some job search as work activities.

6. Welfare -- Food Stamps for Legal Immigrants: You asked about an article in this week's New York Times that describes the impact of food stamp cutoffs on legal immigrants in New York. The welfare law cut off food stamps to over 700,000 legal immigrants. Most of these cutoffs occurred in September. Under legislation we supported earlier this year, states have the option of using their own funds to continue food stamp benefits. Three states -- Washington, Nebraska, and Rhode Island -- have restored all benefits. Nine other states (including New York, New Jersey, and

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California) have offered partial restorations. New York, for example, has made it a county option to restore benefits to the elderly and disabled.

We are currently considering whether to recommend that you include some restoration of food stamp benefits in your FY 99 budget. A full restoration of these benefits would cost about $3.2 billion over five years. We also could propose a partial restoration that provides benefits to some subset of the legal immigrant population, such as children, families with children, or the elderly and disabled. We have doubts that Congress will entertain any proposal to restore benefits, but a more limited proposal might stand a greater chance of succeeding.

Henry Cisneros
Orders on
Need
Legislation

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12-15-97

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Dec. 19, 97 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

December 19, 1997

THE PRESIDENT HAS SEEN
12-29-97

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Welfare -- Welfare-to-Work Competitive Grants: The Department of Labor will release a notice in early January seeking welfare-to-work competitive grant applications. DOL will award a total of $711 million in five rounds of competition, two in FY 1998 and three in FY 1999. Projects will be funded for up to three years. Both public and private entities may apply, including state and local governments and community and faith-based organizations. We worked with DOL to ensure that the notice seeks projects designed to place welfare recipients into jobs quickly and to provide the support services and skills training they will need to succeed in the work force. Like the activities supported by formula funds (the rest of the $3 billion welfare-to-work program), these projects must serve long-term welfare recipients with multiple barriers to employment. DOL intends to award about 70 percent of competitive funds to projects in cities with high concentrations of poverty and about 30 percent to projects in rural areas. The first round of applications will be due in March.

2. Crime -- COPS: The Justice Department last week announced $47 million in grants to fund an additional 800 police officers under the COPS Program. The grants went to law enforcement agencies in 32 states, and included a grant to New York City to fund 300 officers. The announcement brings the total number of officers funded under the COPS Program to 66,000.

3. Crime -- 3-1-1 Community Policing Number: Dallas launched a new citywide 3-1-1 non-emergency response system last week. Dallas residents will be able to call 3-1-1 and request any city service 24-hours a day, seven days a week. Baltimore celebrated its one-year anniversary as the nation's first 3-1-1 project on October 1. The 3-1-1 initiative in Baltimore has helped to reduce the volume of calls to 9-1-1 by 25 percent and to cut the average response time to emergency calls by two-thirds.

4. Crime -- Brady Handgun Checks: Ohio signed an agreement with the Justice and Treasury Departments last week to conduct background checks for all handgun sales. Arkansas is now the only state not conducting background checks. Despite an opinion issued by Arkansas Attorney General Winston Bryant that the state has the necessary authority, the Governor continues to refuse to allow the checks. As a result, Attorney General Bryant has asked the Treasury and Justice Departments to name him the designated chief law enforcement officer authorized to conduct background checks statewide. The proposal is currently under consideration by both Departments.

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5. Tobacco -- Document Disclosure: Chairman Bliley released last week 834 tobacco industry documents that his committee had subpoenaed. The documents do not seem to contain any smoking guns, but reveal the industry's persistent efforts to conduct and support "scientific" research to support its litigation positions. More documents may come to light over the next month, as a result of either judicial rulings or additional congressional subpoenas. Chairman Bliley worked very closely with Rep. Dingell in demanding and releasing the documents; this cooperation may bode well for the progress of tobacco legislation in the House when Congress returns in January.

6. Tobacco -- Smoking Cessation: You recently asked about the possibility of funding smoking cessation efforts through national tobacco legislation. As the CEA informed you, a recent study in the *Journal of the American Medical Association* found that intensive smoking cessation programs can be among the most cost-effective of preventive intervention programs -- more cost-effective, for example, than mammography screening. Because of the proven success of these programs, you have stated that expansion of smoking cessation activities is a critical element of comprehensive tobacco legislation. The settlement itself proposed that $1 billion annually for the first 4 years and $1.5 billion annually thereafter would go to smoking cessation efforts. We have protected this level of funding in the budget process, rejecting proposals to use this projected revenue for non-smoking-related programs. This level of funding would be insufficient to allow the exact method of providing cessation services studied by *JAMA*, but neither HHS nor OMB thinks this method the most efficient. HHS is now preparing options for allocating smoking cessation funds, with estimates of how many quitters each option will produce. One potentially effective approach is to provide incentives to managed-care plans to encourage participation in smoking cessation programs.

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THE WHITE HOUSE
WASHINGTON

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January 9, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Child Care -- Response to Announcement: We are pleased with the response so far to your child care initiative. Children's advocates and child care experts are overjoyed at both the level of funding and the composition of the package (e.g., the ratio of subsidies to tax cuts). Hill Democrats and some moderate Republicans are enthusiastic about the package, as you heard at Thursday's congressional meeting. Governors -- including a few Republicans -- have praised the extent of state flexibility in the plan. Even conservative Republicans in Congress had a hard time attacking your proposal. Rep. Pryce, whom Speaker Gingrich asked to respond to the proposal for the House Republican leadership, admitted that you had "resisted the urge to have the federal government control child care." Some Republicans alternated between accusing you of spending too much money and trying to claim that they had spent even more for child care in the past.

The most serious criticism, which we knew we would face, is that the package does little to help parents who want to stay at home to care for their children. (A similar point was made in the opinion piece by David Blankenhorn appearing in the New York Times that you recently asked us about; as you recall, he criticizes tax cuts for child care and supports expanding the child tax credit to help parents of young children stay at home.) As you know, we can blunt this charge somewhat by coming out for an expansion of the FMLA in the State of the Union to allow more workers to stay at home for longer periods with their newborns. We are also open to discussing with members of Congress an expansion of the child tax credit, although we found such proposals too expensive to incorporate into our package. Most important, we cannot let anyone forget your consistent record of providing families with real opportunity and choices -- for example, through the child tax credit, FMLA, EITC, minimum wage, and CHIP.

2. Health -- Response to Medicare Buy-in Announcement: Your Medicare buy-in proposal provoked a great deal of comment. Some Republicans, including Senator Gramm and Rep. Bill Thomas, were extremely critical of the proposal, arguing that it would exacerbate Medicare's financial problems. (Gramm compared Medicare to the Titanic and warned about putting extra passengers on board.) The base Democrats were very pleased with the proposal -- particularly after Republicans strongly opposed it. Though liberal groups also were pleased that we are addressing this issue, they believe we must include some kind of subsidy for low-income Americans. Elite validators gave this policy mixed reviews: while uniformly recognizing the

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need of this population for affordable insurance, some (including the New York Times) praised the self-financing feature of the program, while others expressed concern that the proposal would create the demand for further, less fiscally responsible subsidization.

3. Drugs -- Substance Abuse and Prisoners: The National Center on Addiction and Substance Abuse released a study on Thursday finding that drug or alcohol use helped lead to the incarceration of 80 percent of all inmates in the nation's prisons and jails. According to the report, 1.4 million prisoners (out of a total 1.7 million) were high on drugs or alcohol when they committed their crimes, stole property to buy drugs, and/or had a history of drug and alcohol abuse.

As you know, the 1994 Crime Law mandates that 100 percent of all federal prisoners defined as eligible receive substance abuse treatment by 1997. According to the Bureau of Prisons, the federal prison system has met this requirement. Since 1994, we have made some form of substance abuse treatment available in every federal prison facility, tripled the total number of inmates treated in the federal system, and increased the number of residential treatment centers in federal prisons by 30 percent (from 32 to 42). In addition, legislation you offered requires states to submit comprehensive plans of testing, sanctions, and treatment by March 1998 as a condition of receiving prison construction funding.

But cuts back the amount - allows an lawsuits against states

To build on these efforts, we are preparing a directive from you to the Attorney General to: (1) require states, as part of their testing and treatment plans, to estimate current drug use in prisons and measure progress yearly; (2) draft legislation to allow states to use prison construction funds to implement their testing and treatment plans; and 3) draft legislation to require states to enact increased penalties for smuggling drugs into prisons as a condition of receiving prison construction monies. An event focusing on this directive is tentatively scheduled for Monday.

4. Drugs -- Anti-Drug Media Campaign: The anti-drug media campaign began on Thursday in Washington, D.C. -- the first city in the 12-city pilot. Anti-drug advertisements have started to air in the District during prime-time network television shows, with radio and Internet ads to commence next week. ONDCP will roll out the media campaign in the remaining pilot cities throughout the month of January. The other 11 pilot cities and rollout dates are as follows: Atlanta (1/20), Baltimore (1/13), Boise (1/13), Denver (1/16), Hartford (1/23), Houston (1/15), Milwaukee (1/21), Portland (1/22), San Diego (1/9), Sioux City (1/20), and Tucson (1/15).

cc: Bob
I'd like to make a big deal of this - Bruce & Bill

5. Crime -- Brady Checks: As you know, Arkansas remains the only state that is not conducting background checks prior to handgun sales. Although Attorney General Winston Bryant issued an opinion saying that state police have the legal authority to conduct checks, Governor Huckabee has ordered the police not to do so. In response, Bryant has asked the Treasury and Justice Departments to make him (rather than the state police) the designated chief law enforcement officer for the entire state; under this scheme, federally licensed dealers would refer the names of potential handgun purchasers to the AG's office, and employees of that office

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THE PRESIDENT HAS SEEN
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would check the names in the FBI's NCIC (rather than the state police's) database. Justice and Treasury are currently inclined to grant Bryant's request later this month. This action may provoke a strong response from Huckabee, who is currently not aware of Bryant's request.

6. Crime -- Slain Officers: The National Law Enforcement Officers Memorial Fund (NLEOMF) reported last week that the number of officers killed in the line of duty increased by nearly 40% in 1997, from 116 in 1996 (the lowest number since 1959) to 159 last year. The 1997 figure exceeds the 1990s average of 151 line-of-duty deaths per year. NLEOMF attributes the rise in deaths to: (1) an increase in firearms-related deaths (70 in 1997, as compared to 56 in 1996); (2) an unusually high number of traffic fatalities; and (3) 10 multiple-death incidents, in which a total of 22 officers were killed.

7. Welfare -- Child Support Computer Systems: We are working closely with a House-Senate group convened by Rep. Clay Shaw's staff on the child support computer systems issue you discussed with Senator Feinstein this fall. Our goal is to put in place a new system of penalties that are large enough to ensure that states develop effective computer systems, but not so large as to disrupt states' child support collection efforts. As you know, current law requires us to withhold all federal child support funds from a state without a statewide child support computer system -- a penalty we intend to retain in the legislation (at least as a threat) for egregious cases. Shaw's initial proposal, which we think makes sense, would impose an initial penalty of 4 percent of federal child support funds in the first year, with higher penalties in later years. Once a state's system is complete, it could earn back a portion of the penalty. Shaw wants to introduce legislation the first day of Congress and move it through the House by the second week of February. As always, the Senate is expected to move more slowly, but could pass the legislation by April. By then, HHS expects nine states to remain without statewide computer systems: California, Michigan, Illinois, Ohio, Pennsylvania, Indiana, Hawaii, Oregon, and New Mexico.

8. Welfare -- Welfare Recipients in College: You recently asked us about a report in the Washington Post that some college students on welfare are dropping out of school to meet new work requirements. As you know, the welfare law does not count education that is not directly related to a job toward the work participation rates. States, however, have significant flexibility to excuse college students from work, given that the required participation rate is now at 30 percent and peaks at 50 percent. In addition, welfare recipients can combine work with their studies (as most college students do), particularly if work-study jobs are available. To encourage this result, we asked Secretaries Riley and Shalala to write to the nation's college presidents in September to explain the law and stress the importance of providing work-study jobs to welfare recipients enrolled in their schools. (Most work-study jobs are only 10 hours per week, but the letter explained that this is not a legal requirement.)

9. Welfare -- Delaware Evaluation: Governor Carper released on Monday an evaluation of the state's welfare reform waiver program called A Better Chance (ABC). The program began in 1995 as one of the first comprehensive statewide waivers granted by the

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1-12-98

Administration. Initial results are encouraging: by the fourth quarter after the program started, program participants had 24 percent higher employment, 16 percent higher earnings, and 18 percent lower average benefits than the participants in the control group. The evaluation found a fairly high rate of sanctioning: 49 percent of the participants were sanctioned at least once for failing to comply with the program's employment or family responsibility (immunization, school attendance) requirements. It is interesting to note in evaluating these results that Delaware's caseloads have not gone down as dramatically as those of many other states; the decline since January 1993 has been 21 percent. This relatively low decline may result from ABC's "make work pay" incentive that allows recipients to keep more earnings and still remain eligible for welfare.

10. Education -- California Math Standards: Proposed new math standards in California have provoked a heated debate in the last few months, pitting educators who emphasize problem solving against those who favor a more basic skills approach. The California State Board of Education last month adopted the more conservative view, over the objection of Superintendent Delaine Eastin. The head of the Education Directorate at the National Science Foundation subsequently sent a letter to the Chair of the California State Board strongly criticizing the decision and implying that it would jeopardize continued NSF funding for six Urban Systemic Improvement sites in California. The letter upset conservatives (and others), who viewed it -- in our view, correctly -- as an example of inappropriate federal intrusion in state curriculum matters. Diane Ravitch warned us immediately that it could give Bill Bennett a pretext for withdrawing his support of your national testing initiative. As a result, we worked with NSF this week to draft a letter from NSF Director Lane to the California State Board clarifying that NSF would not second-guess state standards and emphasizing the importance of basic skills. Based on recent conversations with Ravitch, we believe this step has been sufficient to prevent Bennett's reversal.

11. Education -- Urban Education Report: Education Week issued its annual report on education reform in the 50 states on Thursday, focusing on the plight of urban school districts. The study noted that approximately 40 percent of students in urban districts reached the basic level on the most recent NAEP 4th grade reading and 8th grade math and science exams in 1994 and 1996, compared to over 60 percent in each of these subjects in non-urban areas. The study also found discrepancies in resources, with urban districts spending about $500 less per child annually than non-urban districts. The Education Week issue also detailed a dozen promising reform strategies to raise achievement in districts around the nation -- e.g., setting high standards; holding schools accountable for results and giving schools greater flexibility; creating small, more intimate schools or schools-within-schools; recruiting well-prepared teachers and providing them with continuing training and support; training principals to be effective school leaders; and promoting school choice. Your existing and planned initiatives -- including the new Education Opportunity Zones proposal that you previewed in December -- match up very well with these reform prescriptions.

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12. Education -- Life-long Learning Card: You recently asked us about Bob Reich's idea of a life-long learning card -- essentially a bank card consolidating all federal education benefits (Pell, IRAs, education tax credits and deductions, and job-training funds), against which education expenses could be deducted. DPC and NEC staff have begun to look into this proposal, but we do not yet have a specific recommendation. The Education Department is currently intending to begin a pilot project by October 2000 to use bank cards to disburse federal aid to post-secondary students. Our instinct is that bank cards may be effective to deliver grants and loans, but less useful for tax credits and deductions. We will continue to explore this issue.

This is an exciting possibility - we'd like to pick Reich's brain a little further

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THE WHITE HOUSE

WASHINGTON

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January 16, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Welfare -- New Caseload Numbers: You will be able to announce next week new welfare caseload numbers showing that the number of Americans on welfare has fallen below 10 million people for the first time since 1970 -- a drop of 30 percent, or 4.3 million, since you took office. The new numbers, from September 1997, show 9.8 million people on welfare, down from 14.1 million when you took office and 12.2 million when you signed the welfare law. With these numbers, you have met -- two years ahead of schedule -- the goal you set in last year's State of the Union address to move two million more Americans off welfare by the year 2000.

2. Welfare -- Why People Leave the Welfare Rolls: You recently asked why, as The New York Times reported, only half the people leaving the welfare rolls go to work, and whether that means time limits are too strict. The Times article relies on about seven state-specific studies. All of these studies were conducted before time limits went into effect, so time limits cannot provide the explanation. The studies are instead consistent with historical trends showing that of those leaving the welfare rolls, about 50 percent go to work, about 15 percent marry, and the rest move to another state, join the SSI rolls, or become ineligible because their youngest child turns 18. It is worth noting that while the percentage of people leaving welfare for work does not appear much higher than in the past, the absolute number of people leaving welfare for work is a great deal higher since the total number of people leaving welfare has increased dramatically.

3. Health -- Medicare Fraud and Abuse: The first HHS/Justice report on anti-fraud activities, mandated by the Kennedy-Kassebaum law, will come out next week. The report will document the success of the enforcement agencies in identifying and prosecuting Medicare fraud, which has led to the collection of $1 billion in fines and penalties for deposit into the Medicare Trust Fund. The timing of the report is fortuitous because the Senate Governmental Affairs Subcommittee on Investigation is planning to hold a hearing on January 29 to show that fraud continues to pervade the Medicare program. The hearing will focus on cases in which providers or suppliers billed Medicare for services or medical devices never provided to a Medicare beneficiary. The Justice/HHS report, especially if combined with the announcement of new anti-fraud measures that we are pressing HHS to expedite, should help to counter this negative message.

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4. Health -- Norwood Consumer Protection Legislation: You recently asked whether we should work closely with Rep. Norwood to pass consumer protection legislation. Although Norwood's legislation has over 200 co-sponsors in the House (including 95 Republicans), we do not recommend endorsing it. First, the bill would protect providers at least as much as consumers -- for example, by effectively preventing the exclusion of even low-quality, high-cost providers from health plans. Second, the bill has an enforcement mechanism that could lead to excessive litigation. These provisions are likely to involve substantial cost (perhaps leading to decreased insurance coverage) and, as a consequence, are controversial among both business and labor. Rather than associate ourselves with the Norwood bill, we recommend keeping up the pressure for federal legislation while encouraging a coalition of moderates to develop an alternative bill that imposes fewer costs and can attract greater business and labor support.

5. Health -- Children's Health/Medicaid Outreach: HHS should approve the Children's Health Insurance Program (CHIP) plans of Colorado, Alabama, South Carolina, and Missouri within the next few weeks, making these states the first four to provide coverage for uninsured children under the law you signed last summer. Some other states are seeking waivers from the new law's standards on benefits and cost-sharing; we will send you a memo early next week on the policy issues involved in these waiver requests, which pit the states against children's advocates. Finally, we are looking for an opportunity to announce the set of administrative actions and budget proposals you have approved to help states identify the three million children eligible for, but not enrolled in Medicaid. These initiatives will be very well received by both the states and the children's advocates.

6. Health -- Genetic Discrimination: The Vice President will release a HHS/Labor Department report on preventing genetic discrimination in the workplace in an event with the Genome Action Coalition on Tuesday. This report, which is similar to the one on genetic discrimination in health insurance that you highlighted in July, outlines the Administration's principles for legislation on this issue. Under these principles, employers generally could not obtain genetic information or use this information as a condition of employment or a way to classify employees. Several members of Congress, including Senator Daschle, have introduced bills on this issue.

7. Education -- National Testing: Chairman Goodling has scheduled a Jan. 28 mark-up of a bill that would prohibit any development or implementation of national reading and math tests after FY98 without specific statutory authorization. If this bill were voted on today, Goodling could carry all Republicans on his committee, as well as all Democrats in the Black and Hispanic Caucuses. DPC and Education Department staff are working hard to get the mark-up postponed -- or at least to hold Democrats together. Secretary Riley will send a letter to Goodling on Tuesday reminding him of our implicit agreement last fall to postpone further Congressional action on the national tests until the National Academy of Sciences completes several studies this spring. In addition, we will try to gain the support of Caucus members by making them fully aware of the investments your budget makes in expanding learning opportunities for low-income and minority students.

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THE PRESIDENT HAS SEEN
1-19-98

8. Education -- National Testing: The National Assessment Governing Board (NAGB) will meet next week to determine what changes, if any, are needed in the contract to develop the national tests. The NAGB committee spearheading this work has recommended, on technical grounds, that the contract be modified to make 2001 the target year for the first administration of the tests -- two years later than you originally proposed, and one year later than the target we set following our appropriations battle. We do not believe this delay is necessary for sound test development, and we are working behind the scenes with our supporters on NAGB (including the Chair, who agrees with us) to retain the faster timetable.

NO! Mix up on timetable

9. Crime -- Prisons and Jails: The Justice Department will release a study on Sunday showing that as of June 1997, the nation's prisons and jails held over 1.7 million inmates. The total of 1.7 million included: 99,175 federal prisoners; 1.05 million state prisoners; and 567,000 local jail inmates. Between July 1996 and June 1997, the number of federal and state inmates grew by 4.7 percent (55,198), less than the average annual increase of 7.7 percent since 1990. Hawaii had the largest percentage increase in prison population since midyear 1996 (21 percent), followed by North Dakota (15.5 percent), and Wisconsin (15.4 percent). The number of local jail inmates rose by 9.4 percent (48,587), nearly double the average annual growth of 4.9 percent for this population since 1990. The local jail inmate population shows notable increases of women and juveniles. Since 1985, the number of females in local jails has grown by 9.9 percent annually, and the number of juveniles has increased nearly six-fold (from 1,629 to 9,105).

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THE WHITE HOUSE
WASHINGTON

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January 23, 1998

THE PRESIDENT HAS SEEN
1-26-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Crime -- Community Prosecutors Initiative: You are currently scheduled to launch a new community prosecutors initiative at the National Conference of Mayors event on Friday. Your FY 1999 budget request contains $50 million for a new federal grant program to build on the success of community policing by helping prosecutors' offices join with police departments to make use of community-based crime strategies. Similar to the COPS Program, the new program will use direct grants, awarded on a competitive basis, to increase the number of local prosecutors interacting directly with members of the community ("community prosecutors" or "neighborhood DAs") and to encourage prosecutors to focus on identifying and resolving their community's most critical crime and quality-of-life problems. Some of the cities that already have started to embrace community prosecution include: Portland, Boston, Denver, Chicago, New York, Indianapolis, Kansas City, Milwaukee, Austin, and Washington, D.C.

2. Crime -- Federal Law Enforcement Officers: The Justice Department will release a report on Sunday showing that as of June 1996, the Federal government employed about 74,500 full-time law enforcement officers authorized to make arrests and carry a gun -- a 6 percent increase over the number of officers employed in 1993. The agencies that experienced the largest percentage increases in officers since 1993 include: the Immigration and Naturalization Service (31 percent); Marshals Service (23 percent); Federal Bureau of Prisons (13 percent); and Fish and Wildlife Service (40 percent). In 1996, 14 percent of federal officers were women; 72 percent were white; 13 percent were Hispanic; 12 percent were black; 2 percent were Asian or Pacific Islander; and 1 percent were American Natives.

3. Immigration -- INS Structural Reform: We have nearly completed our review of the Commission on Immigration Reform's proposal to restructure the nation's immigration system. As you recall, the Commission criticized the INS for melding enforcement and service functions and proposed reallocating the INS's responsibilities to the Departments of Justice, State, and Labor. The review team -- DPC, OMB, Counsel's Office, OLA, OVP, and OPL -- generally agree with the Commission's criticism, but disagree with its prescription (as do all the relevant agencies and the major immigrant advocacy groups). The review showed that a greater separation of service from enforcement activities would improve our immigration system, but that this separation should be accomplished by reorganizing the INS, rather than by dispersing its functions throughout the federal government. OMB has drafted an organizational chart that

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would restructure the INS in very fundamental ways, and the INS has contracted with a private consulting firm to provide guidance on how to implement this proposed structure. In the next few weeks, we will meet with key Members of Congress to discuss our tentative conclusions. We have reason to believe that at least some Republicans will approach these discussions in good faith, in a genuine effort to devise a "good government" proposal, rather than to score political points. When we conclude these legislative discussions, we will give you a final recommendation.

4. Education -- NAGB and National Tests: The National Assessment Governing Board (NAGB) met this week to consider changes to the contract awarded last year by the Department of Education to develop national tests in 4th grade reading and 8th grade math. The good news from the meeting is that NAGB is going forward enthusiastically with the process of developing and implementing the test; indeed, a spokesman for Rep. Goodling expressed "concern about statements from NAGB indicating that national testing is a matter of when, not if." The bad news is that NAGB decided to delay initial administration of the tests for one year, until 2001. Some members of NAGB took this action solely for technical reasons, involving the perceived need to hold the first pilot test, the first field test, and the first full-scale administration of the test at the same time of the year (in March). Other members thought that by asserting their independence in this way, they would bolster the long-term prospects for the tests in Congress. A number of our supporters on the Board, including Roy Romer and Norma Paulus (the Oregon state superintendent), attempted to defer consideration of this issue, but could not do so in light of the many testing experts and educators (including Diane Ravitch) who supported the delay.

5. Education -- Goodling and National Tests: Rep. Goodling has scheduled a mark-up on the day after the State of the Union for a bill to prohibit any development or implementation of national reading or math tests after FY 1998 without specific statutory authorization. Secretary Riley has sent a letter to Goodling reminding him of our implicit agreement last fall to postpone further Congressional action on the national tests until the National Academy of Sciences completes several studies this spring. We are also working hard to ensure that members of the Black and Hispanic Caucuses do not support Goodling's effort. We appear to have succeeded in convincing civil rights groups (led by Wade Henderson of the Leadership Conference) to decline to support Goodling's bill. In addition, Secretary Riley and Director Raines will brief members of the Caucuses on Monday on the substantial investment your budget makes (through initiatives on school construction, Education Opportunity Zones, Hispanic education, etc.) in expanding learning opportunities for low-income and minority students.

6. Education -- Republican Senate Education Package: Senate Republicans unveiled a "new" education package on Tuesday, which contains many of the proposals they pursued last year. The package includes: Coverdell's tax-free savings accounts for education; a block grant proposal; a small ($75 million) voucher demonstration program; a reading initiative similar to the one Goodling pressed last year, with an emphasis on teacher training and assistance to parents,

but no provision for tutoring; an initiative on student and teacher safety; charter school expansion (similar to the House bill you endorsed last year); and authorization for expanded funding of special education.

7. Health -- Children's Coverage: HHS sent a letter yesterday to all state health officials outlining new steps to enroll the millions of children who are currently eligible for, but not enrolled in Medicaid. The letter includes a description of our tobacco-funded budget provisions, as well as a set of new administrative measures that will support states' outreach activities. Members of Congress, Governors, children's advocates, and health providers have responded very positively to this package. The initiative is timely because upcoming reports are likely to indicate that some families are failing to continue their children's Medicaid coverage when they go off welfare, although they are fully entitled to do so. Your new policies will help to ensure continued Medicaid coverage for these children, as well as for the millions of others eligible for but not enrolled in Medicaid. The First Lady may be interested in doing some events in the near future to highlight this issue and the actions we have taken to address it.

8. Health -- Medicare Cancer Clinical Trials: One of the few health care budget policies that we have not yet announced is the Medicare cancer clinical trials proposal. We have worked hard -- and we think successfully -- to design a policy that will gain the support of the cancer advocacy community, but will not impose new burdens on the Medicare Trust Fund. The Vice President is currently scheduled to roll out this initiative in an event with cancer advocates on Thursday.

9. Health -- Medicare Buy-In: Sen. Moynihan asked Sen. Daschle last week whether he could be a primary sponsor of our Medicare buy-in legislation. As you can imagine, support from Moynihan will be very helpful in showing that our proposal is fiscally responsible. *The New York Times* ran an unfortunate article on Tuesday stating that the American Academy of Actuaries has doubts about the proposal's self-financing mechanism. In a meeting with Chris Jennings last week, however, representatives of the Academy distanced themselves from the article. They indicated that although the Academy would not endorse the policy, it would consider making a public statement that the self-financing scheme is viable.

10. Health -- Medicare HMOs: You recently asked us about reports that Medicare HMOs are dropping benefits because of changes in Medicare reimbursement policies. We of course want Medicare HMOs to offer the strongest possible benefit packages, so as to encourage beneficiaries to participate in these plans. We accordingly have asked HHS to review the extent to which HMOs are dropping benefits and the reasons why they are doing so. It is important to note, however, that many policy experts believe that average payments to HMOs are still too high given that they attract relatively healthy individuals; these experts think that HMOs could retain all their benefits under the new reimbursement policies and still make a good profit from Medicare patients. We will know better whether any action is warranted when we have obtained the results of HHS's study.

11. Women's Issues -- Family Planning: Your FY 1999 budget will include a $15 million increase in Title X funding for family planning services. The First Lady and Vice President held a meeting with leaders of women's and teenage pregnancy groups last week to announce this budget proposal. The audience responded very positively to the announcement.

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Jan. 31, 1998 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
2-2-98

January 31, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Child Care -- Senate Republican Legislation: The day after the State of the Union, Republican Senators Chafee, Hatch, Snowe, Roberts, Specter, and Collins introduced a child care package that, like yours, significantly increases child care subsidies for poor children, provides additional tax relief to low- and middle-income families paying for child care, creates a tax credit for businesses that provide child care services to their employees, and improves state enforcement of health and safety standards. In addition, the package includes a proposal to adjust the Child Care Tax Credit to provide assistance to stay-at-home parents. Preliminary estimates indicate that the package totals about $12 billion over five years. Because the bill so substantially overlaps with your proposal, we issued a very positive statement welcoming the bill and urging bipartisan cooperation. The next day, Senator Coats, who chairs the Senate Children and Families Labor Subcommittee, held a news conference with conservative groups to call for targeting all new money to stay-at-home parents. In light of Republican sentiment on this issue, we have asked the Treasury Department, which throughout our policy development process was very hostile to the idea, to develop the best way to modify the Child Care Tax Credit or expand the Child Tax Credit to provide some financial assistance to stay-at-home parents.

Good

2. Tobacco -- Legislative Strategy: We and Larry Stein will give you a memo this week on strategy to enact tobacco legislation. As you may have seen, several Republican Members of Congress (particularly Senator Nickles) made statements this week denouncing liability limits for tobacco companies and proposing to pass targeted legislation addressed to youth smoking, rather than comprehensive legislation based on the June 20th settlement. Of course, the targeted legislation these Members have in mind will not reduce youth smoking, let alone accomplish your other goals; most important, it will not impose the financial burdens on the industry necessary to force a substantial increase in the price of tobacco products. These Members hope that by entering into a marriage of convenience with liberal Democrats regarding liability limits, they can effectively limit the scope of tobacco legislation. Our goal must be to make piecemeal legislation unacceptable, while preventing this strange coalition from taking liability limits off the table (since it will be difficult to pass a substantial price increase without them). Our memo next week will present options for how to accomplish this goal.

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3. Tobacco -- Budget Strategy: You recently asked us about a Washington Post editorial that criticized the Administration for linking tobacco legislation to other budget priorities such as child care. For the most part, we have succeeded in persuading the press that allocating projected revenue from proposed legislation is a normal part of the budget process; we could not reasonably have called for large industry payments -- necessary for *public health*, not budget purposes -- without saying something about where those payments ought to go. But we must continue to stress that our focus, in urging Congress to pass tobacco legislation, is to reduce youth smoking (primarily by increasing the price of cigarettes), not to create a new source of revenue for federal spending.

4. Tobacco -- Youth Marketing: You recently asked us how many states prohibited the sale of cigarettes to persons under 18 at the time the newly released R.J. Reynolds documents were written. These 81 documents date from 1973 to 1990, but the most damaging were written in 1974. As of that year, 27 states had passed legislation prohibiting the sale of cigarettes or other tobacco products to those under 18. Starting around 1980, RJR officials stopped referring specifically to youth marketing efforts. In 1987, however, RJR started its Joe Camel advertising campaign. At that time, 35 states had legislation prohibiting the sale of cigarettes or other tobacco products to those under 18. Today, all 50 states and the District of Columbia have laws of this kind.

5. Health -- Children's Health Insurance: HHS must approve Alabama's children's health insurance plan by Monday, which will make Alabama the first state to enter the $24 billion CHIP program. If we were able to choose which state to approve first, we would not have picked Alabama, because its expansion is very modest. The next two states coming on line -- Colorado and South Carolina -- have excellent programs; when we approve them, in the next week or so, we will be able to put together a great event for you and the First Lady. This event will illustrate the broad bipartisan support in the states for children's health coverage expansions, as well as highlighting the children's health outreach policies in your new budget.

6. Health -- Quality Legislation: We have been working with Larry Stein to develop a strategy for passing health care quality legislation. We will send you a memo this week requesting that you call Rep. Dingell on this issue. (We also think you should talk to Dingell about the Medicare Commission because of how close he is to many of its members.) Dingell is leading the House Democratic Caucus effort to develop health care quality legislation. Many Democrats, including Rep. Gephardt, want to use the quality issue as a political wedge, rather than to pass legislation. It is important that you communicate to Rep. Dingell your desire to pass a bill, and to seek his advice on legislative strategy.

7. Health -- Medicare Commission: Senator Breaux and Rep. Thomas last week selected Bobby Jindal from Louisiana to be the staff director for the Medicare Commission. The 26-year-old Rhodes Scholar currently serves as Louisiana's Department of Health Director and is credited with improving a particularly troubled Medicaid program. Although everyone is impressed with Mr. Jindal's intellect, creativity, and charisma, some Members of Congress (on

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both sides of the aisle) have expressed concerns about his age, lack of experience with Medicare issues, and/or support for Medical Savings Accounts. Sen. Breaux unfortunately announced his choice before anyone here had the chance to consult with you or the Democratic Leadership. Chris Jennings is setting up a briefing with Mr. Jindal next week, to learn more about him and to try to bring him up to speed on the issues facing the Medicare program. Chris also plans to brief the four members of the Commission whom we appointed.

8. Education -- National Test: The House Education and Workforce Committee last week approved, by a 23-16 vote, Rep. Goodling's bill to prohibit developing or implementing national reading or math tests after FY98 without specific statutory authorization. Only one Democrat, Tim Roemer, voted with Goodling; not a single member of the Black or Hispanic Caucuses joined him. We held the caucus members in part because of the many education initiatives in our budget that target resources to their constituents, and in part because of our appeal for party unity in the face of Goodling's clear violation of our appropriations agreement. We expect Goodling's bill to come to the floor as early as next week. We are working closely with Reps. Gephardt, Clay, and Miller to hold the Democrats together once again. Secretary Riley will phone Reps. Martinez, Becerra, and Waters in the next few days, and will speak to the full Democratic Caucus on Wednesday. The Vice President also will try to say a word to Hispanic Caucus members on Monday when he announces our Hispanic Education initiative. Finally, we will issue a very strongly worded veto threat, so that no one is in any doubt about your continuing commitment to move forward with the tests.

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9. Education -- America Reads: In response to the America Reads annual report, you asked us for information on the number of work-study students, non-work-study students, and non-college students participating in the program. The America Reads office unfortunately does not have that information. The Department of Education feared that requiring colleges, universities, and other institutions to report this information would have discouraged their enrollment in the program. Now that so many organizations have signed up, we have asked the Department to revisit this decision. Don't require it — just ask them — say we'd like to know to assess impact — but don't make it a requirement

10. Welfare -- Welfare-to-Work Transportation: After the State of the Union, you asked us to write up the story of Elaine Kinslow and remind states that they can use TANF funds to support projects, of the kind Kinslow is part of, to help transport welfare recipients to their jobs. We have drafted a letter to governors, state legislative leaders, and mayors that (1) describes Elaine Kinslow's story; (2) states that you will fight for $100 million a year in new welfare-to-work transportation funds as part of ISTEA reauthorization; and (3) notes that states and cities can in some circumstances use TANF and the $3 billion welfare-to-work funds for transportation, and promises detailed guidance on this subject. We emphasize in the letter that the ISTEA funds are needed despite the partial availability of TANF and welfare-to-work funds. The TANF funds, for example, cannot be used to provide transportation to families once they have left the welfare rolls; similarly, the $3 billion welfare-to-work funds cannot be used for other than long-term welfare recipients with certain kinds of employment barriers.

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DAN BURKHARDT

2-2-98

please coordinate the reply.

11. Welfare -- Welfare-to-Work Partnership: As a follow-up to the State of the Union, we would like to draft a letter from you thanking the members of the Welfare-to-Work Partnership. We propose that you send personal letters (which we will draft) to the five founding members and to one or two other companies that have made outstanding efforts. In addition, if you agree, we will explore the possibility of sending a more generic letter to all of the Partnership's 3,000 members.

Yes Shared Central

The five founding members -- Sprint, Monsanto, UPS, Burger King, and United Airlines -- have played key roles in helping the Partnership grow, with most also hiring significant numbers of people from the welfare rolls. UPS has hired 8,268 welfare recipients since last January. Burger King hired 5,042 people off welfare between October 1996 and December 1997, far exceeding its 1997 goal of 1,500. United hired 535 former welfare recipients in 1997, exceeding its goal of 400 and putting the company ahead of schedule on its pledge to hire 2,000 recipients by the year 2000. The company says the retention rate for its welfare-to-work hires is twice that of other employees. Sprint has hired 88 welfare recipients to date, and sponsors the toll-free line the Partnership uses to give information to other interested companies. Monsanto has played a key role in recruiting other companies, but has few hires to date because of a dearth of entry-level positions. The company has launched training programs in four cities from which it expects in the future to hire welfare recipients. A sixth company which has now joined the Partnership Board -- TJX -- has hired over 1,500 former welfare recipients in its TJ Maxx and Marshalls stores, and has pledged to hire 5,000 by the year 2000.

Should we include Canada?

12. Welfare -- Residency Requirements: The United States Court of Appeals for the Ninth Circuit last week invalidated a provision in California's TANF plan to give new residents (those in the state for less than a year) only the amount of welfare benefits they would have received in the states from which they moved. The welfare law specifically authorizes states to adopt this kind of scheme, in order to lessen the fear of high-benefit states that they will become welfare magnets. At least 14 states in addition to California have taken advantage of this authorization. The Ninth Circuit -- the first appellate court to rule on the subject -- held that the two-tiered residency scheme violates both equal protection and the right to travel. Many observers believe that the Supreme Court will grant cert in the case, so that it can overrule the Warren Court's right-to-travel jurisprudence.

13. Drugs -- Crack Cocaine: Senator Lott has listed cocaine penalties as among the items that the Senate will take up prior to the Easter recess. As you recall, the Attorney General and ONDCP Director jointly recommended revising the triggers for a 5-year mandatory sentence from 5 grams for crack and 500 grams for powder to 25 grams for crack and 250 grams for powder -- a "pinch" of the crack and powder triggers producing a ratio of 10:1 rather than the current 100:1. The proposal Senator Lott is threatening to bring to a vote this spring is very different. It would maintain the current five-gram threshold for crack, while lowering the powder threshold to 100, for a ratio of 20:1. This proposal, which reduces the crack-to-powder ratio but only by creating yet another unreasonably low trigger, probably would pass both

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2-2-98

Houses of Congress, over the objection of members of the Black Caucus and other liberal Democrats.

14. Family Planning – Emergency Contraception: You recently asked, in response to a column by Judy Mann, whether HHS should do more to promote the availability of emergency contraception. In fact, HHS already has taken aggressive steps to do so. Last year, the FDA published a notice in the Federal Register declaring that emergency contraception is safe and effective and requesting that manufacturers of oral contraceptives apply to the FDA for permission to market their products for emergency use. FDA hopes that this unusual pre-application finding of safety and efficacy will persuade manufacturers to market oral contraceptives for emergency use, which will increase awareness of this option among both doctors and their women patients.

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Yes ✓

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Feb. 6, 98 – DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

February 6, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Dr. Satcher's Confirmation Vote: Next Tuesday, the Senate is scheduled to vote on Dr. Satcher's nomination to become Surgeon General. Our current vote count is 66 votes and we believe that we may get more than 70. Should Dr. Satcher be confirmed, this would fill an approximately three year void in the Surgeon General position. We are currently considering recommending a picture of you and/or the Vice President swearing Dr. Satcher in for this post.

2. Health Care -- Congressman John Dingell Update: Following up on your conversation with John Dingell, Larry Stein, Bruce Reed and Chris Jennings met with the Congressman on Thursday to discuss prospects of and strategy for the consumer protections legislative debate and Dingell's role on the Medicare Commission. We agreed to continue to give technical assistance to the House Democratic Caucus consumer protections bill as well as to make positive statements about it without giving an all out endorsement. The current bill goes farther than is likely to be passed in the Congress and may well be vulnerable to criticisms about excessive costs and regulations. As of yet, we have avoided having to take a position on most of the controversial positions in Dingell's bill. We will keep working with him to make his bill more acceptable to the business community and key validators.

3. Education -- National Testing: Goodling's bill to prohibit further development of national tests without specific authorization, beyond what was explicitly agreed to in the FY98 appropriations bill, passed by a vote of 242-174. We picked up 50 more Democrats than we had last fall. Both the Black and Hispanic Caucuses opposed Goodling's bill, partly in recognition of the substantial and targeted education investments in your budget, and partly because they viewed Goodling's bill as a partisan effort to embarrass the Administration. The bill will likely die in the Senate, but we still face a tough appropriations battle this fall.

4. Child Care -- Current Legislation: On Thursday, Senator Dodd and a group of 24 Democratic Senators introduced child care legislation similar both to your proposal and to the Chafee bill introduced last week. While the Dodd bill is substantially similar to your child care initiative, it makes the dependent care tax credit refundable and makes it available to stay-at-home

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parents. In addition, on Tuesday, Congresswoman Nancy Johnson introduced the Chafee bill in the House.

5. **Drugs -- Home Drug Tests:** Next week, HHS/FDA is planning to release a proposed regulation for "home drug test kits." HHS/FDA intends to codify its policy of the past year to allow manufacturers to market these kits without prior FDA approval. Under the proposed regulation, Sunny Cloud -- the individual who initially challenged HHS/FDA's -- could continue to market her home drug test kits. However, proponents of hair testing, which until now did not require FDA approval, are likely to be unhappy with the regulation. The proposed regulation has no impact on law enforcement-related drug tests.

6. **Welfare Reform -- Performance Bonuses:** We are now nearly ready for you to announce two new nationwide competitions to promote work and personal responsibility. The first competition will award $1 billion in bonuses -- $200 million a year over the next five years -- to states that do the best job of placing welfare recipients into jobs and helping them succeed in the work place. Sixty percent of the funds will be distributed based on states' success in placing people in jobs (40 percent to states with the highest job entry rate and 20 percent for those with the most improved rate). Forty percent of the funds will be distributed based on how well former recipients succeed in the work place, a measure based on job retention and earnings gains (with 25 percent for absolute achievement and 15 percent for improvement). The second bonus will distribute $100 million a year to states that reduce their "illegitimacy ratio"-- i.e., the percentage of children born out of wedlock (by statute, states must also have an abortion rate lower than their 1995 rate to win the bonus).

7. **Cloning -- Legislation to Ban Human Cloning**: Next week, the Senate will take up legislation sponsored by Senators Frist and Bond to ban human cloning. The bill goes farther than the biotechnology community believes necessary, and may interfere with promising future research, by effectively banning all cloning experiments with human cells and blocking research that might someday be conducted to combat diseases such as diabetes and cancer. We are working with Senators Kennedy and Feinstein to negotiate legislation you could sign. One option may be the addition of a sunset provision that bans human embryo research for a short time, but allows Congress to revisit the issue when scientists may actually be ready to take advantage of this technology for human research. The House is expected to take a much harder line, so our best hope is in the Senate.

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Feb. 13, 98 - DPC Weekly Report

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THE WHITE HOUSE

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February 13, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health -- Children's Health Outreach: In an event with the First Lady on Wednesday, you are scheduled to announce that Colorado and South Carolina are joining Alabama as the first states to enter the new children's health program (CHIP). (Seventeen other states have proposals under review at HCFA.) You also can announce several new steps to target and enroll uninsured children. These include (1) the $900 million children's outreach initiative included in your FY99 budget; (2) an executive memorandum directing the six agencies (HUD, Agriculture, Education, Labor, Treasury, and HHS) that run programs likely to reach uninsured children (e.g., WIC and Food Stamps) to devise ways of helping to enroll them in Medicaid or CHIP; (3) efforts by the NGA to disseminate information on model outreach programs; (4) the establishment of a 1-800 number, financed by Bell Atlantic, to help individuals contact their state Medicaid and CHIP enrollment agencies; and (5) other major private sector commitments made by the Robert Wood Johnson Foundation, the Kaiser Family Foundation, and Pampers.

2. Health -- Missouri Children's Health Waiver Request: Governor Carnahan has asked for a children's health waiver, and he will probably raise this matter with you at the upcoming NGA meeting. The waiver proposal, although otherwise acceptable, raises one very large problem. The state proposes to rely on provider taxes to finance the program, even though the law establishing CHIP explicitly prohibits this financing mechanism. (Missouri's Medicaid program similarly relies on impermissible provider taxes.) Missouri apparently hopes that our desire to implement CHIP quickly will lead us to approve this request. HHS, OMB, and DPC all believe, however, that the law prevents us from doing so. As you know, we are doing everything we can to absolve Missouri (and other states) from the consequences of using improper provider taxes to finance Medicaid. We believe that we should not overlook, much less explicitly approve, the extension of these illegal practices into the children's health program.

3. Health -- Patients' Bill of Rights: When you endorsed the consumer bill of rights recommended by your Quality Commission last November, you asked the five agencies in the Federal government with jurisdiction over health care -- OPM, HHS, VA, DOD, and DOL -- to review their programs and bring them into compliance with the bill of rights. The agencies will report back to you next week, and you are scheduled to announce on Friday the actions they are taking. For example, OPM is issuing individually tailored letters to every participating plan in the FEHBP detailing what they need to do -- on matters such as access to specialists and

Doug
Bruce
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Laura
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emergency room care -- to come into compliance with the Bill of Rights. Similarly, HCFA is sending a letter to all state Medicaid programs clarifying that the law requires them to cover emergency room services whenever the need arises. You can use this announcement to show that the Administration is leading the way in the effort to ensure quality health care, and to urge Congress once again to enact legislation to provide these rights to all Americans.

4. Health/Race -- Racial Disparities in Health Care: Next week's radio address is currently scheduled to focus on the FY99 budget's new initiative to address racial disparities in health care. As you know, African-Americans, Hispanics, Native Americans, and Asian Americans suffer from certain diseases up to five times as frequently as whites. To use just one example, infant mortality rates are 2 ½ times higher for African-Americans and 1½ times higher for American Indians and many Hispanic groups than they are for whites. Dr. Satcher intends to make this issue one of his highest priorities, and we are considering a proposal that he participate with you in the radio address. You can announce the Administration's commitment to eliminate racial disparities in health care by the year 2010, and detail the public health measures proposed in the budget -- totaling more than $400 million over the next five years -- to advance this effort. This funding will allow communities to test innovative and promising new ways to improve health care for minorities, as well as enable established public health programs to turn their attention to this issue. You also can challenge foundations, health care providers, and corporations to focus on this problem.

5. Drugs -- Prison Drug Treatment Report: The Justice Department is releasing today the results of a study, involving 1,866 inmates at 30 institutions, that confirms the benefits of drug testing and treatment for prisoners. The study, which was announced in your radio address, found that federal inmates who participated in the Bureau of Prisons (BOP) residential drug abuse treatment program during their incarceration were 73 percent less likely to be re-arrested and 44 percent less likely to test positive for drugs in the first 6 months after release than similar inmates who did not participate. In compliance with the 1994 Crime Law, the BOP provides drug treatment to 100 percent of eligible inmates prior to their release from custody. In FY 97, nearly 31,000 inmates participated in Bureau treatment programs, with about 6,000 (at 42 different institutions) participating in the especially intensive residential program that is the subject of this study. Your FY99 budget proposal would give $72 million to states to establish similar residential drug treatment programs for inmates. It also would provide $85 million to state and local governments to implement the comprehensive drug testing and intervention plans that are now a condition of receiving federal prison money.

6. Crime -- COPS Program: The COPS Office last week awarded $64 million in grants to 311 law enforcement agencies across the country to hire nearly 1,000 officers. Two of the larger grantees were the Nashville and Tampa Police Departments, which each received funding for 40 full-time officers.

7. Tobacco -- International Control Efforts: At our urging, the State Department will issue guidance to U.S. diplomatic posts early this week on tobacco trade and control in foreign

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countries. The guidance encourages posts to assist tobacco-control efforts in host countries; prohibits posts from challenging foreign tobacco-control laws, as long as the laws are applied in a non-discriminatory manner; and prohibits posts from promoting the sale or export of tobacco products, or assisting U.S. firms or individuals to do so. The guidance implements a recent appropriations rider sponsored by Rep. Doggett and ensures that all diplomatic posts will act consistently with the Administration's overall tobacco-control policy. We will inform *The New York Times* or other newspaper of the guidance just prior to its issuance by the State Department.

8. Welfare -- Illegitimacy and Work Bonuses: HHS will issue proposed regulations this week on giving bonuses to states for (1) reducing illegitimacy and (2) promoting work. We described the work bonus to you last week; briefly, HHS will give $200 million annually to the states that do most to place welfare recipients in jobs and help them succeed in the workplace. The illegitimacy bonus, totaling $100 million annually, will go to the five states with the largest decline in the percentage of children born out of wedlock -- if those states also can show a decline in their abortion rates since 1995. As you know, about 33 percent of all children -- and 75 percent of children with teen mothers -- are now born out of wedlock. We will release information on the two bonuses (highlighting the work bonus) to *The Washington Post* for a story early this week.

9. Welfare -- Michigan Privatization Lawsuit: Michigan has sued the Department of Labor for withholding Wagner-Peyser funds in response to the state's decision to privatize employment service operations. Michigan submitted a privatization proposal to DOL late last year. When Secretary Herman indicated that she would disapprove the plan, Governor Engler withdrew it and announced that he would proceed without federal approval. DOL responded by withholding funds for employment services, and Michigan then brought suit. The court last week denied Michigan's request for a temporary restraining order and a preliminary injunction. The court will hear arguments in April on the core issue of whether federal law (in the absence of a waiver) requires states to staff employment services with public employees.

10. Welfare -- Secretary Herman's Tour: Secretary Herman just finished a ten-city welfare-to-work tour to explore welfare reform efforts and promote the $3 billion welfare-to-work program. The tour began in November in Washington, D.C. and ended last week in Los Angeles. Along the way, the Secretary consulted with a range of people, including employers, former and current welfare recipients, and government officials. She will speak at the National Press Club on Tuesday about what she learned and release a booklet called "About Welfare: Myths, Facts, Challenges and Solutions." The booklet emphasizes that families on welfare want to work and face the same challenges as the non-welfare working poor; it also calls for continued action by the public and private sectors to provide better child care, transportation, and training. The Secretary will send you a detailed memo on her tour in a week or two.

11. Education -- Testing Initiative: You will be able to announce the appointment of Governor Engler to the National Assessment Governing Board (NAGB) at the National Governors Association meeting later this month. In addition, NAGB finalized a contract last

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week for developing national tests in 4th grade reading and 8th grade math. Under the contract, test questions will be written in 1998 and pilot testing will begin in 1999.

12. Education -- 12th Grade TIMSS Tests: New 12th grade TIMSS scores will come out on February 24. The results are dismal. In both math and science, U.S. 12th graders scored third to last among 21 countries. Even our most advanced students performed at or near the bottom when compared with advanced students in other countries. We think that you should respond to the report by again emphasizing the need for a national eighth grade math test and policies to end social promotions. You also can highlight a $50 million budget initiative for the National Science Foundation and Department of Education to improve the training of math teachers and the use of math instructional materials and technology. We will provide you with further details next week on a recommended response to the TIMSS numbers.

How to explain declining performance 12th grade?

13. Immigration -- INS Reform: As you know, we have nearly completed our review of the Commission on Immigration Reform's proposal to restructure the nation's immigration system. Whereas the Commission recommended disbanding the INS entirely, we and OMB are inclined to recommend a fundamental reform of the INS that will separate enforcement and service activities both in the field and at headquarters. We met with Immigration Subcommittee staff for Senators Abraham and Kennedy last week to discuss our tentative conclusions. They were very positive about our approach, agreeing that immigration activities should remain within a single agency, but with much greater separation of enforcement and service functions. They -- and we -- are worried, however, that some members of the relevant House and Senate appropriations committees want to pursue the Commission's idea of dispersing immigration functions throughout the federal government. We are meeting with key staff on the appropriations committees next week, and will make a final recommendation to you on restructuring the immigration system following that set of meetings.

14. Immigration -- H1B Visas: We are currently leading an interagency process to consider a proposal to expand the number of H1B visas -- temporary work visas that allow "highly skilled" immigrants (with a BA or equivalent) to work in this country for up to six years. Under current law, the number of H1B visas is capped at 65,000 per year. This cap was reached for the first time last year, and it probably will be reached this year by April. The information technology industry, along with some members of Congress (including Senator Abraham and Rep. Lofgren), strongly support removing the H1B cap entirely or significantly increasing the annual allotment. Labor unions, along with other members (including Senator Kennedy and Rep. Dingell), would likely oppose any increase in the cap. We hope to find a way to reconcile the concerns of the high-tech industry and the interests of American workers.

Can Hurwitz have meeting on Monday to review Gavin's report to staff and to discuss the proposal?

15. Cloning -- Congressional Activity: As you know, 12 Republican Senators joined all 42 voting Democratic Senators last week to block cloture on an overbroad cloning bill sponsored by Senators Bond and Frist. Some Senators voted to block cloture solely on procedural grounds, because there was no committee review of the bill. A significant number,

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however, understood that the bill would have interfered with valuable medical research aimed at preventing and treating diseases like diabetes and cancer. At a hearing held by the House Commerce Committee the following day, a number of Republicans again joined Democrats in criticizing the Bond/Frist approach for interfering with important medical research. These Republican members may force the House and Senate leadership to back a narrower bill. The leadership, however, is under great pressure from the pro-life wing of the party to retain -- or even expand on -- the Bond/Frist approach, so as to impose further restrictions on embryo research. We are continuing to support the Kennedy-Feinstein cloning bill (which is nearly identical to our own proposal), while working with HHS and OSTP to devise possible compromise proposals.

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THE WHITE HOUSE

WASHINGTON

February 20, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

1. Tobacco -- New Tobacco Ad Campaign and Announcement on Synar Goals: Next Saturday, February 28, is the one-year anniversary of the effective date for two key provisions in the FDA rule. Those provisions prohibit retailers from selling tobacco products to anyone under 18 and require retailers to check the photo identification of anyone under 27 years old. We are preparing an event for you and the Vice President to mark the anniversary by announcing a new FDA ad campaign to call attention to these access restrictions. In addition, HHS will release a report showing that all 50 states are in compliance with the Synar amendment (enforcing age restrictions on tobacco purchases), and listing the target date that each state is expected to achieve its Synar goal. The report also presents state by state information on the rate of sales to youth of tobacco products. We believe this is a good opportunity to highlight your success in moving the country forward in the fight to protect children and to repeat your challenge to Congress to enact comprehensive tobacco legislation.

2. Child Care -- Stay at Home Parents: We are working with NEC and Treasury to prepare policy options on proposals to help "stay-at-home parents" in case we need to negotiate a proposal as part of a final child care package. Senators Chafee and Dodd have both included proposals in their child care bills to offer tax credits to parents who choose to stay at home with their young children. Last week, the House unanimously passed a resolution introduced by Congressman Goodling noting that any child care initiative passed by the Congress must not ignore stay-at-home parents (although Democrats complained that they were not given the opportunity to amend the resolution to include support for child care for working families as well). In deference to Treasury's concern that the administration maintain its leverage by not looking too eager to accept a compromise, our current position is that we welcome Republicans' interest in passing child care legislation and are still evaluating their stay-at-home proposal.

3. EEOC -- Federal Sector Rule. On Friday, February 20th, the EEOC published a Notice of Proposed Rulemaking which seeks public comment on a number of proposed changes to the federal sector complaint process. Most notably, the proposed rule would end the current practice of allowing federal agencies accused of discrimination to overrule final decisions of

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EEOC administrative judges. In addition, the proposed rule would expand the use of ADR mechanisms, provide for the dismissal of complaints where there is a clear pattern of abuse of the complaint process, and expand the use of class actions to more effectively combat systemic discrimination practices in federal employment. These proposed changes would increase the perception of fairness in the process and would increase efficiency by eliminating unnecessary layers of review, dealing more expeditiously with meritless claims and delegating more authority to front-line employees.

4. Campaign Finance Reform --McCain Feingold: Next week we expect the McCain-Feingold reform legislation to come up for consideration. After the vote on McCain-Feingold, we expect Lott to bring up Sen. Nickles's controversial Paycheck Protection Act, which would require unions to get prior consent before using dues for political purposes and is strongly opposed by Democrats who believe it could cripple labor. Sen. Snowe -- along with Sens. Jeffords and Chafee -- has been trying to make aspects of each bill more palatable to Senators on both sides of the aisle. Snowe's compromise, derived from a proposal crafted by Norm Ornstein and Thomas Mann -- would restrict both unions and corporations from airing certain types of advertising within 60 days of a primary or general election. It is not clear yet whether Democrats will support the Snowe compromise.

5. Campaign Finance Reform -- Petitions: Two weeks ago, the Federal Communications Commission (FCC) received your letter to establish a system of free and discounted TV time. Last week the Federal Elections Commission (FEC), in response to your petition to ban "soft money," asked the FEC General Counsel to provide the commission with additional options on restricting "soft money" contributions. If bipartisan campaign finance reform legislation is filibustered next week, we will focus attention on your pending petitions before the FCC and FEC. In addition, we should consider submitting other petitions, including one to the Securities Exchange Commission (SEC) on disclosure of contributions.

6. Welfare Reform -- Update on Fatherhood Initiatives by Governors and Congress: There is growing interest among governors regarding how states can use their TANF funds to promote positive fatherhood involvement. Govs. Ridge and Carper recently launched a bipartisan national effort to promote responsible fatherhood. They will host a national fatherhood summit in June, bringing together elected officials and leaders from the civic, philanthropic, education and entertainment communities. There are also indications of interest by House Republicans on this issue. Late last month, Rep. Archer called for $1 billion "Fatherhood Counts" block grant, paid for by capping attorneys' fees in tobacco legislation. We are working with the Vice President on possible new administration initiatives on fatherhood.

7. Welfare Reform -- Welfare to Work Transportation: As you asked us to do after the State of the Union, we have sent a letter from you to all the governors urging them to use existing welfare funds for welfare to work transportation. The letter highlights Elaine Kinslow's success story, describes your proposal for $100 million in new welfare to work transportation funds; and urges states to make full use of existing welfare funds to provide transportation

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services. To help states do so, HHS, DOL and DOT will provide more detailed guidance shortly. The letter will also be sent to state legislative leaders and local elected officials.

8. Welfare Reform--Separate State Programs: New financial data from the states show that 16 states have created separate state programs. Under TANF, state expenditures in certain separate state programs may count toward a state's TANF Maintenance of Effort (MOE) requirement, even though individuals served in these separate state programs don't have to follow the TANF work and time limit rules. Information from the 16 states show that total state spending on separate state programs ranges from 1% in Indiana to 52% in Hawaii. Eight states report spending more than 10% in a separate state program: Hawaii, Illinois, Colorado, Iowa, Alabama, Wyoming, Massachusetts, and Arizona. Six of these eight states spent most or all of their funds on child care (child care funds spent in this way would not be time limited). Hawaii created a separate state program for two-parent households and legal immigrants (Florida, Michigan and Tennessee have similar programs amounting to less than 10%). Colorado's separate state program is for child welfare services.

8. Education -- NGA Meeting: On Monday, you will announce to NGA (1) a directive to the Education Department to develop guidelines for educators and policymakers on how to end social promotion; (2) John Engler's appointment to NAGB; (3) a legislative proposal to extend Ed-Flex from the current 12-state pilot program to one open to any state which sets high standards and holds schools accountable for results by issuing school-by-school report cards and intervening in failing schools; and (4) findings from a recent Education Department analysis of recent state class size reduction initiatives.

9. Education -- TIMSS Results: As we reported last week, on Tuesday the Education Department and the National Science Foundation will release the results of the TIMSS 12th grade study, in which U.S. students performed among the worst in the world. We believe the poor performance in 12th grade is due to a number of factors, including; (1) a weak foundation for learning advanced math and science, especially in math among 8th graders; (2) an unchallenging curriculum which continues to emphasis superficial mastery of facts rather than an in-depth understanding of subject matter; and (3) weak teaching due to inadequate content expertise among significant number of high school math and science teachers, as well as poor classroom teaching even by teachers with strong substantive preparation. The Education Department has also conducted a preliminary analysis of 12th grade data from the Chicago-area First in the World Consortium, which performed among the top countries in general knowledge of math and science. While this is partly because these are affluent communities, it also appears that they have a more rigorous curriculum and better teaching than the rest of the country. If this finding holds up, it will provide additional support for your arguments for higher standards, a more challenging curriculum and better teachers.

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
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February 28, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Safety -- Drunk Driving Event: You are currently scheduled to do a Rose Garden event on Tuesday to highlight the need for a nationwide standard for drinking and driving. You will urge Congress to enact an amendment to ISTEA legislation to make .08 blood alcohol content (BAC) the limit for drivers across the nation. The amendment, which will be offered by Sens. Lautenberg and DeWine, gives states three years to adopt .08 BAC limits, on penalty of losing highway construction funds. To date, 15 states already have adopted .08 BAC laws. We are also preparing a directive to the Secretary of Transportation, instructing him to develop a plan to set .08 BAC as the legal limit on federal property, such as national parks and military installations.

2. Tobacco -- Legislative Developments: The Senate is making good progress on tobacco legislation, although the House remains stalled. In the Senate, Sens. Harkin and Chafee are continuing to work on a comprehensive bill and may make an announcement as early as this week. We would like to give immediate and strong support to this bipartisan effort; we will make a recommendation to you as soon as we get fuller information about the bill's contents. Sens. McCain and Hatch are also working together on comprehensive legislation (apparently with the blessing of Sen. Lott) and have started conversations with Sen. Breaux and farm-state Democrats. McCain and Hatch both complimented the Administration last week for the assistance it is providing to Congress on tobacco legislation (see entry #3, below). In the House, Rep. Fazio is getting ready to introduce a version of the Conrad bill -- once again, with only Democrats signing on -- but there is little other activity. Rep. Bliley would like to make a push for comprehensive bipartisan legislation, but the Republican leadership has not yet authorized him to do so; in any event, he and the key Democrats on his committee (Reps. Dingell and Waxman) may remain too far apart on too many issues to make such a bipartisan bill a real possibility.

3. Tobacco -- Letters to Congress: Bruce sent a letter to Sen. McCain on Friday, enclosing responses to 74 questions that the Senator had asked the Administration about tobacco legislation. Most of the questions related to restrictions on advertising designed to reduce youth smoking. In our responses, drafted with extensive input from the Department of Justice and HHS, we explain that the advertising restrictions contained in our FDA rule are consistent with the First Amendment. We go on to explain that the broader advertising restrictions included in

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the June 20th settlement, although potentially very valuable in reducing youth smoking, raise significant constitutional concerns if imposed by legislation. Some Members of Congress may use these responses to argue that only a settlement -- and not simply legislation -- can achieve the goal of reducing youth smoking. We will not make this argument ourselves, because we do not want to suggest that we need the consent of the tobacco industry to accomplish something meaningful in this area. To the contrary, we will stress the ability of comprehensive legislation to impose real pain on the industry for continuing to market to minors. But in the long run, this letter may help to create the conditions for a bipartisan agreement on tobacco by providing a rationale for giving certain legal protections to the industry (without which many Republicans and farm-state Democrats will resist legislation).

In a separate letter sent last week, responding to questions from Sen. DeWine, the Department of Justice expressed skepticism about the need to include antitrust exemptions for tobacco manufacturers in comprehensive legislation. The Department particularly criticized proposals to provide exemptions for price-fixing or for dealings with distributors and retailers. It did, however, leave open the possibility of a narrowly drawn exemption for agreements on advertising to minors.

4. Tobacco -- Fourth Circuit Decision: Judge Russell -- one of the three Fourth Circuit judges who heard argument in the lawsuit challenging the FDA's rule -- died last week (at the age of 92). Judge Russell was very hostile to the FDA's argument during oral argument. If the other two judges are split, they will have to set the case for reargument. If they are in agreement, they could still issue a decision.

5. Health -- Medicare Commission Meeting: You are currently scheduled to meet with the Medicare Commission on Thursday, the day before its first official session. We do not expect the Commission to take any important action at its first session: the members probably will try to set a long-term agenda and then focus on questions of process and procedure. The Commission's kick-off may nonetheless attract significant media attention, and your meeting with the members offers a good opportunity to demonstrate your commitment to solving the long-term financing challenges facing the Medicare program. We recommend that you urge the members to work in a bipartisan spirit, and that you relate their effort to the activities you are undertaking to develop consensus on needed Social Security reforms. We also are considering whether you should announce some general principles on Medicare reform to guide the Commission's work in the future.

6. Health -- Patients' Bill of Rights Legislation: The Democratic Leadership is expected to unveil its version of the patients' bill of rights in about a week. The legislation will go beyond your Quality Commission's recommendation by providing for judicial enforcement of the bill of rights and requiring health plans to cover all clinical trials, breast reconstructive surgery, and other services associated with mastectomies. (Sen. D'Amato is expected to offer an amendment on the Senate floor in the next few weeks that will impose similar new benefits requirements on health plans, including services associated with mastectomies and second

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opinions for cancer patients.) Both the benefits requirements and -- perhaps even more -- the enforcement provisions are very controversial, especially with the business community. Opponents will argue that these measures will lead to increased litigation, higher premiums, and more uninsured Americans. These claims are overblown, but they will have great effect in Congress. Because the Democratic Leadership version of the Bill of Rights stands little or no chance of passing, our challenge is to indicate support for the legislation without undermining our ability to back an eventual more moderate proposal. We are meeting with the Democratic Leadership this week to construct a communications and legislative strategy.

7. Welfare Reform -- Exempting Workfare from FICA Taxes: The IRS and the Department of Treasury's Tax Policy Division have prepared a draft notice stating that workfare positions are not subject to FICA taxes. As you recall, Democratic and Republican Governors alike have long sought this result, and you have indicated support for legislation to achieve it. The IRS/Treasury draft notice specifically states that it addresses only the status of workfare programs under federal tax law, and not under any employment law (including the minimum wage). The unions nonetheless fear that a court may use the notice to support the argument that workfare is really only a welfare payment -- not employment subject to the minimum wage and other requirements. Disinterested lawyers say that a court could take this approach, but that the notice is drafted to minimize the risk as far as possible. IRS and Treasury officials are currently considering whether to publish the notice.

8. Welfare -- Fatherhood Initiatives: Rep. Shaw, joined by Chairman Archer and other Republican members of the Ways and Means Committee, introduced a new $2 billion block grant proposal on Thursday to enhance fatherhood and parental responsibility. Shaw described the initiative as the next step in welfare reform and as a way "to help children by providing them with more than a working mother and sporadic child support." Under the initiative, states would award funds to community-based projects that encourage marriage and better parenting by fathers and help fathers to obtain employment or get better jobs. Although the bill is good politics, there is little reason to think that such an open-ended block grant will produce results. We are exploring alternative ideas in case Congress decides to take up "fatherhood" as an issue, including providing workfare slots for unemployed delinquent fathers and insisting that they work off their back child support.

9. Education -- Feinstein Ballot Initiative: You recently asked us whether you should support a California ballot initiative that Sen. Feinstein has proposed, called the "Excellence and Accountability in Education Act of 1998." The initiative contains many elements that reflect or complement your own agenda: requiring grade-by-grade education standards; ending social promotions and providing mandatory summer school for students who do not meet standards; expanding California's existing class-size reduction program; lengthening the school year; and improving teacher quality through such steps as providing incentives to recruit well-trained new teachers, raising teacher certification requirements, and rewarding outstanding teachers. But the proposed funding mechanism -- a $1 per pack state tobacco tax -- makes it difficult for you to endorse the Feinstein initiative at this time. Your support for such a significant state tobacco tax

increase, over and above the new federal tobacco revenues contemplated in your budget, would only further complicate the effort to pass comprehensive tobacco legislation during this Congress.

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Mar. 6, 1998 – DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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3-9-98

March 6, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health -- CBO Analysis of Medicare Buy-In: The Congressional Budget Office (CBO) released on Thursday a very positive analysis of your Medicare buy-in proposal. CBO confirmed our view that the proposal will have no notable impact on the Medicare Trust Fund. Even more strikingly, CBO projected both greater participation and lower costs than the Administration had estimated. According to CBO, your proposal will provide coverage for 410,000 people, rather than the 300,000 we had claimed. Also according to CBO, beneficiaries will have to pay only $10 extra per month after they turn 65 to cover the costs of the buy-in, rather than the $16 we had estimated. We are hopeful that these estimates will give a needed shot in the arm to your buy-in proposal, which Senator Moynihan will introduce as legislation sometime in March.

2. Health -- AMA Speech on Quality: You are scheduled to give a speech on Monday to the American Medical Association (AMA) highlighting our shared commitment to enhancing health care quality. (The speech will also note our shared goal of reducing tobacco use.) The speech -- which will lead off a week in which your Quality Commission will issue its final report and the Democratic leadership will introduce its quality bill (see below) -- will mark the first time you have addressed the AMA and the first time any President has spoken to the AMA since Ronald Reagan in 1983. You will release a new survey prepared by the DPC that documents how many states have enacted the consumer protections recommended by your Quality Commission. The survey will show that more than 43 states -- including 25 with Republican Governors -- have enacted one or more of the recommendations. As you know, the AMA supports strong federal legislation in this area, including a provision to ensure judicial enforcement which the business community vehemently opposes. This enforcement provision is contained in both the Norwood bill and the Democratic leadership bill. The Administration has yet to take a position on it, primarily because the resulting business opposition might cripple the effort to enact any quality legislation.

3. Health -- Democratic Patients' Bill of Rights Bill: The Democratic leadership is scheduled to unveil a patients' protection bill on Thursday. This legislative proposal will receive broad-based support among Democrats in the House and less diverse support in the Senate. The bill includes controversial enforcement provisions (see above), as well as new requirements that health plans cover all clinical trials and all services associated with mastectomies, including

What about colonoscopy coverage?

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breast reconstructive surgery. The business community will argue that these provisions will lead to increased litigation, higher premiums, and more uninsured Americans. As you know, we believe that you should support this legislation without embracing it as your own. The bill stands little chance of passing, and too strong a signal of support may sharpen the business community's opposition to quality legislation and alienate important Republican members -- such as Reps. Hastert, Thomas, Bilirakis, and Bliley -- who have indicated a desire to work with us on this issue.

4. Health -- Final Quality Commission Report: Your Quality Commission is scheduled to release its last report later this week. This report will focus not on patients' rights, but on the development and use of health care standards. Although this subject has not received as much attention as the patients' bill of rights, many health policy experts believe that this aspect of the Commission's work may have even greater potential to improve the health care system. Numerous quality problems now plague the health care system, including avoidable errors, variation in services, and overutilization of services. Each year, for example, 80,000 American women undergo unnecessary hysterectomies and more than one million Americans suffer harm as a result of avoidable errors. The Commission will propose the formation of a Quality Council to develop goals and strategies to improve health care quality. The Commission also will propose the establishment of a Quality Forum, comprised of private and public sector purchasers, that will develop a consistent set of health quality measures, to facilitate meaningful comparisons among plans and providers.

Can I receive a-to-work?

5. Health -- Kyl Private Contracting Issue: The Senate Finance Committee held a hearing last week on Senator Kyl's proposal to make it easier for doctors to enter into private contracts with Medicare eligible individuals. As you know, we have objected to this proposal on the grounds that it would reduce the access of non-wealthy Medicare beneficiaries to the best doctors -- or in some areas, to any doctors at all -- and create significant opportunities for fraud. All of the witnesses at last week's hearing, with the exception of Senator Kyl and a right-wing aging group called United Seniors, echoed these criticisms. Most policy and political analysts -- including the AMA, which is one of the Kyl amendment's most ardent supporters -- believe that this legislation is dead at least for this Congress.

6. Education -- Meeting on TIMSS Results: You are currently scheduled to meet on March 16 with a group of business, education, and math and science leaders to discuss how the nation should improve math and science education in the wake of the recent TIMSS results. Among those planning to attend are: Mayor Daley, Rudy Crew, Diane Ravitch, Sandy Feldman, Bob Chase, Ed Rust (the CEO of State Farm, who chairs both the National Alliance of Businesses and the Business Roundtable's Education Task Force), Bill Schmidt (the director of the TIMSS study), and Bruce Alberts (the President of the National Academy of Sciences). This meeting will provide an opportunity to demonstrate the need for standards-based school reforms and to highlight your own education agenda. It is especially important because some in the education community responded to the TIMSS results by dismissing the significance of low test scores.

I want to discuss this with Hillary

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7. Education -- Opportunity Zones: Rep. Clay, the ranking minority member on the House Education and Economic Opportunities Committee, has agreed to introduce your Education Opportunity Zones legislation in the House, and to try to recruit bipartisan sponsors. DPC and Education staff are working with Clay to finalize the legislation. We expect to have it ready for transmittal to Congress within the next few weeks.

Good idea to announce?

8. Child Care -- Speech and Directive: You are currently scheduled to go to Connecticut on Tuesday to give a speech on your child care proposal. You can announce a directive on that day to ensure that all federal child care centers (except those run by Congress or the judiciary) become accredited by the year 2000, and that all do proper background checks of child care workers. You also can announce a new HHS report showing that states are using Child Care and Development Block Grant funds wisely, but that they have far too little money to reach the entire population of eligible children. On the same day, the Children's Defense Fund will issue a report showing the need for increased investment in child care programs.

OK

9. Child Support -- Penalties Legislation: The House passed 414-1 last week a bill introduced by Rep. Shaw to set realistic penalties for states' failure to put in place statewide computer systems to track parents who owe child support. The legislation, which we helped Shaw to develop, sets penalties at 4 percent of federal child support funds in the first year of noncompliance, going up to a high of 20 percent in the fifth year and thereafter. The legislation further provides for a state to get a rebate of a portion of the penalties once HHS certifies its computer system. Prospects for Senate passage of the legislation are extremely high.

Good

10. Crime -- Modified Assault Rifles: The Treasury Department is almost ready to report back to you on whether it can permanently halt the importation of modified assault rifles under the Gun Control Act of 1968 for failure to comply with the "sporting purposes" test. (As you recall, you directed Secretary Rubin in November to suspend temporarily the importation of these weapons, while the Treasury Department conducted its review.) Treasury has studied the features and uses of the 5 basic kinds of modified assault rifles, and is now considering whether to recommend halting the importation of all five or only two (AK-47s and Uzis). We are carefully reviewing the evidence and legal arguments, so that we can determine whether a broader or narrower ban is appropriate. Treasury may be ready to make its recommendation in time for next week's radio address.

Yes, Uzis

11. Crime -- COPS Grants: The COPS Office awarded $31 million on Thursday to 186 law enforcement agencies in small towns across the country. The grants will fund 467 full-time and 67 part-time officers.

12. Drugs -- NIJ Study on Drug Use: The Justice Department's National Institute of Justice released a study this week on drug use and purchase patterns among individuals arrested for crack, powder cocaine, and heroin offenses in six cities. The report found that heroin users were the most likely to be daily users (a substantial majority in all cities), followed by crack users (40 to 50 percent), and cocaine users (10 to 40 percent). In addition, a greater percentage

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THE PRESIDENT HAS SEEN
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of crack users than of heroin or powder cocaine users lived on the streets or in shelters prior to their arrest.

13. Campaign Finance Reform -- Free TV Petition: With the defeat of McCain-Feingold, we are now focusing on your petition to the Federal Communications Commission (FCC) to establish a system of free or discounted broadcast time for candidates for federal office. The FCC has received letters of support for this petition from 83 Members of Congress, including a few notable Republicans such as Sen. Roth and Rep. Shays. Sen. McCain, however, has expressed strong opposition to such FCC action, and he intends to offer an amendment to the supplemental appropriations/IMF bill, as early as next week, to prohibit the FCC from imposing a free-time regime. In addition, all the Republicans on the House Commerce Committee have written the FCC in opposition to your request that the FCC begin a rulemaking procedure. David Broder intends to write a column tomorrow supporting our petition, and we are trying to round up additional editorial support.

14. Race -- EEOC Budget Request: Newt Gingrich testified at an EEOC oversight hearing on Thursday that he would support your proposed increase in funding for the EEOC on the condition that the EEOC not use any FY99 funds on testing programs to uncover employment discrimination. Acting Chair Paul Igasaki responded at the hearing that although the EEOC is currently conducting a pilot program on the use of testing in the employment context, its FY99 budget request does not include any money for testers. This exchange would seem to commit Gingrich to supporting our EEOC budget request, but his testimony also contained criticism of class actions and he could try to link an increase in EEOC funding to restrictions on this litigation device. In addition, Gingrich's criticism of testing programs bodes ill for our proposal that HUD significantly expand its use of testing to uncover housing discrimination.

15. Tobacco: We are sending you a separate memo today on communications and legislative strategy on tobacco.

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Mar. 13, 98 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
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March 13, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Senate Commerce Committee Activity: As you know, Senator McCain is leading an effort, blessed by Senator Lott, to report a comprehensive tobacco bill out of the Commerce Committee. McCain plans to begin marking up a bill on March 25th. His staff spent last week in discussions with staff for Senator Hollings; they plan to start meeting next week with staff for Senators Gorton, Breaux, and Wyden. McCain has asked us to participate in the meetings of this bipartisan staff-level group, and we have agreed to do so. He has told us that he wants to understand our views so that he can produce a bill we can support -- or at least, that we will not sharply criticize. Many Senate Democrats are fearful that we and/or Committee Democrats will cut a deal with McCain, depriving them of the opportunity to have a floor fight on the issue. Our recommended approach to these discussions is to set a high bar consistent with your oft-expressed principles on tobacco legislation. If, as we expect, McCain meets some but not all of our demands (on matters such as price, penalties, and FDA jurisdiction), we should praise the progress he has made, but explain what Congress must do to improve the bill further. On the off chance, however, that McCain gives us all that we ask for, we should support the bill. Erskine, Larry, and Bruce will meet with McCain again on Monday.

2. Tobacco -- Chafee-Harkin Legislation: The public health community responded very favorably to the Chafee-Harkin bill, notwithstanding its annual caps on legal liability. Even Drs. Koop and Kessler, who have expressed the strongest views against granting legal protections to the tobacco companies, wrote a letter congratulating the senators "for crafting a very strong comprehensive package of tobacco reforms" and calling the proposal "tough medicine for a tough problem" and "a major step forward." The bill, however, may not gain much support from Members of Congress. Senator Lott has made clear to Republicans that his preferred vehicle is the McCain bill and that they should not sign on to Chafee-Harkin. Senator Daschle similarly has indicated his strong desire that Democrats unite around the Conrad legislation.

think we'd need to meet
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[illegible]

3. Tobacco -- Funding for Counteradvertising Campaigns: You recently asked how much money the various tobacco bills spend on counteradvertising. The original June 20th settlement proposed to spend $500 million each year. The Jeffords and Kennedy bills match that figure; the Conrad bill provides $700 million; and Chafee-Harkin proposes $750 million. Our budget does not specifically allocate money for counteradvertising, instead including these funds

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in a broad "other uses" category (also including money for farmers, states, and legal judgments) totaling $22 billion over the five-year budget window.

4. Health -- Medicare Buy-in Event: You are scheduled to join the Democratic sponsors of your Medicare buy-in proposal on Tuesday for the unveiling of their legislation. The recent, very positive CBO analysis of this proposal has increased support for it among Members and others. The Kaiser Foundation is planning to release a report next week that underscores the difficulty many older Americans have in gaining access to health insurance. Kaiser has agreed to let us discuss some of its key findings in our announcement. Senator Moynihan, the lead sponsor of this legislation in the Senate, will figure prominently in the event next week. So too will the three Democratic members of the Medicare Commission who are co-sponsors of the legislation (Sen. Rockefeller and Reps. Dingell and McDermott). We are still holding out some hope that Senator Kerrey will endorse the bill, but Senator Breaux will not do so.

5. Health -- Missouri Children's Health Proposal: HCFA met last week with Governor Carnahan's staff to discuss Missouri's children's health insurance proposal. As you know, Missouri previously insisted on financing its program through provider taxes that HHS believes to be illegal. The State now has offered a new proposal that HCFA may be able to accept. HCFA has asked the State to provide additional information, and negotiations remain very delicate. We are hopeful, however, that we have turned a corner in dealing with this problem.

6. Health/Crime -- Assisted Suicide: The Department of Justice soon will decide whether doctors in Oregon who assist their terminally ill patients to commit suicide, in conformance with state law recently enacted through referendum, violate the federal Controlled Substances Act (CSA). In response to a letter from Sen. Hatch and Rep. Hyde, the DEA Administrator informed Congress in November that the CSA authorizes him to bring actions against doctors who engage in this activity. We understand, however, that the Attorney General probably will reverse this legal determination and find that the federal government does not have authority under the CSA to take adverse action against a physician for assisting a suicide. If she does so, Hatch and Hyde are likely to offer legislation amending the CSA to make physician-assisted suicide a federal crime, punishable by the revocation of professional licenses or even more severe penalties.

We should consider carefully our approach to this issue, including what the Attorney General should tell Hatch and Hyde about the Administration's receptivity to such legislation. Although you historically have opposed physician-assisted suicide, you have not indicated (at least as far as we know) that it should be made a federal crime. Many medical groups argue that highly-publicized federal legislation on this issue will inhibit physicians from the appropriate use of painkillers for the terminally ill. Indeed, even the Catholic Health Association (CHA), which strongly opposes physician-assisted suicide, has concerns about a new statute for this reason. We are meeting with CHA officials this coming week to discuss the issue. For the moment we urge some caution in addressing this kind of legislation.

7. Education -- TIMSS Roundtable: You will meet on Monday with leaders of the education, science, and business communities and other public officials to discuss ways of improving math and science education in the wake of the recently announced TIMSS results. The roundtable will take place at Springbrook High School in Silver Spring, Maryland, and participants will include Govs. Glendening and Underwood, Mayors Daley, Riordan and Lee Clancey (Cedar Rapids IA), Sandy Feldman and Bob Chase, Bill Nye "the Science Guy" from the PBS show, Diane Ravitch, and New York City schools chancellor Rudy Crew. Secretary Riley and Secretary Pena also will participate. You can use this event to highlight your overall K-12 education agenda, including national standards and tests, smaller class size, the elimination of social promotions, school modernization, and mentors and reading tutors. You also can use the event to urge others to do their part -- to challenge, for example, students to take more rigorous academic courses, businesses to emphasize and reward academic achievement, and states to require new teachers to pass tough tests of subject matter competency.

8. Education -- Single-Sex Schools: As you recall, the ACLU filed a complaint last year with the Education Department's Office of Civil Rights, charging that New York City's Young Women's Leadership Academy, an all-girls public high school in East Harlem, violates federal civil rights law. Staff from the Education Department and the New York City Chancellor's office will meet next week in a continuing attempt to develop the soundest legal basis -- probably a remedial justification -- for keeping the school open. We and the Counsel's Office have urged the Education Department to bring this matter to a successful conclusion as soon as possible. As you know, Chancellor Crew feels passionately about this school, and he could discuss it with you when he attends the TIMSS meeting on Monday.

Complicating the situation somewhat, the American Association of University Women (AAUW) released a report last week finding no evidence that single-sex education is better for girls than coeducation. The AAUW urged school districts to focus on raising standards and reducing class size, rather than creating separate schools, to improve educational opportunities for young women. Secretary Riley issued a statement agreeing with the report's emphasis on standards and class size, but also restating the Administration's commitment to maximizing choice within the public school system wherever consistent with the law.

9. Education/Crime -- School Safety: The Department of Education and the National Center on Education Statistics will be ready to release a survey on school safety next week; if your schedule allows, you could announce the results on Thursday morning. The survey finds that:

- Fifty seven percent of public schools experienced at least one crime incident that was reported to law enforcement officials in the 1996-97 school year; 37 percent experienced one to five of these incidents, and 20 percent experienced six or more.

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- Ten percent of schools experienced at least one serious violent crime during that year (i.e., murder, rape, other sexual battery, suicide, physical attack or fight with a weapon, or robbery).

- Overall incidents of crime and violence include: 190,000 physical attacks or fights without a weapon; 116,000 thefts or larceny; 98,000 incidents of vandalism; 11,000 physical attacks or fights in which a weapon was used; 7,000 robberies; and 4,000 rapes or other forms of sexual battery.

- Middle and high schools were more likely to experience an incident of crime and violence than elementary schools (74 and 77 percent, as opposed to 45 percent, for all violent incidents; 19 and 21 percent, as opposed to 4 percent, for serious violent crimes). Differences in robbery rates were not significant.

10. Welfare -- Transportation Funding: The ISTEA bill passed by the Senate includes an amendment offered by Senators Specter, Santorum, and Moseley-Braun that authorizes $150 million each year -- $50 million more than we requested -- for welfare-to-work transportation services. Like our proposal, this provision would provide competitive grants to communities to design innovative transportation solutions for low-income individuals, including those moving from welfare to work. The Senate amendment authorizes another $100 million each year for grants to help transport any workers, regardless of income, from the cities to the suburbs. We expect that the final ISTEA bill will include these authorization levels. House appropriators, however, have expressed doubts about whether any additional monies are needed for welfare-to-work transportation services; we will have to mobilize both welfare and transportation groups to support our request for this funding.

11. Children and Families -- Intimate Violence Study: The Department of Justice will release a study on Monday showing a marked decline in violence by intimates (current and former spouses, boyfriends, and girlfriends) during your first term in office. The number of female victims of non-lethal intimate violence declined from 1.1 million in 1993 to 840,000 in 1996 -- a 23 percent decline. The number of victims of lethal intimate violence declined from 2,300 to 1,800 -- a 22 percent decline -- in the same years. The report notes that slightly more than half of female victims of intimate violence live in households with children under the age of twelve. Although the report does not address the causes of this decline, many experts believe it is at least partly attributable to the enactment of the Violence Against Women Act and increased federal funding for the prevention and prosecution of domestic violence. The First Lady will highlight the report in her speech at a child abuse center in Texas on Monday.

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Mar. 20, 1998- DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

March 20, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Senate Commerce Committee Activity: We have been meeting regularly with staff for Sens. McCain and Hollings, as they try to put together a comprehensive tobacco bill that a bipartisan coalition on the Commerce Committee can support. McCain is very pleased with our cooperation, as we are with his genuine desire to gain our support, and he is aiming to complete a mark-up before the April recess. But at least two serious obstacles remain. First, many Republicans -- including Sens. Jeffords and Hatch, who are not on the Committee, but whom McCain feels he must work with closely -- object to our proposal on FDA authority. Whereas we want Congress to affirm that the FDA can regulate tobacco products under its normal drug-and-device authority, these Senators want Congress to create a separate -- and we believe, less potent -- statutory scheme to govern the regulation of tobacco products. We have met with a bipartisan group convened by McCain and Hollings -- including staff for Sens. Hatch, Jeffords, Kennedy, and Conrad -- to discuss this issue, but so far have made little progress. One problem is that the Republicans have no incentive to give us what we want on FDA jurisdiction until they know whether we will approve the limits they want on the tobacco companies' liability.

Put Lowey in gerany

Second, Sen. Daschle will pressure Democrats on the Committee to oppose any bill with liability protections, regardless of what else is in it. Daschle argues that if Congressional Democrats give up liability limits as an issue now, they will find it more difficult to get what they want on spending priorities later. (The Commerce Committee bill will not address the issue of how to spend the revenues it generates.) But because McCain believes he must include some liability limits in his bill -- he is leaning toward the Chafee-Harkin model of a cap on annual damages, with no limitations on class actions or punitives -- Sen. Daschle's approach poses a risk of wholly derailing the Commerce Committee effort. Although Daschle will not be able to control the votes of Hollings, Ford, or Breaux, he could persuade Inouye, Wyden, and Kerry, who are now generally supportive of McCain's effort, to repudiate the legislation. At that point, McCain might decide to abandon the project, rather than face a partisan attack on this issue. Erskine and Larry will talk with Daschle this week to ask him not to discourage Committee Democrats from supporting an otherwise good bill.

2. Tobacco -- State by State Numbers: In a speech to the PTA on Monday, the Vice President will unveil new Treasury Department statistics demonstrating that your tobacco plan

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will cause a significant reduction in youth smoking -- and therefore in premature deaths -- in every state in the nation. As you recall, you announced last month that over the next five years, your plan would deter 3 million American teens from smoking and prevent one million from dying prematurely. The new Treasury statistics break down these figures on a state-by-state basis, showing for example that California alone will have 83,000 fewer tobacco-related deaths. We are giving these numbers to the state Attorneys General for separate announcements on the same day; after the Vice President holds a conference call with them in the morning, many will hold news conferences to release the numbers and demand that Congress pass bipartisan, comprehensive tobacco legislation. Later in the week, Deputy Secretary Larry Summers will give a speech at the George Washington University School of Public Health on the economic costs of smoking.

3. Crime and Drugs -- Conference on Drug Treatment: The Justice Department, ONDCP, and HHS will hold a three-day conference on drug treatment in the criminal justice system next week. The conference will explore effective drug treatment services, obstacles to their adoption, and gaps in scientific knowledge on drug addiction. The Attorney General will unveil a new legislative proposal -- developed pursuant to your January 12, 1998 directive -- to allow states to use their Federal prison construction and substance abuse treatment funds to provide a full range of drug testing, treatment, and sanctions for offenders under criminal justice supervision.

4. Crime and Drugs -- Probation Study: The Department of Justice will release the first survey of the nation's 3.2 million probationers on Sunday. The survey found that:

-- Forty percent of all probationers were under the influence of alcohol, and another 14 percent were on drugs, at the time they committed the criminal offense for which they were sentenced.

-- Almost 70 percent of probationers reported past drug use, 32 percent during the month of their arrest. Overall, 67 percent had used marijuana, 31 percent crack or other forms of cocaine, 25 percent stimulants, 20 percent hallucinogens, 15 percent barbiturates, and 8 percent heroin or other opiates.

-- Almost half of all probationers reported having been tested for drug use while on probation. This figure rose to 65 percent among those who had used drugs during the month before their criminal offense, and to 74 percent among those who committed their offense to obtain drug money.

-- About 17 percent of all probationers reported participating in a drug treatment program during their sentence, but this percentage rose as the severity of their prior drug use increased. More than half -- or 52 percent -- of probationers who were on drugs when arrested had participated in a drug treatment program.

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THE PRESIDENT HAS SEEN
3-22-98

-- Sixty four percent had driven a car while drunk or drugged; 50 percent had been involved in a domestic dispute while drunk or high; and 35 percent had consumed as much as a fifth of a gallon of alcohol in a single day.

5. Crime -- COPS: The COPS Office will announce on Thursday $58 million in hiring grants to 285 police departments to fund about 900 additional officers. This announcement will put the total number of officers funded through the COPS Program at over 72,000.

6. Health -- Patients' Bill of Rights I: Rep. Gephardt is insisting that the Democratic Leadership's version of patients' rights legislation include whistleblower protections for hospital employees. Although we are sympathetic to these protections, we believe their addition to the bill would diminish the prospect of passing legislation this year. Rep. Dingell believes equally strongly that including whistleblower protections would be a strategic mistake, because they would prevent Blue Dog Democrats like Reps. Stenholm, Tanner, and Barry from supporting the bill. Indeed, Dingell has said that he would reconsider his decision to be the bill's lead sponsor in the House -- still further decreasing the chance of Congressional action -- if these provisions were added. We will continue to work with Gephardt, Dingell, and the Blue Dogs to see if compromise language can be developed. The Democrats are currently scheduled to introduce their bill as early as Wednesday.

7. Health -- Patients Bill of Rights II: Larry Stein and Chris Jennings had a good meeting on Thursday with Rep. Norwood, the Republican sponsor of patients' rights legislation in the House. Norwood believes there is strong bipartisan support in the House to pass this legislation, and wants to work with us to achieve this goal. We agreed that we should aim to pass a bill by July, and that the House would have to act first to put pressure on the Senate. Norwood said he would continue to support a strong enforcement scheme for patient protections, in part because he thinks such a scheme is necessary to maintain the backing of the AMA and consumer groups. He also indicated that he and his Republican colleagues would oppose any provisions mandating insurance plans to provide certain benefits.

8. Health -- Children's Health Implementation: HHS will announce the approval of Ohio's and California's children's health program next week. Because of the size and strength of these programs, we may want to highlight their approval at the White House, possibly with the Vice President participating in your absence. Also within the next ten days, HHS will make a decision on whether to approve New York's children's health proposal. New York's application has a controversial provision involving provider taxes that may lead HHS to disapprove it. The plan also takes insufficient steps to ensure that federal dollars not substitute for health insurance currently covered by the private sector.

9. Health -- Assisted Suicide Law: We met this week with representatives of the Catholic Health Association (CHA) to discuss the Justice Department's likely ruling that doctors in Oregon who assist their terminally ill patients to commit suicide, in conformance with state law recently enacted through referendum, do not violate the federal Controlled Substances Act

Walker to prepare response

3-22-98

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(CSA). CHA informed us that Sen. Hatch and Rep. Hyde will introduce legislation amending the CSA to prohibit such action as soon as the Department issues this ruling. CHA is working with Hatch and Hyde on ways to draft legislation so that it will not inhibit physicians from the appropriate use of painkillers for the terminally ill, such as incorporating physician review boards into the prosecutorial and/or sentencing process. We will try to delay the release of the Justice Department's ruling until we have developed a roll-out strategy, including a position on federal legislation prohibiting physician-assisted suicide. You can expect a memo from us on that subject immediately after your return from Africa.

10. Education -- Coverdell Bill: Democrats defeated a cloture motion on the Coverdell bill last week after the Senate Majority Leader prevented them from offering any amendments. We expect a compromise to be worked out next week, and the Democrats to proceed with our plan of offering our school modernization proposal as a substitute. Although many in the education community are actively supporting this amendment, we expect it to be defeated on a party-line vote. If that happens, Coverdell will pass because the Democrats do not have enough votes to sustain a filibuster. As of now, however, there are sufficient votes to sustain a veto.

11. Education -- Teacher Training Program: At a mark-up of the Higher Education Act this week, the House Education and Economic Opportunity Committee rejected your teacher training proposal, which would provide scholarships to students who will commit to teaching in high poverty school districts. The Committee instead approved a much smaller and less well-focused provision sponsored by Rep. Goodling, which would provide grants to Governors to address a range of teacher preparation issues such as raising certification standards. To make matters worse, the Committee decided to fund this teacher preparation block grant by eliminating federal support for the National Board for Professional Teaching Standards. We are working with Gov. Hunt and the National Board staff to reverse this action on the House floor, including by demonstrating strong bipartisan gubernatorial support for the Board. At the same time, we are attempting to ensure that the Senate Education and Labor Committee produces a better teacher training provision.

12. Political Reform -- Free Television Time: We persuaded Senate Republicans last week to remove language from the Supplemental Appropriations bill that would prohibit the Federal Communications Commission (FCC) from establishing a system of free television time for candidates for federal office. The Republicans will add this rider to another bill, however, unless we can find some compromise approach to the issue. Sen. McCain is the key to a settlement, and we are meeting with his staff this week. One possible solution is for the FCC to put off issuing a Notice of Rulemaking to establish a system of free TV, and instead issue a simple Notice of Inquiry to review the issue. After your Advisory Committee on Public Interest Obligations of Digital Television Broadcasters has completed its work later this year, the FCC could determine to go ahead with a rulemaking.

14. Community Empowerment -- Brownfields: The Vice President announced last week the 16 winners of EPA's $28 million Brownfields Showcase Communities program.

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Among the selectees were Baltimore, Chicago, Dallas, Kansas City, Los Angeles, St. Paul, Salt Lake City, Seattle, and Trenton. The program was very popular, with over 231 communities submitting applications, and we are exploring the possibility of funding a second round in the future.

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THE WHITE HOUSE

WASHINGTON

April 4, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Next Steps: Following the Senate Commerce Committee's 19-1 vote in favor of tobacco legislation, Senators Lott and McCain indicated that the bill probably will go to the floor during the week of May 18, just prior to the Memorial Day recess. We understand that they want to have some kind of leadership agreement in place before bringing the bill to the floor, and we think such an agreement is in our interest as well. We are inclined to propose a budget-like process involving Lott, Daschle, McCain, and Hollings. In the meantime, we will meet with Daschle's staff to discuss our priorities for strengthening the legislation; work with McCain's staff to incorporate technical changes in a manager's amendment; and try to persuade a bipartisan coalition to introduce the McCain bill in the House in order to generate momentum there.

2. Tobacco -- Study on Teen Tobacco Use: On April 2, in conjunction with Kick Butts Day, the CDC released a new study ("Tobacco Use Among High School Students -- United States 1997") which found that cigarette smoking rates among high school students rose by nearly a third between 1991 and 1997, from 27.5 percent to 36.4 percent. Cigarette smoking was highest among white students, rising by slightly more than a quarter, from 31 percent in 1991 to 40 percent last year. The level of cigarette smoking among African-American students was lower than for whites, but increased by a full 80 percent, from 12.6 percent to 22.7 percent. In the first-ever measure of teen use of all tobacco products, the study found that 43 percent of high school students -- nearly half of male students and more than a third of female students -- used cigarettes, cigars, or smokeless tobacco during the previous month. The 1997 data was derived from a survey of over 16,000 students in grades 9-12.

3. Tobacco -- Farmers Legislation: You are currently scheduled to travel to tobacco country (probably Kentucky) on Thursday to discuss the need to protect tobacco farmers and their communities as part of comprehensive tobacco legislation. (Secretary Glickman went to Kentucky yesterday and got a good reception.) This trip will give you an opportunity to express strong support for the plan to protect tobacco farmers that is in Senator McCain's tobacco legislation. This plan, sponsored by Senators Ford and Hollings, attempts to address the needs of both burley and flue-cured tobacco farmers. It maintains a production control system for all tobacco farmers, with provisions for payment to the farmers if and to the extent that the national production level falls. For burley tobacco, the plan offers current quota holders a one-time

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opportunity to sell their quotas at a price of $8 per pound; for flue-cured tobacco, the plan requires all current quota holders to sell at this price, but then issues "permits," which serve much the same function as quotas but are inalienable, to those who actually grow tobacco. The bill also provides assistance to tobacco-producing communities. The entire package would cost $2.1 billion per year in the first ten years and $500 million in years 11-25 for a total of $28.5 billion. For the most part, tobacco farmers are pleased with the proposal included in the McCain legislation, far preferring it to Senator Lugar's alternative plan to buy out all quota holders at $8 per pound and discontinue any further tobacco supports.

4. Health -- Patients' Bill of Rights: The Democratic Leadership introduced its version of the patients' bill of rights last Tuesday in a ceremony attended by Secretary Herman. Your letter to the Leadership, which indicated strong support for the bill without outright endorsing it, was well received. The bill includes all the patient protections recommended by your Quality Commission. It also contains a strong enforcement provision, which would allow states to pass laws enabling individuals to bring damage suits in state courts for violations of these rights. (In the absence of this provision, the Employment Retirement Insurance Security Act (ERISA) would limit individuals to an action in federal court to compel provision of the health benefit at issue.) As you know, the business and insurer communities strongly oppose this enforcement provision on the ground that additional litigation against health plans will result in significantly increased costs. The business community also fears that this provision would set a precedent for allowing states to add to the remedies provided in ERISA in areas other than health care (e.g., pensions). The legislation also includes a compromise "whistleblower protection" provision that is acceptable to the labor community while not raising serious objections from the hospital community. We helped Congressman Dingell and Senator Kennedy draft this compromise provision.

5. Health -- Children's Health Insurance: Last Wednesday marked the sixth-month anniversary of the new Children's Health Insurance Program (CHIP). To mark the occasion, Secretary Shalala, in an event with Bruce and Gene, announced the approval of the New York and Illinois children's health plans. With these two approvals, eight states have now entered CHIP, providing health care coverage for more than one million children. At the event, we also released a DPC/NEC report on the rapid implementation of the new program. The report shows that an additional 15 states have submitted proposals to HHS to expand health care coverage and that virtually every other state has a process underway to submit a proposal. We anticipate approving Michigan's children's health program next week, possibly in conjunction with a children's health outreach event in which the First Lady is scheduled to participate.

6. Health -- Provider Tax Legislation: HHS sent legislation to the Hill on Thursday to give Secretary Shalala additional authority to limit the liability of states with illegal Medicaid provider taxes, as long as they agree to comply with the law in the future. As you recall, the issue of provider taxes came to the fore last fall after you line-item vetoed a provision of the Balanced Budget Act approving New York's use of provider taxes. At that time, we agreed to postpone bringing suit against non-complying states (including New York) until August, while

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4-6-98

we sought this legislation. Our efforts so far have not borne fruit, because (1) Members from states without provider taxes believe the Administration should seek reimbursement from non-complying states, and (2) Members from States with provider taxes (including New York, which just succeeded in getting your line item veto reversed) doubt that we will enforce provider tax rules in any event. We hope that sending up our own legislation will prompt Congress finally to address this issue, or at least demonstrate our own preference for less drastic remedies when we begin in August to initiate enforcement actions.

7. Crime -- Assault Weapons: In response to the directive you issued in November, the Treasury Department has decided to recommend halting the importation of five basic kinds of modified assault rifles (including AK-47s and Uzis), affecting over 50 specific models. The Department will say that these models do not comply with the "sporting purposes test" of the Gun Control Act of 1968 and thus cannot lawfully be imported. The Treasury recommendation recommends banning all the models you told the Department to study. We will leak the Treasury report to all major papers for Monday morning, and you will formally accept the recommendations that day at an event in the Rose Garden.

8. Safety -- .08 Law: The House Rules Committee decided last Tuesday not to allow a vote on the Lowey amendment to ISTEA legislation. As you know, this amendment would ensure that states adopt .08 blood alcohol content (BAC) as the standard for impaired driving. We held two press events at the White House with Administration officials and Rep. Lowey to continue our push for .08 legislation. In addition, your radio address this week includes a strong attack on the House action. Because the Senate adopted an identical .08 amendment by a 62-32 vote, we believe we stand a decent shot of ultimately prevailing on this issue.

9. Welfare Reform -- Federal Hiring Initiative: The Vice President will participate in an event on Thursday to mark the one-year anniversary of the Cabinet meeting in which you asked federal agencies to develop plans to hire welfare recipients. The initiative is proceeding well. Agencies have hired nearly 3,700 welfare recipients, putting them on track to meet the government-wide goal of 10,000 by the year 2000. The Vice President will announce these numbers, release an annual report (containing a brief message from you) that highlights agency accomplishments, and encourage companies that do business with the federal government to participate in the welfare-to-work effort. We have prepared letters to Cabinet members for your signature thanking them for their leadership on this issue and encouraging them to strengthen their efforts.

10. Welfare Reform -- APWA Resolution: The American Public Welfare Association passed a resolution last week urging Congress to enact the two welfare-related initiatives in your FY99 budget: the $100 million-per-year Access to Jobs welfare-to-work transportation initiative and the $283 million-per-year proposal to provide 50,000 welfare-to-work housing vouchers. The Access to Jobs initiative is now authorized at $150 million in both the House and the Senate ISTEA reauthorization bills, so prospects for this initiative look promising. Our housing voucher proposal is in more trouble. Although many in Congress

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support using housing vouchers to enhance welfare-to-work efforts, unrelated concerns about the Section 8 program will make getting funding for these vouchers an uphill fight. We are working with HUD, DOT, HHS, and DOL on a joint secretarial event to rally support for both initiatives in the appropriations process.

11. Welfare Reform -- Food Stamps for Legal Immigrants: Senator Lott has put a hold on an agricultural research bill reported out of conference last week because of provisions in the bill to restore food stamps to some legal immigrants. The Conference Committee agreed to use $818 million of a $1.9 billion reduction in the food stamp program's administrative costs to extend eligibility for food stamps to certain refugees, asylees, Hmong immigrants, disabled, elderly, and children. The package is less generous than your $2.5 billion food stamp proposal, most notably because it would cover only children in the United States on the date of enactment, whereas your proposal would cover both children and their parents, and regardless whether they are in the United States now or come in the future. But even this limited conference committee proposal (which the Administration fought hard for) outraged some Senate conservatives, who accused it of overriding the welfare law. And others, including Senator Lott, objected to the conference agreement because they want to use the entire $1.9 billion offset to fund transportation projects. We will work with OMB, Legislative Affairs, and Public Liaison to mount an effective opposition to Lott's decision.

12. Welfare Reform -- High Performance Bonus: Rep. Shaw has taken issue with our proposed formula for distributing high performance bonusess under TANF because it relies exclusively on measures relating to work (promoting job entry, job retention, and earnings gain), and does not include measures relating to family composition (e.g., increasing two-parent families and reducing out-of-wedlock births). We adopted this approach in light of (1) the difficulty of developing family formation criteria that fairly measure state performance, and (2) the existence of a separate bonus focused on illegitimacy. Shaw contends, however, that our proposal is odds with the purpose of the high performance bonus under the statute. We and HHS will meet with his staff and attempt to resolve this issue in an amicable manner.

13. Child Support -- Penalties Legislation: The Senate voted unanimously on Thursday for a bill to set realistic penalties for states' failure to put in place statewide computer systems to track parents who owe child support. The bill, which the House previously passed by a vote of 414-1, will soon come to you for signature. As you may recall, the legislation, which we helped to develop, sets penalties at four percent of federal child support funds in the first year of noncompliance, going up to a high of 20 percent in the fifth year and thereafter. The legislation further provides for a state to get a rebate of a portion of the penalties once HHS certifies its computer system.

14. Children and Families -- After-School Event: In response to a recent DPC memo on your education agenda, you indicated an interest in doing an after-school event. We are planning an event in May to: (1) announce the first grants of the Department of Education's new 21st Century Learning Centers Program; (2) release a joint report by the Departments of Justice

and Education on the extent to which after-school programs reduce crime and improve school performance; and (3) name the pilot cities for the Administration's effort (announced as part of your child care initiative) to coordinate federal funding and oversight of after-school programs. This event could take place at a high quality after-school program (like the one at Temple University you suggested), or a program that will receive one of the new 21st Century Learning Centers grants. By showing how after-school programs can keep children safe and improve their school performance, the event should help to build support in the appropriations process for our proposed expansion of the 21st Century Program. The Department of Education and DPC are working closely with Senator Jeffords to ensure his strong advocacy of this proposal.

15. Education -- National Board for Professional Teaching Standards: We are working closely with Governor Hunt and the National Board to reverse the action of the House Education and Economic Opportunities Committee to eliminate the Board's federal funding. The Senate Labor and Human Resources Committee is scheduled to mark up the Higher Education Act this week, and we think we will be able to prevent the Committee from including a similar provision. Once the mark-up is complete, we believe that a high-profile veto threat would be an effective way to influence further Congressional action on this issue. Your scheduled event with the National Teacher of the Year on April 24, right after Congress reconvenes, would be a good time to issue this veto threat.

16. Political Reform -- Free Television Time: Chairman Kennard and key members of Congress agreed last week that the Federal Communications Commission (FCC) would put off issuing a Notice of Rulemaking to establish a system of free broadcasting time, and instead issue a simple Notice of Inquiry (NOI) to review the issue. This agreement, which was supported by all the major political reform groups, will forestall Congressional efforts to prevent the FCC from addressing the issue of free TV at all. The agreement also establishes a sensible timetable for implementing a free TV rule. Your Advisory Committee on Public Interest Obligations of Digital Television Broadcasters should finish its work this coming Fall; after that, the FCC can go forward with its rulemaking proceeding. If the Advisory Committee proposes a workable compromise between the broadcasters and the reformers, the prospects for a successful FCC rulemaking will increase significantly.

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THE WHITE HOUSE
WASHINGTON

April 10, 1998

THE PRESIDENT HAS SEEN
4-13-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Crime -- School Violence Report: This weekend, DOJ's Bureau of Justice Statistics and Education's National Center for Education Statistics will release a joint report comparing school crime in 1989 and 1995. The report is based on interviews with a nationally representative sample of approximately 10,000 students ages 12 to 19. It found that the overall level of victimization in schools in 1995 was similar to that in 1989 (14.6% versus 14.5%), violent crimes increased slightly (from 3.4% to 4.2%), and property crimes decreased slightly (from 12.2% to 11.6%). The overall availability of drugs increased slightly (from 63.2% to 65.3%), with marijuana remaining the most readily available drug -- and 6% more students reporting that it was easy to obtain (from 30.5% to 36.4%). The number of students reporting gangs in their schools increased dramatically (from 15.3% to 28.4%).

The report found that, as compared to their private school counterparts, public school students were twice as likely to report being a victim of violent crime in 1995 (4.4% versus 2.3%), more likely to report the availability of drugs in their schools (67.2% versus 48%), four times more likely to report the presence of gangs in their schools (30.6% versus 6.8%), and three times as likely to have known or seen another student who brought a gun to school than were private school students (13.6% versus 4.4%). In all these areas, the gap between public and private schools has widened dramatically since 1989.

2. Crime -- COPS: On April 16, the COPS office will announce grants for $52.8 million to fund 840 new and redeployed officers. The grants will be awarded to 145 law enforcement agencies across the country. Thursday's announcement will bring the total number of officers funded through the COPS program to over 73,000.

3. Welfare Reform -- Survey of Businesses: The Welfare to Work Partnership just released the results of the first in a series of surveys conducted by the Wirthlin group of 400 of the Partnership's 3,200 business partners. Governor Carper, who co-chairs the Partnership's National Advisory Council with Governor Thompson, announced the results of the survey in an interview with NPR on Thursday. The survey found that 79% of the businesses interviewed expect to hire someone off welfare this year, 76% of those who have hired welfare recipients found their new

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hires are good, productive employees, and 72% of welfare recipients are getting full-time jobs with medical benefits. Welfare recipients have retention rates at least as high as other new hires: Companies such as United and Burger King say that the turnover rate for welfare recipients is half that of other employees. The survey found that 12% of small companies and 31% of large companies are using the Work Opportunity Tax Credit or the Welfare-to-Work Tax Credit. More than half of the companies consider employee transportation a problem, with more than a third saying it's a serious problem. Frequently cited problems were that welfare hires could not afford a reliable car and that public transportation does not run near the company or during the hours needed.

4. Community Empowerment -- Community Reinvestment Act (CRA): We are working with the NEC and Treasury on a stealth initiative that would build on your reform of CRA. H.R. 1151, the Credit Union Membership Access Act, includes a provision that would apply CRA-like requirements to credit unions. The bill requires that all insured credit unions have "a continuing and affirmative obligation to meet the financial services needs of persons of modest means," and requires the National Credit Union Administration to prescribe criteria to insure that all credit unions are meeting this obligation. We are maintaining a low profile on this issue for fear that Republicans will strip the provision from the bill should it be tied publicly to CRA. However, if this provision passes Congress intact, it would be the first expansion of CRA-like requirements since the law was enacted in 1979.

5. Health Care -- Patients' Bill of Rights Update: Following the introduction of the Democratic patients' bill of rights legislation, the American Medical Association board unanimously endorsed the Democratic bill and committed to working for its enactment this year. Unlike the tobacco legislation, the patients' bill of rights has much greater support in the House than in the Senate. Despite this fact, the House Republican leadership is sending signals that they want to delay this legislation as long as possible. We are developing a legislative and communications strategy to try and expedite their action to introduce a bill sometime in May. We will work with the AMA and Congressman Ganske (who has indicated he will cosponsor the Democratic bill) to attract as many Republicans co-sponsors as possible to the Democratic legislation. While we are hopeful that we can attract Republican co-sponsors, we believe that it may be necessary to do more public events to apply additional pressure to the House. We are trying to meet with Representative Hastert, the Gingrich-appointed chair of the House Republican Task Force on Quality, to encourage him to expedite the Republican House bill and let him know that you will not let this issue go away and want to work together to get it done.

6. Health Care -- Medicare Fraud Update: In response to unprecedented efforts at the Justice Department and HHS to crack down on fraud and abuse, health care providers, and in particular hospitals, are raising major objections to what they believe to be overly aggressive enforcement activities. To address these concerns, the Justice Department has agreed to stop letters that hospitals find threatening. However, they are rejecting the American Hospital Association's request to slow down their enforcement activities in this area. Ironically, some of the same Hill members who complained a few years ago that the Administration was not doing

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4-13-98

enough to fight fraud and abuse, are now complaining that we are acting too tough in this area. Nonetheless, an Inspector General's report to be released later this month will cite that, while the Administration is doing a better job of fighting fraud and abuse, there are still significant overpayments in the Medicare program. We are working to see if we can release a regulation around the time of the report that rewards Medicare beneficiaries who report fraud and abuse. While we do not intend to back down with regard to enforcement activities, we will indicate that we will be sensitive to concerns about process.

7. Health Care -- Missouri Medicaid/Children's Update: As you know, Governor Carnahan has expressed his frustration that HHS is not moving fast enough on both Missouri's children's health insurance program and 1115 Medicaid waiver. In fact, he has been asking for meetings with the Vice President on this issue. These negotiations have been complicated by the fact the Missouri has continued to rely on what appear to be illegal provider taxes. We believe that we are close to resolving the provider tax issue as well as a host of other outstanding issues. Governor Carnahan is scheduled to meet with Secretary Shalala next week and at that meeting, or before, we hope to have all of these issues surrounding their application resolved.

8. Children and Families -- Vice President's After-School Teleconference: On Thursday, April 16th, the Vice President and Secretary Riley will hold a national teleconference on the importance of providing after-school opportunities for school-age children. Reaching over 300 downlink sites in communities across the country, the teleconference will focus on model programs and new resources from local, state and federal agencies, including the 21st Century Community Learning Centers program. Senator Jeffords will also participate in the event.

9. Tobacco -- Cigar Study: NCI released a study today which shows that daily cigar smoking can be just as lethal as cigarette smoking, causing cancer of the mouth, throat, larynx, esophagus and lung. Regular cigar smokers who inhale have 27 times the risk of oral cancer (compared to non-smokers), 53 times the risk of cancer of the larynx, and double the risk of chronic pulmonary disease. The report concluded that cigars are not safe alternatives to cigarettes and may be addictive.

According to the report, three-quarters of cigar smokers smoke only occasionally, and the majority do not inhale. (The risks of occasional cigar smoking -- less than daily -- are not known). Since 1993, cigar sales in this country have increased by 50 percent, reversing a 20-year decline in cigar smoking. Most of the increase is among teenagers and young men. One Massachusetts survey found that 3.2 percent of sixth graders had smoked a cigar in the last month, rising to 30 percent in high school.

The McCain bill provides the FDA with the authority to regulate all tobacco products -- including cigars. However, the FDA would first need to provide scientific evidence that cigars are addictive, and that evidence does not yet exist.

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DPC Weekly Report - April 17, 1998.

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THE WHITE HOUSE

WASHINGTON

April 17, 1998

THE PRESIDENT HAS SEEN
4-21-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

1. Crime -- School Safety: The Department of Education is preparing to release a report on the impact of the Gun-Free Schools Act (GFSA) during the 1996-97 school year. As you know, the GFSA generally requires all states receiving funds under the Elementary and Secondary Education Act to expel students who bring a firearm to school for a period of at least one year. . The report found that 7,326 students were expelled during the 1996-97 school year for bringing a firearm to school, an increase of about 10%. Colorado reported the highest number (1,873) and rate (2.573 per 1,000 students) of expulsions. Other high-expulsion states include: Ohio (937), California (723), Texas (532), Missouri (318) and Illinois (250). DC, Hawaii, Guam, Puerto Rico and Wyoming reported no expulsions.

Of the 3,246 expulsions where the type of firearms was identified, 58% involved handguns, 7% involved rifles, and the remaining 35% involved some other type of firearms (bombs, grenades, starter pistols, rockets). The report also found that high school students were the most likely to carry a firearm. Of the 5,352 expulsions where the student's school level was reported, 57% were in high school, 35% were in junior high and 8% were in elementary school.

2. Crime -- Missing Children: On Thursday, the Justice Department launched a missing and exploited children web site. The site tells kids where to go if they are lost or need help, and provides tips on how to they can avoid being exploited on the Internet. The site provides information to parents on how to best protect their children, and steps they can take if their child is missing. In addition, the site includes information on available law enforcement training for investigating child kidnaping and abduction cases, and links to missing children web sites in other countries.

3. Drunk Driving -- .08 BAC Report: Next week, the Transportation Department will transmit a report prepared in response to your March 3 directive to promote the adoption of .08 BAC as the legal limit for impaired driving. The Transportation report recommends that the National Park Service, Defense Department, and U.S. Coast Guard begin rulemakings to lower the legal limit to .08 BAC on military installations, national parks, and waterways. It also reports that Defense will transmit legislation to Congress to amend the Uniform Code of Military Justice to provide for the punishments for violating a .08 limit on military bases.

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4-21-98

4. Tobacco -- Senate Strategy: As you know, the Commerce Committee vote two weeks ago brought new momentum to our effort to enact a strong, comprehensive tobacco bill, and the industry's response should only add to that momentum, by making it even harder for Members of Congress to block legislation, lest they look as if they are doing the industry's bidding.

Given these new developments, we thought it made sense for Erskine, Larry and the two of us to meet with key Senators when they return to town next week. We will meet first with Daschle and then, separately, with McCain, to discuss how to negotiate improvements to the McCain bill, hopefully before it goes to the floor, and to devise an amendment strategy. We will also meet individually with Senators Breaux, Conrad, Durbin, Lautenberg and Kennedy, to address their concerns and enlist their help in advancing the key improvements we seek in the bill. We will stress to all our commitment to enacting comprehensive tobacco legislation this year, and will try to impress upon them that we should be reasonable in our demands, lest the entire legislative effort should fall apart. We also plan to meet with key public health leaders -- we met with Dr. Koop on Thursday, and plan to meet soon with Dr. Kessler, and with members of the coalition of public health groups working hardest to enact legislation (American Cancer Society, American Heart Association, and Campaign for Tobacco-Free Kids).

Very important to me

5. Education -- National Board for Professional Teaching Standards: We have been working closely with the National Board for Professional Teaching Standards and our allies in Congress to ensure that Goodling's provision to end federal funding for the Board is stripped from the Higher Education Act before Congress completes action on that bill. The bill reported by the Senate Labor and Human Resources Committee contains no such provision, and we believe there is little chance that a similar provision will be added on the Senate floor. The House is likely to take up the Higher Education Act in late April or early May, when it comes for a vote it is expected to pass by a wide margin. The National Board is eager to avoid a floor fight in the House, and has urged that you hold off on a veto threat until the bill goes to conference. We lack the votes to defeat Goodling on the floor, and the Board does not want to precipitate a recorded vote against it in the House. We believe that you should use the April 24 National Teacher of the Year Event to express your deep concern over this provision and pledge to work with Congress to remove it before the bill crosses your desk.

Good

6. Community Empowerment -- Fair Lending: The Federal Reserve Bank has issued an advanced notice of proposed rulemaking that asks for comment on whether Regulation B should be amended to permit lenders voluntarily to collect information about the race and gender of applicants for non-mortgage credit. The prohibition on collection of this data inhibits monitoring by regulators, self-testing by the financial services industry, and enforcement by the Department of Justice and the Federal Trade Commission, with respect to discrimination in the non-mortgage lending markets. Amending this prohibition is one of the top priorities for community groups. We are working closely with Treasury, Justice, and the NEC to draft a letter by May 29 in support of a rulemaking.

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7. **Health Care -- Kennedy Employer Mandate Legislation:** Next Wednesday, Senator Kennedy is scheduled to introduce a health care employer mandate bill. This bill, which has the strong support of the labor community, would require that all firms with 50 or more employees provide coverage that is equivalent to the Federal Employees Health Benefit Blue Cross/Blue Shield standard plan. Employers would be required to contribute approximately 75 percent of the cost of coverage with the remainder coming from the employee. While this legislation will not go anywhere in this Congress, Senator Kennedy would like to force a Senate vote on this bill sometime this year. Although any employer mandate would significantly expand coverage, this legislation would not affect the over 20 million uninsured Americans who have workers in firms with less than 50 employees and could have the adverse effect of encouraging firms to split or subcontract out in order to avoid the mandate. Moreover, the absence of subsidies may make it difficult for some employees to afford the premiums, even though employers would have to contribute 75 percent. Senator Kennedy's office had initially requested that the First Lady or some representative from the Administration consider attending this event, but now is willing instead to accept a generally positive statement from the White House. We recommend such a statement commend Senator Kennedy for his longstanding commitment to coverage expansion without giving an all-out endorsement. Implicit in our comments will be the suggestion that we primarily focus on the issues this year that have a chance of being enacted by a Republican Congress.

8. **Welfare Reform --New York Results:** Last month you asked whether we had any explanation for the recent report that only 29 percent of the cases who left the rolls in New York State in March of 1997 were working in the next quarter, compared to rates of 50 to 60 percent in other states. (other leave due to marriage, their youngest child turning 18, an increase in child support, receipt of SSI, increase in earnings by another family member, or sanctions).

Our review uncovered several problems with these data, which were gathered from the state's wage reporting system. First, the data were incomplete -- not all employers had reported for this quarter at the time the data were compiled. Looking at data from March of 1996 -- which found 39 percent showed earnings in at least one of the three quarters after leaving welfare -- produces figures that are somewhat closer to the experience in other states. In general, there appear to be lags in reporting new employees and employer reporting may also be worse in New York because the state's wage reporting system is not directly linked to the unemployment insurance system the way it is in most places.

This system also undercounts employment, though we do not know by how much. It ignores some self-employment, "off the books" wages, and work in other states. The statewide figure also masks variation within the state: for cases closed in March 1996, 31 percent had wages reported in a subsequent quarter in New York City, compared to 47 percent in the rest of the state. Apparently NYC historically has a high level of "administrative churning", i.e. cases closed due to various errors then reopened, which we wouldn't expect to have earnings in a later quarter.

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9. Immigration -- H1B Visas: Representative Lamar Smith, Chair of the House Judiciary Subcommittee on Immigration, has made an offer to Representative Mel Watt (ranking member) to develop a bipartisan bill to temporarily raise the cap on H1B visas for highly skilled temporary foreign workers that, unlike the Abraham-Hatch bill in the Senate, includes reforms to the H1B program that target their use to employers that are experiencing genuine skill shortages. We are having discussions with members of Congress to develop reform language that is consistent with the Administration's objectives. Representative Smith is holding a hearing on this issue on Tuesday, April 21.

10. Child Care -- Rose Garden Event: We are planning a Rose Garden event on Thursday, April 23 with you and the First Lady to place pressure on Congress to take action on your child care. That day, Secretary Rubin's Working Group on Child Care will issue a final report on private sector investment in child care and best practices. In addition, the Department of Labor will issue its report on child care, focusing on corporate models gleaned from the Women's Bureau's Honor Roll.

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Apr. 24, 98 - DPC Weekly Report

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4-27-98

April 24, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Surgeon General's Report on Minority Smoking: You are scheduled to participate in a White House event on Monday to announce a new Surgeon General's report on tobacco use among four minority groups (African Americans, Hispanics, Asian Americans, and American Indians/Alaska Natives). The Vice President, Secretary Shalala, Surgeon General Satcher, and Senator Frist will also have speaking roles at the event. (Frist played a key role in getting the Satcher nomination through the Senate; more recently, he played an indispensable part in ensuring that the provisions in the McCain bill on FDA jurisdiction would be acceptable to the Administration.) We will use the event to get minority health groups and Members of Congress invested in this issue, while also sending a broader message about the need to pass comprehensive tobacco legislation.

The report, Satcher's first as Surgeon General, is the first comprehensive compilation of research on tobacco use among minority groups. The report finds that after years of significant decline, the prevalence of smoking increased by 80 percent among African-American youths and by 34 percent among Hispanic youths between 1991 and 1997. The report also notes that Native Americans have the highest rate of smoking of any ethnic group in the nation. The report finds that smoking is a major cause of disease and death among minority populations, and that these populations will experience increased mortality and morbidity from tobacco unless recent trends are reversed. The report suggests that targeted advertising and promotion of tobacco products within minority communities is partly responsible for the recent rise in smoking rates among African-American and Hispanic youth. (The report does not mention a recent article in the New York Times suggesting that minority youth are using more tobacco because they have discovered that it prolongs the high from marijuana.) Finally, the report calls for more research into how best to reduce smoking rates in minority communities.

2. Tobacco -- Legislative Update: We continue to work toward setting up negotiations on comprehensive tobacco legislation in the Senate, probaly involving the Administration, Senators Lott and Daschle (or their designees), and Senators McCain and Hollings. The aim of these negotiations would be to produce an agreed-upon bill to go to the Senate floor, or at least to narrow the contested issues. Erskine, Larry, and Bruce met with Senators McCain, Mack, Kennedy, and Conrad last week, and will meet with a number of other Senators (perhaps including John Kerry, Harkin, Graham, Snowe, Collins, and Jeffords) next week. We probably

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will want you to become involved as well next week, by meeting with Daschle and Lott and pressing for negotiations. We will give you a memo soon on our suggestions for handling such negotiations.

3. **Health -- Patients' Bill of Rights Legislation:** Rep. Ganske told Rep. Dingell this week that at least five Republicans have decided to co-sponsor the Dingell/Gephardt patients' bill of rights legislation. The announcement of these Republican co-sponsors, which is expected to come as early as next week, should greatly increase the pressure on the Republican House caucus to support acceptable patients' rights legislation. (We have heard that a Republican House task force is also drafting legislation in this area, but currently intends to include certain "poison pill" provisions involving limitations on medical malpractice suits and expansions of multi-employer welfare associations.) We are reaching out to Reps. Ganske and Dingell to determine if we can set up a meeting next week between you and the new Republican co-sponsors. Such an event almost certainly would receive significant press attention.

4. **Health -- Assisted Suicide:** A recent study on assisted suicide in the New England Journal of Medicine found that only about three percent of physicians have ever prescribed medications to hasten the death of a terminally ill patient and only about five percent have ever administered injections to do so. The study also found, however, that 36 percent of physicians would write lethal prescriptions and 24 percent would administer lethal injections if such actions were legal. This widely reported study could intensify efforts in Congress to enact legislation to prohibit doctors from assisting their patients to commit suicide. As you recall, Sen. Hatch and Rep. Hyde are prepared to introduce such legislation in the event that the Justice Department opines that the Controlled Substances Act, as currently written, does not prohibit these practices. The Justice Department intends to issue such a decision in about two weeks. We will send you a memo next week that outlines options for responding to Hatch's and Hyde's likely initiative.

5. **AIDS -- Needle Exchange:** As we expected, your needle exchange decision provoked strong criticism from both ends of the political spectrum. On the one side, AIDS advocates and your Advisory Council on AIDS expressed great disappointment that we decided not to release federal funds. DPC, the AIDS office, and others in the Administration have reached out to the AIDS community to explain our decision and explore ways of working together on related initiatives involving HIV prevention and drug treatment. We are also attempting to develop an appropriate way of marking the one-year anniversary of your HIV vaccine initiative. On the other side, Republican members of Congress attacked you for releasing scientific findings that needle exchange can reduce HIV transmission without increasing drug use. Sen. Coverdell introduced legislation to prevent the Secretary from ever releasing federal funds for needle exchange programs, and Rep. Hastert introduced even more extreme legislation that would deny federal funds to any entity using *its own funds* for this purpose. We will work with Legislative Affairs to oppose these initiatives.

6. **Education -- D.C. Vouchers:** The Republican House leadership currently intends to bring a D.C. voucher bill to the House floor next week. DPC, Legislative Affairs, and the

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Education Department are working with Reps. Gephardt and Norton to fashion a message and legislative strategy that builds on your Education Opportunity Zones proposal (e.g., ending social promotions and fixing failing schools) and your budget proposals for D.C. (e.g., supporting the District's new effort to end social promotions and implement proven practices in low performing schools). We think that in addition to pointing out the need to improve our urban public schools, we must convey a hard-edged realism about how to do this. The District's new social promotion policy, as well as its recent action on charter schools (see below), should help us accomplish this task. New York City also announced last week a new proposal to end social promotions, by requiring students to pass tests in the 4th and 7th grades. The press has greeted this proposal very favorably, and generally linked it to your policies. We should use these recent efforts to turn around urban schools as a contrast to the Republicans' strategy of abandonment.

7. Education -- Charter Schools: In the District of Columbia, nineteen applicants for charter schools have received preliminary approval to begin operations, bringing the total number of charter schools to 23. The D.C. Board of Education -- the elected board that was stripped of all powers except those relating to charter schools -- approved nine of these schools; the Independent Public Charter School Board -- a board appointed by Mayor Barry from a list of names compiled by Secretary Riley -- approved the other ten. Among the new schools are: a residential charter school for at-risk middle school students, an adult education center for immigrants, and a "hospitality" high school organized by the area's hotel industry.

In California, Silicon Valley high-tech executives are supporting a ballot initiative that would make it easier to start charter schools in the state and would lift the current cap on the number of charters. The California Teachers' Association (CTA), although professing support for the concept of charter schools, has come out strongly against the proposal. The executives and CTA are now negotiating over a possible legislative alternative to the initiative. Some observers believe that they could reach agreement and that the California legislature could adopt the compromise approach as early as next week. We will provide you a status report before your trip to California.

8. Education -- National Board for Professional Teaching Standards: A bipartisan group of eight governors (Hunt, Locke, Chiles, Carper, Voinovich, Racicot, Branstad and Thompson) wrote a letter last week to Bill Goodling to express support for the National Board and for your funding request. The letter also went to the other chairs and ranking members of the relevant authorizing and appropriations committees.

9. Crime -- Chicago Gang Ordinance: The Supreme Court decided on Monday to review a state court decision invalidating Chicago's Gang Congregation Act. This law, challenged by the ACLU on the ground that it violates due process, authorizes police officers to order individuals loitering in public places to disperse if the officer "reasonably believes" the individuals belong to a criminal street gang. Individuals who refuse to abide by the officer's order are subject to up to 6 months in prison. Chicago argues that the law led to a significant drop in gang-related violence; its petition to the Court was supported by 13 states, a wide variety

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of community organizations, and all the major organizations representing local government officials, including the U.S. Conference of Mayors, National League of Cities, National Association of Counties, and International Association of Chiefs of Police. We will meet with Rahm and Counsel's Office next week to discuss whether the Justice Department should file a brief in the case and, if so, what it should argue.

10. Crime -- Survey of Jail Inmates: The Justice Department's Bureau of Justice Statistics will release a study this weekend on jail inmates. In 1997, local jails across the country held 567,079 inmates -- up 40 percent from the 1990 level of 405,320. A survey of these inmates showed:

- **Inmate Demographics:** Ninety percent of the inmates were male and 10 percent were female. Thirty seven percent were white; 41 percent were black; 19 percent were Hispanic; and four percent were Asian, Pacific Islanders, American Indians or Alaska natives.

- **Drug use up:** More than half of all inmates used drugs in the month before their offense, compared to 44 percent in 1989, the last year for which there are reliable statistics. A full 82 percent used drugs at least once in their lives (78 percent in 1989); 78 percent used marijuana (71 percent in 1989); 50 percent used cocaine (same in 1989); 34 percent used stimulants (22 percent in 1989); 32 percent used hallucinogens (24 percent in 1989); and 24 percent used heroin (19 percent in 1989).

- **Violent crime charges slightly up:** The percentage of inmates charged with violent crimes increased from 23 percent in 1989 to 26 percent in 1996; the percentage charged with drug offenses was unchanged at 22 percent.

- **Majority already under criminal justice supervision:** Fifty four percent of jail inmates were already under the jurisdiction of the criminal justice system (usually under probation) at the time of their arrest.

- **Many on welfare or unemployed:** Thirty nine percent of all inmates were raised in families that received welfare or public housing assistance. At the time of their arrest, 20 percent were receiving some form of government assistance, such as welfare, SSI, or unemployment compensation. Over one-third (36 percent) were unemployed.

- **History of sexual or physical abuse common:** Forty eight percent of female inmates and 13 percent of male inmates were sexually or physically abused at least once in their lives. Twenty seven percent of women and 3 percent of men were raped.

11. Drugs -- Republican Task Force on Drugs: Speaker Gingrich and Reps. Hastert and Portman will unveil a "Drug-Free America Strategy" on Thursday. Republican talking points we have seen are notably short on substance. They call for attacking the Administration

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on needle exchange and calling for a three-front war to "deter demand," "stop supply," and "increase accountability." The talking points then refer to "possible legislation" on: Drug-Free Schools, Drug-Free Workplaces, Drug-Free Prisons, Drug-Free Borders, Drug-Free Hemispheres, Drug Czar Reauthorization, and Drug-Free Money Laundering. When we know more, we will give you further information.

12. **Immigration -- H1B Visas:** DPC and NEC have worked with a number of agencies to develop a legislative proposal that would temporarily increase the number of foreign workers who can enter the United States under the H1B program, while expanding training opportunities and reforming the program to ensure it does not operate at the expense of Americans. Elena and Sally Katzen met last week with Reps. Lamar Smith, Mel Watts, and Zoe Lofgren to explain our proposal, and we will give legislative language to their staffs next week. Smith seems genuinely committed to bipartisan cooperation on this issue, and we hope that this process will lead to a better bill than the Abraham-sponsored legislation passed by the Senate Judiciary Committee on a straight party-line vote last month.

13. **Welfare Reform -- Campaign to Prevent Teen Pregnancy:** Secretary Shalala will host a reception on Thursday for this year's honorees of the Campaign to Prevent Teen Pregnancy. The honorees include: Governor Carper; NBC; the Teen Outreach Program; Students Against Destructive Decisions (SADD); The Children's Network, a conflict-resolution program in San Bernadino; Dayton-Hudson (Target Stores); and Jerry Tello and Geoffrey Canada for their work on male involvement. The Secretary will announce the honorees, read a Presidential Message for Teen Pregnancy Prevention Month, and release a report containing previously released data on teen births. As you know, the data show that the number of teen births has declined from 1991 to 1996, but remains unacceptably high. Following the reception, the Campaign will hold a press briefing on the Hill with its Congressional Task Force to release a new report highlighting the critical role that parents and other adults can play in reducing teen pregnancy.

14. **Service -- Philadelphia Service Summit:** General Colin Powell will issue a report on Monday on what America's Promise has accomplished in the year since the service summit. He is expected to focus on corporations that have made new commitments or followed through on prior ones, and on communities that have continued the summit's work. His report will also include an update on federal agency commitments. He will present his report in Chicago to a special meeting of the U.S. Conference of Mayors.

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Legislative Update: The Senate Commerce Committee filed on Friday a new version of the McCain bill, which includes technical changes. Senator Lott apparently has acceded to Senator Roth's request that the Finance Committee have a chance to consider the bill; that Committee is now expected to hold a mark-up during the week of May 11. If all goes well, Lott will bring the bill to the floor the next week.

We are still trying to set up negotiations involving the Administration, Lott and Daschle (or their designees), and McCain and Hollings. The aim of these negotiations would be to develop an agreed-upon manager's amendment as well as an amendment strategy for the floor. Without these negotiations, we are fearful that (1) Lott will decide not to bring the bill to the floor, or (2) the bill will not survive the floor in a viable form. So far, however, neither Lott nor Daschle have definitively agreed to this strategy.

Senator Daschle has set up a number of working groups to develop possible amendments to the McCain bill. The working groups -- some of which have begun to meet already and some of which will begin next week -- tend to be slanted toward the left, with heavy participation from Senators Conrad and Kennedy. Preliminary information from Daschle's staff suggests that the working groups are considering greater increases in price ($1.50 over three years) and look back penalties (uncapped penalties with a very significant company-specific component) than we support. The price issue may become less important once CBO scores the McCain bill, but the lookback issue is likely to remain troublesome.

In addition to providing Sen. McCain's staff with purely technical amendments, which they incorporated in the new version of the bill, we have given them (or will give them this week) two sets of amendments designed to better effect the aims of the legislation. First, we provided McCain's staff with language to strengthen the bill's licensing provisions, so as to ensure that we have an adequate mechanism in place to prevent smuggling. (Deputy Secretary Summers gave highly effective testimony on this issue to a skeptical Senator Hatch last week.) Second, in response to a request from McCain's staff, we will give them advice early this week on how to restructure the bill so that it can operate effectively regardless of industry consent. Our suggested changes, drafted by the Justice Department, would reorganize the bill into two parts: the first part (Titles 1-11) imposing measures on all tobacco

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manufacturers regardless of consent, the second part (Title 12) creating a protocol by which manufacturers would agree to additional, otherwise unconstitutional marketing restrictions (and also agree not to challenge any provisions in the first part of the bill) in exchange for the bill's liability cap. We will make clear that this organizational proposal is in the nature of legal/technical advice, and does not indicate agreement with the McCain bill's substantive "bargain."

2. Crime -- COPS Initiative: At our request, the Department of Justice is preparing to provide $240 million in a new kind of COPS grant to hire about 2,000 police officers for high-need areas. The Department will waive the standard 25 percent local match for these grants, which will go to 16 cities (8 small and 8 large) to hire officers for crime and drug "hot spots" and/or economically distressed neighborhoods. We are working with Rahm to devise a good forum to announce these new grants. You can link them to your race initiative by stressing the historic and pervasive underprotection of minority populations against criminal activity.

Stand down announcement for now - for worksin

3. Crime -- Assault Weapons: The Administration beat back an effort to include in the supplemental appropriations bill a provision to weaken your recent executive action on modified assault weapons. This provision, pressed by Senator Craig, would have exempted from the new ban on importation any weapons "in transit" to an importer -- an exemption affecting tens, or even hundreds, of thousands of weapons. We unfortunately have not seen the last of this fight: Craig is very likely to offer a similar amendment during the appropriations process.

4. Health -- Medicare Coverage for Prescription Drugs: The DPC and NEC are setting up a long-term working group, led by Chris Jennings, to consider whether Medicare should cover any of the costs of prescription drugs. As you may know, prescription drugs are the highest out-of-pocket health care cost for three out of four elderly people. Many older Americans "stretch out" their supply of these drugs to lessen costs; their non-compliance with drug regimens often results in additional, more expensive health care treatments. For this reason, a number of your Medicare Commissioners, as well as a host of outside validators (including Bob Reischauer and Henry Aaron), have expressed interest in providing prescription drug coverage for Medicare beneficiaries. These experts believe that given the increased importance of drug-based medical treatments, Medicare's current lack of coverage ~~of out-patient drugs is both antiquated and counterproductive~~. At the least, these experts favor requiring Medicare's managed care plans -- which remain overcompensated relative to the patients they serve -- to offer a prescription drug benefit to their members, as more than half already do. Chris's working group will evaluate all options in this area, in the expectation that we may want to show relatively early in the Medicare debate that a good long-term reform package involves not only financing measures but quality improvements.

Tague w/ HRC

5. Health -- Patients' Bill of Rights: Rep. Ganske and six other Republicans joined Rep. Dingell's Patients' Bill of Rights legislation on Wednesday. Their action will increase

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the pressure on Republican leaders to move legislation on this issue this year. We released a written statement from you praising these members for providing "new momentum towards ensuring that a patients' bill of rights will become the law of the land." Also last week, Chris Jennings met with disability advocates to encourage them to step up their efforts on behalf of the Dingell bill. The advocates indicated to Chris that they would make quality legislation a high priority.

6. Education -- This Week's Events: You are currently scheduled to meet with approximately 40 mayors on Thursday to discuss urban education. We expect your remarks to focus on your Education Opportunity Zones initiative, including its emphasis on eliminating social promotions. The remarks will note the increasing number of cities, including Washington, D.C. and New York, that have adopted no-social-promotions policies since you began to highlight this issue. You will speak to the Delaware State Legislature the next day regarding your education agenda, this time with an emphasis on your class size initiative. Delaware has made a strong effort to reduce class size, and you can call on Congress to provide it and other states with assistance.

Good - we need to work with Delaware on subtraction

7. Education -- Unz Initiative: Secretary Riley issued a detailed statement on Monday opposing California's Unz Initiative, but advocating reforms to the current system of bilingual education, including a three-year goal for moving students into regular English-language classes. Senior staff in the offices of Intergovernmental Affairs, Political Affairs, and Public Liaison have reported a good response from the Hispanic community and most state and local leaders to both the content and the timing of the announcement.

Great Focused Mention Delaware Speech

8. Education -- Charter Schools in California: After two weeks of negotiations among Silicon Valley high-tech executives, the California Teachers' Association (CTA), and state legislators, the California legislature passed and Governor Wilson signed new charter school legislation. The new law, which moots a charter school ballot initiative sponsored by Silicon Valley, allows 150 new charter schools in the first year and an additional 100 in each subsequent year. The bill also eases the requirements for starting a charter school.

9. Family -- Child Support Enforcement: The House and Senate are about to begin conferencing on legislation to set realistic penalties for states' failure to put in place statewide computer systems to track parents who owe child support. The two bills are very similar, but the Senate version is slightly less tough; it gives the states an additional year to comply without penalty and allows them to recover some prior penalties once they come into compliance. These more lenient provisions were crafted to satisfy members from California, which is years away from having a functioning statewide system and accordingly faces greater penalties than any other state. (About 15 states in total are likely to face a penalty under the legislation.)

L.A. County is now lobbying hard for a new provision that would reduce California's penalty by the precise share that the State intends to pass along to the County. (If Congress

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were to enact this amendment, California would excuse L.A. County from paying any part of the State's penalty.) L.A. County District Attorney Gil Garcetti argues that L.A. County has a well-functioning system, which was designed with federal involvement under a waiver several years ago. Senator Feinstein supports Garcetti's proposed change to the child support legislation, but many House members from other parts of the State oppose it. DPC, HHS, and OMB oppose the provision because (1) numerous counties in non-complying states could make an identical argument and (2) optimal tracking of deadbeat parents across state lines requires statewide (not just well-functioning countrywide) systems.

10. Welfare Reform -- Welfare-to-Work Transportation Initiative: At our request, Secretaries Slater and Herman and HHS Assistant Secretary Olivia Golden will participate in an event on Thursday to highlight your Access to Jobs initiative. The event also will include several Governors and Members of Congress. On the same day, Slater, Herman, and Secretary Shalala will issue guidance to states and communities on ways to use TANF and Welfare-to-Work funds to break down transportation barriers. The Access to Jobs initiative currently appears to be in good shape; we think it will emerge from the ISTEA conference authorized at $150 million per year -- $50 million more than we requested. We now must keep the spotlight on this initiative for purposes of ensuring an adequate appropriation.

11. Disability Task Force -- Health Issues: The task force you created last month by executive order on employment of people with disabilities got off to a strong start last week at its first meeting. The all-day meeting, chaired by Secretary Herman before an audience of 200 disability activists, included panels on health care, education and training, and civil rights. The task force hopes to issue a few recommendations in July, with a fuller report in November. We face particular challenges crafting policies in the health care area. The disability community's highest priorities in this area are: (1) a bill, sponsored by Senators Jeffords and Kennedy and Representatives Bunning and Kennelly, to encourage people with disabilities on the SSDI or SSI rolls to return to work by allowing them to retain Medicare or Medicaid even after they find a job, and (2) a bill known as CASA that would provide greater Medicaid coverage of "community based attendant services" and thereby allow more people with disabilities to live in communities, instead of in nursing homes or other institutions. Both pieces of legislation raise budgetary concerns: in the form advocated by the disabilities community, CASA would cost no less than $10-20 billion each year. Chris Jennings will work with the Disability Task Force and HHS to develop feasible proposals that will go some way toward responding to the disability community's needs in this area.

12. Immigration -- H1B Visas: The House Immigration Subcommittee approved by voice vote on Thursday a bill, authored by Rep. Lamar Smith, increasing the cap on H1B visas while making substantial reforms to the program. The bill is surprisingly in line with Administration objectives: although it raises the cap somewhat more than we would (to 115,000) and fails to include a training component, it includes strong provisions to protect U.S. workers from being displaced or passed over in favor of foreigners. Bruce and Gene sent

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Smith a letter just prior to the mark-up indicating that the Administration would support the bill if it were modified to include meaningful training provisions and a more modest increase in the cap. The full Judiciary Committee mark-up is set for next week, and we expect some movement in our direction. Sally and Elena will brief Democratic staff prior to the mark-up, as well as meeting with representatives of the high-tech community.

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THE WHITE HOUSE
WASHINGTON

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May 8, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Senate Activity: As you know, we are beginning discussions with Sens. McCain and Hollings this week, with the goal of getting improvements to their bill into a manager's amendment before the bill goes to the Senate floor on May 18. We will meet with Senate staff over the weekend, and Erskine will begin to meet with the two Senators on Tuesday. We will primarily seek to ensure sufficient public health spending and to improve the bill's lookback penalty, environmental tobacco smoke, and antitrust provisions. In return, we can offer cover on liability protections, some concessions on non-health-related spending, changes to the bill's international provisions (in particular, lifting the regulatory restrictions on companies operating abroad, as your economic and foreign policy agencies favor), certain limitations on attorneys' fees (the current bill has none), and a provision to adjust the industry's payments in the first five years to the exact volume of cigarettes sold in the country (the current bill uses an estimated, and potentially faulty, volume adjustment).

As we enter these discussions, much of the Republican Caucus is deeply angry over even the current version of the McCain bill. Sen. Hatch is leading the charge for a bill that looks much more like the June 20th settlement. (We recently heard that Sen. Feinstein is working closely with him, but have not yet confirmed this rumor.) Sen. Nickles is still pressing hard for a "skinny" bill, with no liability protections, but also no (or little) price increase or penalties. He is responsible for a Republican Policy Committee report that will appear next week, charging that the true 25-year cost of the McCain bill is about $700 billion. Nickles' efforts may get a further boost from a Joint Tax Committee analysis, also expected next week, which may conclude that the McCain bill will lead to a price increase of as much as $2 per pack, instead of the $1.10 estimated by Treasury and OMB. In general, the Republicans have been greatly buoyed by the tobacco industry's ads, which they believe to be significantly affecting public opinion. Only Sen. Lott is keeping the McCain bill afloat amidst substantial Caucus opposition.

On the Democratic side, a bloc of Senators, led by Conrad and Kennedy, continue to demand a more substantial price increase ($1.50 over three years), uncapped and heavily company-specific lookback provisions, and the elimination (or at least diminution) of liability protections. These Senators, however, do not have the votes to increase the price of the bill significantly on the floor; they are likely to lose a number of Democrats (perhaps including Ford, Hollings, Robb, Feinstein, Torricelli, and Breaux) and will not pick up many Republicans.

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Perhaps for this reason, Kennedy and Conrad appear somewhat more willing to compromise than they did a few weeks ago.

2. Tobacco -- House Activity: Reps. Hansen, Meehan, and Waxman announced on Wednesday that they will introduce bipartisan, comprehensive tobacco legislation this week. They expect more than 100 Members, including about 10-12 Republicans, to co-sponsor the legislation. The bill has everything Drs. Koop and Kessler could wish for, and they have strongly endorsed it. The bill would raise the price of cigarettes by $1.50 over three years, set very high youth smoking reduction targets (80 percent in ten years, as compared to 60 percent in McCain), impose exceptionally stringent company-specific look back penalties for manufacturers that fail to meet the targets, provide full FDA authority to regulate tobacco under the existing drug and device title, and put in place strong protections against environmental tobacco smoke. The proposal would raise more than $500 billion over 25 years, with 10 percent of the revenues going to public health programs (cessation, prevention, counteradvertising, etc.), 35 percent going to the states, and 55 percent going to federal debt reduction. The proposal does not provide any assistance to tobacco farmers.

3. Tobacco -- Minnesota Settlement: As you know, Minnesota entered into a settlement with the tobacco industry yesterday, just hours before its suit was to be sent to a jury. Under the terms of the settlement, Minnesota will receive $6.1 billion over 25 years, approximately 50 percent more than it would have received under the June 20th settlement and 50 percent more on a per capita basis than Mississippi, Texas, or Florida. Computed on a national scale, this amount would work out to somewhat over $500 billion, approximately the estimated cost of the McCain bill. The industry will pay another $469 million to Blue Cross/Blue Shield of Minnesota and also agreed to (1) cease advertising targeted to youth, as well as all billboard advertising and distribution of non-tobacco merchandise (e.g., jackets, caps, bags) in the state, (2) shut down the Council for Tobacco Research, (3) stop payments for tobacco placement in movies, and (4) instruct retailers across the nation to move cigarettes behind counters. Attorney General Humphrey rightly said that the "industry surrendered on our terms." Reports in newspapers today indicated that the jurors in the case might not have arrived at such a substantial verdict.

4. Crime -- Uniform Crime Report: The FBI will release next weekend (May 16) its preliminary estimate of the number of crimes reported to law enforcement agencies in 1997. These figures indicate that crime is down 4 percent from the previous year -- and down for the 6th year in a row. A significant decline in the number of murders and robberies (9 percent each) helped fuel an overall drop of 5 percent in violent crime; property crime fell 4 percent. All regions of the country and cities of all sizes reported declines in the number of serious crimes.

5. Crime -- COPS Program: The COPS Office announced on Thursday grants of $32.8 million to hire 463 officers and deputies in 138 law enforcement agencies. These grants bring the total number of officers funded under the COPS Program to over 73,000.

Can we get a breakdown by 1000 or 500?

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6. Health -- Genetic Discrimination: Sen. Jeffords indicated last week that he would introduce a bipartisan bill, probably with Sen. Dodd, to prohibit insurers from gaining access to or improperly using genetic information. As you recall, you have challenged Congress to enact legislation of this kind, applicable to insurers and employers alike. We will send a witness to testify at the hearing Sen. Jeffords will hold on this subject the week after next. We still face an uphill fight, but Sen. Jeffords' sudden activity on the genetic discrimination issue significantly increases the chances of getting legislation this year, whether as a free standing measure, part of a patients' bill of rights bill, or part of a medical records/privacy initiative.

7. Health -- Medicare and Abortion Coverage: We may soon face a dispute regarding Medicare coverage of abortion services. Medicare currently reimburses disabled Medicare beneficiaries who have abortions. The Catholic Health Association (CHA) recently asked HHS whether a managed care risk plan must certify that it would cover abortions in order to participate in the Medicare program. Senator Nickles also has pressed HHS on this issue, as well as on the broader question of whether the Hyde Amendment prohibits Medicare from paying for abortions altogether.

HHS's preliminary view is that the Hyde Amendment does not apply to the Medicare program, but that some accommodation can be made for religiously-affiliated health plans. Under HHS's proposal, such a plan would not need to provide abortion services, but would be charged for the cost of any abortion provided to a member of the plan by an outside physician. (The physician would bill Medicare directly, and Medicare would transfer the cost to the health plan.) We have had a fairly positive discussion of this approach with CHA, but Sen. Nickles has indicated that he views the proposal as insufficient. He is reportedly drafting a bill that would simply apply the Hyde Amendment to the Medicare program. (Ironically, because the Hyde amendment has a rape or incest exception, this solution would not fully solve the problem of a health plan that does not want to provide any abortion services for religious reasons.) A working group involving DPC, Counsel's office, OMB, and HHS is examining this issue, and we will present you soon with an options memo.

Needs to present this question that needs work

8. Welfare -- Federal Hiring Initiative: The federal agencies continue to make good progress on their commitments to hire welfare recipients. The total number of hires increased by 22 percent last month, from 3,688 in March to 4,494 in April. The Treasury Department alone hired almost 400 people last month; it already has hired more than double its commitment through the year 2000.

9. Welfare -- Illegal Aliens' Eligibility for Benefits: HHS is getting ready to publish its interpretation of the provision in the welfare law stating that illegal aliens are not eligible for "federal public benefits." Under HHS's interpretation, illegal aliens are ineligible for a host of services, including child care, low-income heating assistance, and Community Service Block Grant benefits; illegal aliens, however, may continue to receive services at community health clinics and benefits under the Maternal and Child Health Block Grant and the Older Americans Act. Some Republicans, including Lamar Smith and Pete Wilson, will argue that HHS is

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flouting Congressional intent by ruling that illegal aliens may receive some publicly funded services. The Justice Department and Counsel's Office, however, are comfortable with HHS's legal standard, which focuses on the nature of the eligibility criteria generally used for a service. Advocates should be pleased with HHS's interpretation, especially because it ensures that illegal aliens will have access to community health clinics.

The welfare law also requires that any program classified as providing a "federal public benefit" verify the immigration status of all applicants, including U.S. citizens. The INS will issue a regulation soon to implement this requirement, which inevitably will impose a burden on social service programs.

10. Child Care -- Democratic Working Group: House Democrats have formed a Child Care Working Group led by Rep. Fazio to draft a comprehensive child care bill that can be introduced within the next few weeks. We are meeting with the Members and staff next week to review their bill, but we expect it to include most of the elements of your proposal (including subsidies for low-income families, tax credits for families and businesses, quality improvements, and after-school programs), as well as a tax credit to help parents who stay at home. The group is not particularly anxious to pass this (or any other) child care legislation; they readily concede their desire to set a "high bar" that the Republicans cannot reach, so they can use child care as an issue in the election campaign. In any event, we will continue to work with these Members and try to use the introduction of their bill to generate new momentum for child care legislation.

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May 22, 1998 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Senate Update: As you know, after soundly defeating amendments to (1) cap attorneys' fees, (2) eliminate industry payments, and (3) raise industry payments to the equivalent of $1.50 per pack of cigarettes, the Senate passed an amendment to the McCain bill to remove the $8 billion annual cap on industry liability. We are fearful that the passage of this amendment will make the bill appear unbalanced to some Senators and will introduce a kind of open season on further amendments. When the Senate returns from recess, it is scheduled to take up an amendment by Sen. Durbin to increase lookback penalties and an amendment by Sen. Gramm to devote most of the bill's revenues to a tax cut for married couples with income of less than $50,000 per year (advertised as an elimination of the marriage penalty). Some moderate Republicans might join Democrats to pass the Durbin amendment; just as likely, some Democrats might join Republicans to pass the Gramm amendment, which would wipe out most of the public health and research spending in the bill, but provide a significant tax cut to low- and middle-income people. We will have to decide in the next week whether to develop and/or support a smaller tax cut proposal. Such a proposal would take the pressure off Democrats to vote for the Gramm amendment and if passed, would enhance the attractiveness of the bill to Republicans; inevitably, however, the proposal would diminish the funds available for spending on health research and public health programs.

Need campaign analysis

2. Tobacco -- MMWR Study: The Centers for Disease Control released on Thursday new statistics on teenage smoking patterns and addiction. The data found that: (1) teenagers find it difficult to quit smoking -- 86 percent of teens who smoke daily and try to quit are unsuccessful; (2) teenagers underestimate the addictiveness of nicotine -- 75 percent of teenage daily smokers who expect to quit are still smoking five years later; and (3) casual smokers easily become hooked -- 42 percent of young people who smoke as few as three cigarettes per month go on to become regular smokers. About 36 percent of high school students currently smoke.

3. Crime -- COPS Event: You are tentatively scheduled to participate in an event on Friday to: (1) announce that the COPS initiative has now funded the hiring of 75,000 new police officers and (2) launch a new pilot project to target COPS funding toward distressed and

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underprotected neighborhoods. The first phase of the pilot will fund more than 500 officers in 10 large and 10 small cities across the country.

4. Crime -- Police Legislation: Congress passed two pieces of legislation last week that the Administration and law enforcement groups strongly supported. One bill will create a grant program to help local law enforcement agencies purchase additional bulletproof vests; the other will help fund counseling services for dependents of slain officers. We are working with Rahm and the Legislative Affairs Office to schedule a signing ceremony for these bills, perhaps as part of the COPS event described above.

5. Health -- Patients' Bill of Rights: Amidst reports that Speaker Gingrich is trying to stop Congress from passing a patients' bill of rights this year, Rep. Norwood has begun quiet discussions with Rep. Dingell about filing a discharge petition to bring such legislation directly to the floor for a vote. To highlight the necessity for immediate Congressional action on this issue, you are scheduled to participate in an event next week to release a state-by-state analysis showing how many Americans are not currently covered by patient protection laws. This event also will highlight why the protections in the patients' bill of rights are so important to women: in particular, studies show that doctors view health complaints made by women as less urgent than those made by men and as a result, refer women to specialists less often. Nancy Dickey, the newly-appointed first woman chair of the American Medical Association, is scheduled to participate in the event.

Good

6. Education -- Bilingual Education: The House Subcommittee on Children, Youth and Families last week approved a bill offered by Rep. Riggs that would replace the current bilingual and immigrant education programs with a block grant to states to help LEP students learn English. The bill would (1) require states to cut off funds to any local program that does not place all LEP students in regular English-language classes within two years; (2) prohibit states from exempting any student who has been in school for two years from participation in English-language tests; (3) void existing compliance agreements between the Education Department's Office of Civil Rights (OCR) and local school districts under Title VI of the Civil Rights Act regarding the provision of services to LEP students; and (4) prohibit OCR from entering into additional agreements until it proposes, and Congress ratifies, new guidelines and compliance standards for Title VI. DPC is working with other White House offices and the Education Department to develop a strategy for addressing the Riggs bill; as part of this strategy, we may wish to propose alternative legislation that reflects the principles you have articulated for strengthening programs for LEP students. We will send you a more detailed report on this issue next week.

7. Education -- New Orleans Schools: You recently asked about how the Education Department's Office of Civil Rights (OCR) is handling a complaint brought by parents against a selective magnet school in New Orleans for using high IQ scores as a strict admissions requirement, regardless of grades or other indicators of academic performance. In response to this complaint, the local school board already has agreed to work with OCR to develop new

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admissions criteria that will maintain high standards but not rely solely on IQ scores. On OCR's advice, the board will not rescind admission decisions made under the current admissions standard for the next school year. OCR understands the importance of working with the school board to resolve this complaint in a way consistent with the Administration's commitment to high standards and testing, and so far has managed to defuse much of the controversy arising from the complaint's filing.

8. Welfare Reform -- Welfare-to-Work Celebration: You are scheduled to participate in an event on Wednesday to celebrate the success of the welfare-to-work effort, with a particular spotlight on the Welfare-to-Work Partnership. Over the last year, the Partnership has grown to 5,000 businesses, which have hired a total of 135,000 welfare recipients. In a recent survey, 75 percent of the businesses in the Partnrship found welfare recipients to be productive employees; indeed, a number of businesses reported that people hired off welfare have higher retention rates than other new employees. At the event, you will announce the latest caseload reduction numbers and the first round of Welfare-to-Work Competitive Grants (from the $3 billion Welfare-to-Work program in the balanced budget); you also will challenge the Partnership to double the number of people hired by its business partners in the coming year. In conjunction with the event, the Partnership will release a report called the *Road to Retention,* which profiles the successes of 16 large and small businesses in retaining former welfare recipients as employees. The Partnership also will release new PSAs on the welfare-to-work effort.

9. Immigration -- H-1B visas: By a vote of 23-4, the House Judiciary Committee approved on Wednesday legislation authored by Rep. Lamar Smith to increase the cap on H-1B visas. As requested by the Administration, the bill makes substantial reforms in the H-1B program in order to protect qualified U.S. workers from being displaced or passed over in favor of temporary foreign workers. The bill however, does not contain a training component. Prior to the mark-up, Secretary Daley, Secretary Herman, and Attorney General Reno sent a letter to Chairman Hyde indicating that the Administration would support the bill if it were modified to include a meaningful training provision. Also last week, the full Senate passed its version of legislation to increase the cap on H-1B visas. The Senate bill is the mirror image of the current House provision: the former authorizes money for increased training through Title IV of the JTPA, but fails to include any meaningful reforms of the H-1B program. Our SAP on the bill stated that unless the final bill includes meaningful reform of the H-1B program, the Secretary of Labor would recommend a veto.

10. Immigration -- INS Reform: As we expected, Rep. Rogers introduced a bill last week that would disband the INS and reallocate immigration functions among the Justice, State, and Labor Departments along the lines suggested by the United States Commission on Immigration Reform. Soon after the Memorial Day recess, Sen. Kennedy and/or Rep. Watt will introduce legislation implementing the Administration's alternative reform plan, which would preserve the INS but fundamentally reform its operations by separating service and enforcement functions. Sen. Abraham has announced that he will hold hearings in June on

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restructuring the immigration system, but has indicated that he does not expect Congress to approve a plan this year.

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May 29, 1998 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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May 29, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco – Senate Update: When the Senate returns from recess, it is scheduled to return to the McCain legislation and resume consideration of an amendment by Sen. Durbin to increase look back penalties and an amendment by Sen. Gramm to provide a tax cut for married couples with income of less than $50,000 per year. Other potential amendments include: two complete substitutes (one by Senator Nickles and one by Senators Hatch and Feinstein), additional tax proposals (possibly including a slimmed-down version of the Gramm amendment, as well as a Roth-Boxer proposal for health care tax cuts), several anti-drug measures (see our separate memo on Monday), an anti-smuggling provision authored by Senator Leahy, a provision on the deductibility of tobacco advertising costs by Senator Reed, and efforts to cut back on FDA jurisdiction. Senator McCain's strong preference is for an early cloture vote, which he believes he can win. Senator Lott opposes an early cloture vote, on the theory that his caucus will only harden if it feels jammed. Senator Daschle is still considering the question. We tend to agree with McCain, for fear that the bill will become weighed down with too many amendments and consideration of it will drag on forever. We and Larry will have further discussions of this question with the relevant Senate players this weekend.

2. Tobacco -- Farmers: The DPC and USDA are trying to ensure a favorable conclusion to the current dispute over providing assistance to tobacco farmers. As you know, the McCain bill now contains both Senator Lugar's and Senator Ford's proposals. The Ford measure, which we, public health groups, and most Democrats support, provides for an optional buy-out and preserves the price support program, at a cost of $28.5 billion over 25 years. The Lugar measure, which most Republicans support, provides for a mandatory buy-out and ends the price support program (creating a free market in tobacco), at a cost of $18 billion over three years. ~~USDA calculates that Lugar~~ would lead to an increase in the amount of tobacco grown in this country and a consequent decrease in its cost -- saving companies as much as $20 billion over 25 years. In addition, OMB estimates that Lugar would displace 69 percent of the research ~~and public health~~ spending in the McCain bill in the first three years, assuming spending to the states were held constant. We have distributed this information widely, especially to moderate Republicans who should be concerned about the impact of Lugar on public health. We also have made clear to both sides our willingness to broker a compromise (for example, a phase-out of the price support

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program over 10 or 15 years, or the creation of a commission to work out the best approach to this issue). As of now, however, both sides think they have the votes to defeat the other (which, in fact, they both might), and compromise discussions have not proved productive.

3. Tobacco -- Minority Caucus Concerns: DPC, OMB, and HHS will meet next week with members of the House Minority Caucuses to discuss their views of tobacco legislation -- especially the McCain bill's approach to public health spending. These members have concerns about the Senate bill's use of block grants to states for smoking prevention and cessation programs. They also are upset that the bill contains no direct grants to historically black and predominantly Hispanic colleges, universities, and medical schools. These members have sent us an alternative proposal for public health spending, but the agencies believe that it raises significant constitutional and administrative concerns. The proposal includes funding set-asides for minority groups that the Department of Justice believes run afoul of the Supreme Court's Adarand decision. In addition, the proposal's funding mechanism would create major administrative burdens for the Department of Health and Human Services. We anticipate holding several discussions with members of the Minority Caucuses to work out ways of making them more comfortable with the public health provisions of the legislation.

4. Welfare Reform -- State Use of TANF Funds: The NGA Fiscal Survey of States, released on May 27, contained some encouraging information about the way states are using welfare monies. The report showed that states are shifting funds from direct cash payments to work-related supports. Since 1996, spending for cash assistance has decreased 26 percent, while spending for child care has increased 85 percent and spending on work activities has increased 34 percent. Total welfare spending declined by 9 percent, but given caseload reductions, this figure represents increased spending per welfare recipient.

Discuss Weinstein & NGA in Milwaukee

5. Education -- GAO Report on National Testing: In response to a request from Rep. Goodling, the GAO will issue a report next week on the roles played by NAGB and the Department of Education in developing the national tests in 4th grade reading and 8th grade math. The report finds that NAGB has full control over development of the tests, as required by law; it finds not a single instance of improper interference by the Department. In addition, the report finds no reason to criticize the procedures NAGB has used to award test development contracts. Although we do not expect the report to mitigate Rep. Goodling's adamant opposition to the tests, it should prevent him from making the claim that test development somehow remains under the influence of the Administration.

IGA/ + IBARRA WARDMAN

6. Education -- Adult Education: You recently asked what the Administration had accomplished with respect to adult education and whether we need to take additional steps. The Senate and House workforce investment bills, which Congress is expected to pass by July 1, provide for the reauthorization of all federal adult education programs. Your FY 1999 budget requests a $16 million increase in grants to states for adult education programs. It also includes a request for funds to develop model English-as-a-second-language programs

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for adults, since 40 percent of adult education participants are in such programs. In addition, the Department of Education has funded a PBS series, called "Crossroads Cafe," which is a kind of "Sesame Street" for adults learning English. The program is now shown in 35 states (and 50 foreign countries) and will be expanded shortly. DPC will begin a working group with NEC and the Education Department to explore how we can best highlight the efforts we already have underway, and what additional steps would be appropriate.

7. Health -- Assisted Suicide: The Department of Justice plans on releasing a letter next week, in response to an inquiry from Senator Hatch and Congressman Hyde, concluding that the Controlled Substances Act does not give the Drug Enforcement Agency (DEA) authority to take action against physicians who assist their patients to commit suicide. Consistent with your directions, this letter will include a restatement of your longstanding position opposing assisted suicide and an indication of your willingness to consider workable legislation addressing this issue. As you know, we expect that Hatch and Hyde will respond to the Department's letter by introducing a bill authorizing the DEA to take action against physicians for assisting suicide -- a legislative approach that we believe is ill-advised. We will work closely with DOJ to roll-out its letter, and will keep you advised of legislative developments.

8. Health -- HCFA Letter to Ravenswood Hospital: The Health Care Financing Administration (HCFA) sent a letter yesterday to Ravenswood Hospital of Chicago threatening it with loss of Medicare funding for policies posing a grave threat to the health and safety of patients. The letter followed an incident in which a 15 year-old died of gunshot wounds just 35 feet from the hospital door after hospital workers refused to leave their posts or even to give police officers a stretcher to bring the young man into the hospital. The HCFA letter states that the hospital will lose funding in three weeks, unless it provides credible evidence within that time of having reformed its emergency room policies and practices. We issued a statement in your name highlighting HCFA's action, as well as urging all hospitals to follow recently released guidance by the American Hospital Association on appropriate emergency procedures.

9. Health -- Medicare Commission: The Medicare Commission will hold a meeting on Monday, most of which will be devoted to discussions among the members on the major issues of benefits, costs, eligibility, administration, and financing. (We have told our members that they should feel free to talk openly about controversial policy reforms such as benefit changes, eligibility age changes, and means-testing proposals, but should avoid at this time any serious discussion of new taxes.) In general, the Democratic members are becoming nervous that the Commission's staff is focusing exclusively on questions of program financing, while ignoring issues of program design. They will use this meeting to urge the Commission to address ways of making the Medicare program more responsive to the needs of beneficiaries, at the same time as the Commission takes up the program's financing challenges.

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10. Health -- Long Term Care: Aging and disability advocates are placing increased pressure on us to address the issues surrounding long-term care. Demographic changes will heighten the demand for these services greatly in the coming years, but cost considerations have deterred both the public and the private sectors from taking up this challenge. Although truly comprehensive approaches are politically and financially unrealistic, we can develop targeted policies that will begin to address the problem. These policies might include: requiring the Federal Employee Health Benefit Plan to offer (but not pay for) long-term care policies; informing Medicare beneficiaries that Medicare does not cover long-term care and advising them of other coverage options; giving more flexibility to States to use home- and community-based care options for elderly and disable people on Medicaid; and providing tax incentives to increase the purchase of private long-term care policies. We are setting up a working group to explore these and other ideas so that you begin to address this important issue shortly.

This work on long-term care is good to win 2 mos.

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June 4, 1998 - DPC Weekly Report

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Send all this to Rahm
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June 4, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Senate Update: The Senate passed two amendments to the McCain bill this week. The first, sponsored by Senator McCain and approved by voice vote, provides $3 billion over five years to the Veterans' Administration to assist veterans with smoking-related illnesses. The second, approved by a 66-29 vote, greatly increases the surcharges imposed on individual companies that fail to meet youth smoking targets. This amendment, supported by most Democrats as well as by those Republicans who want to kill tobacco legislation (on the theory that a lack of balance will bring the bill down), would impose penalties equaling or exceeding anticipated industry profits on a company that has a significant youth market and misses its youth reduction targets by 20 percent.

Next week, the Senate is scheduled to consider a proposal by Senator Gramm to use tobacco revenues for a tax cut to all married couples earning less than $50,000 per year (whether or not they now pay a marriage penalty). A prior version of this proposal would have decimated just about all other spending immediately, but Gramm reportedly is phasing in his amendment to avoid this result. The latest version would cost $13 billion over the first four years (28 percent of total receipts), an additional $30 billion in the next five years (42 percent of total receipts), and $225 billion in the remaining years of the bill (78 percent of total receipts). Even this "scaled back" version of the amendment, of course, is incompatible with our and the Democratic Caucus's spending priorities. For this reason, Senator Daschle has prepared an alternative tax amendment, which would provide relief for those married couples earning less than $60,000 per year who now pay a marriage penalty, as well as accelerating the deductibility of health insurance costs for the self-employed. This alternative proposal would cost $11 billion over the first four years and would continue to consume between 20 and 25 percent of total revenues throughout the lifetime of the bill. It is conceivable that McCain and Senator Kerry will strike a deal with Gramm next week that splits the difference between these two proposals. Such a compromise certainly would grease Senate passage of the tobacco bill, but at some cost to our public health and research priorities.

This is better policy

The Senate also is expected to vote next week on an amendment offered by Senators Craig and Coverdell, which would allocate about $2 billion each year to anti-drug efforts, again cutting into the funding available in the bill for public health and research. The Craig-Coverdell amendment also includes a permanent prohibition on the use of federal monies for

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needle exchange and a program to allow education vouchers to students who have been the victims of school violence. We are working to draft a modified version of the Craig-Coverdell amendment that spends less money on anti-drug efforts and eliminates the amendment's poison pills. We hope that we will be able to convince a bipartisan group of Senators, including McCain and Kerry to support this modified anti-drug amendment.

Cloture votes are scheduled for Tuesday and Wednesday, but because Senator Lott strenuously opposes cutting off debate at this time, no one expects these motions to pass. We are hopeful that by the end of the week, the Senate will have dealt with the tax and drug issues, as well as the two Republican substitute bills and the farmers provisions, and that it then will be ready to vote for final passage.

good!! try to get this done!

2. Health -- Patients' Bill of Rights: Congressman Norwood called Chris Jennings on Thursday to express interest in organizing a discharge petition that would send patients' bill of rights legislation immediately to the House floor for a vote. As you know, Norwood is the author of a patients' bill of rights bill with over 200 co-sponsors. Norwood told Chris that he might be interested in entering into negotiations with Congressman Dingell to merge their bills and bring the resulting legislation to the floor. Norwood said, however, that he would wait until the end of this month before firmly committing himself to this course of action, in order to give the House Republican Task Force a final chance to offer a proposal that he believes can pass the Congress. Chris is meeting with Dingell this week to discuss Norwood's proposal.

good! make address

3. Health -- Prostate Cancer: We will announce on or around Father's Day the release of over $25 million in new Department of Defense grants for prostate cancer research. This announcement will allow us to highlight significant actions the Administration has taken or can take in the future to prevent prostate and colorectal cancer. In response to new scientific developments, the National Cancer Institute (NCI) is increasing funding for research in this area, and these new research efforts will proceed even more quickly if Congress passes your proposed 67 percent increase in cancer research. In addition, the NCI is beginning new clinical trials on prostate cancer, which will have the greatest chance of success if Congress enacts your proposal, now included in the McCain tobacco bill, to provide Medicare coverage of cancer clinical trials. Finally, the new Medicare preventive benefit for prostate and colorectal screening will go into effect in the year 2000, by which time further developments in testing and treatment should ensure that this benefit will lead to lower mortality rates.

4. Health -- Assisted Suicide: The Justice Department issued an opinion letter on Friday stating that the Controlled Substance Act (CSA) does not give the Drug Enforcement Agency the authority to take adverse action against physicians who assist their patients to commit suicide. As you will recall, Senator Hatch and Congressman Hyde requested this opinion in the hope that the CSA would preempt Oregon's new assisted suicide law. As you directed, the Justice Department's letter notes your "longstanding position against assisted suicide" and indicates that you "remain open to working with . . . members of Congress on this

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complex but extremely important issue." We expect Hyde and Hatch, and perhaps Senator Nickles as well, to introduce legislation soon that would make physician-assisted suicide a federal offense enforceable by the DEA or some other federal agency.

5. **Health -- Medicare Coverage of Abortion:** We are currently considering issues relating to Medicare coverage of abortions, which have been raised by Senator Nickles and the Catholic Health Association (CHA). The issues arise because some women of child-bearing age receive Medicare benefits as a result of their eligibility for Social Security Disability Insurance. The CHA is concerned that Catholic institutions will have to provide abortion services if they wish to become Provider Sponsored Organizations eligible for Medicare payments, as allowed under the Balanced Budget Act. CHA and Nickles have asked the Administration whether the Hyde Amendment applies to the Medicare program and/or whether Catholic institutions can refuse to provide abortion services for religious reasons under the Medicare program. We are working with HHS, OMB, DOJ, and the Counsel's office to determine current Medicare coverage practices as well as to develop options on how to respond to these inquiries. We are very concerned that Senator Nickles will soon highlight this issue, adding it to the growing list of abortion proposals Congress will take up this year. We will send you an options memo this week.

Let's try to do this w/o legislation

6. **Health -- Medicaid Coverage of Viagra:** HHS is expected to announce this week that the Medicaid statute requires coverage of Viagra as long as it is prescribed for a medically necessary reason. To prevent abuses, states can impose a prior authorization requirement (which requires physicians to provide an explicit medical rationale for the dispensing of this medication) and limit the number of pills an individual can receive. Even with these protections, states will oppose the HHS ruling vigorously; they fear that it will open the door for required coverage of numerous other "designer drugs." In issuing its ruling, the Department will stress that the Secretary has authority to reverse the ruling and exclude the drug if experience shows that the drug is being inappropriately or excessively prescribed. HHS will work closely with state Medicaid directors to collect data on Viagra prescriptions, so that it can determine in the future whether such an exclusion is warranted.

7. **Health -- Private Plans' Coverage of Viagra and Birth Control:** Although most private plans have decided to cover Viagra (with various kinds of limitations), many still do not cover birth control pills. Some women's groups charge that these coverage rules demonstrate a kind of double standard; these groups support a bill, introduced this year by Senator Snowe, that would require private plans to cover birth control. (Medicaid does require coverage of birth control bills, so there is no federal disparity on this issue.) Since the debate on the Health Security Act, we have generally hesitated to endorse benefit mandates in private insurance. We can expect, however, to face increasing pressure on this issue from the women's community during the next Congress.

Prov. Sponsored Organizations

8. **Health -- Genetic Discrimination Legislation:** Labor and Human Resources Committee Chairman Jeffords has asked us to participate in a workgroup to develop a bill

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prohibiting genetic discrimination by health insurance plans. This legislation responds to your call to build on the anti-genetic discrimination provisions in the Kennedy-Kassebaum law by passing new protections (1) to ensure that genetic information is not used to deny access to health insurance or to raise premium rates and (2) to prevent insurance companies from disclosing genetic information to other parties. Jeffords intends to put forward a freestanding bill containing these protections because he believes that the Senate may not pass any broader health initiative this year. We are somewhat concerned that Jeffords will produce a watered-down bill in order to increase its chance of passage, but we will participate in his workgroup in the hope that we can prevent this outcome.

9. Health -- Ricka Powers Case: The Vice President spoke on Wednesday to the AARP Conference in Minneapolis, where he called on Congress to pass a patients' bill of rights and highlighted the experience of Minneapolis resident Ricka Powers to show the need for such legislation. Following the event, the HMO that Ms. Powers accused of mishandling her case (Health Partners) vehemently denied her accusations. Because Minnesota law prohibits the plan from releasing specific information about a case without the patient's permission -- which Ms. Powers declined to give -- we cannot determine the full truth of the matter. We therefore recommend that you and the Vice President avoid referring to this case in the future.

10. Welfare Reform -- HHS Study: HHS just announced that it will make funds available to eight to ten states to track people leaving the welfare rolls. The studies also will attempt to collect information on families that are not coming onto the welfare rolls because of diversion programs, new eligibility rules, or other factors. Results of the study probably will not be available for several years.

Robert we need to do an event on this it's a major accomplishment

11. Drugs -- Drug Courts: The National Center on Addiction and Substance Abuse (CASA) released last week the first major study on the effectiveness of drug courts. The study found that drug courts provide more comprehensive supervision, monitoring, testing, and treatment than other forms of community supervision of drug offenders. According to the report, 55 percent of drug courts require at least two drug tests per week, 35 percent require weekly tests, and 10 percent require tests every other week. By comparison, among jurisdictions using simple probation supervision, none require drug tests more than once each week, eight percent require weekly tests, 52 percent require monthly drug testing, and 33 percent test on a less frequent or random basis. In addition, CASA found that drug use and criminal behavior are substantially reduced while offenders are under drug court supervision, as well as after they leave the program. Drug courts have flourished in the past few years, largely because of the 1994 Crime Act which authorized the first-ever federal funding for drug courts. Between 1995 and 1997, the Justice Department provided $56 million to drug courts, and as of last month, drug courts existed in 275 jurisdictions.

12. Children and Families -- Child Support Bill: You will soon receive for signature the legislation you called for in 1996 making it a federal felony for parents to cross

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9. Health -- Ricka Powers ...
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rights and highlighted the experience of Minneapolis resident Ricka Powers to show the need for such legislation. Following the event, the HMO that Ms. Powers accused of mishandling her case (Health Partners) vehemently denied her accusations. Because Minnesota law prohibits the plan from releasing specific information about a case without the patient's permission -- which Ms. Powers declined to give -- we cannot determine the full truth of the matter. We therefore recommend that you and the Vice President avoid referring to this case in the future.

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state lines to evade child support. The Senate approved the bill by voice vote yesterday, while the House passed it by a vote of 402-16 last month.

13. Women's Issues -- Equal Pay Act Event: You, the Vice President, and the First Lady are currently scheduled to participate in an event on Wednesday to commemorate the 35th anniversary of President Kennedy's signing of the Equal Pay Act. Dr. Dorothy Height, who attended the signing in 1963, is also expected to participate. You will urge Congress to pass Senator Daschle's and Congresswoman DeLauro's equal pay bills, which would strengthen enforcement of the Equal Pay Act -- primarily by providing for compensatory and punitive damages, rather than mere liquidated damages and backpay. (The Vice President previously announced the Administration's support for this legislation.) You also will release a report by the Council of Economic Advisors on the wage gap, which shows that although the gap between women's and men's wages has narrowed substantially, women still make just over 75 percent of what men do.

14. Education -- Class Size Reduction: Senator Murray is preparing to introduce your class size proposal within the next week to ten days. She has lined up 10 to 12 cosponsors, and believes she can more than double that number before the bill is introduced if she can identify a credible offset to replace the tobacco funding we proposed in our budget. We and OMB have been working with Murray's office to identify potential offsets, and will suggest several to her this week. We are also working closely with Murray, as well as with Senator Daschle, the teachers' unions, and other education groups, to design and carry out a coordinated legislative, communications, and grass roots strategy on this issue.

15. Education -- Bilingual Programs: The House Education and Workforce Committee passed, on a party line vote, Congressman Riggs' proposal to replace the existing bilingual and immigrant education programs with a block grant to states that requires all students to be placed in regular English-language classes within 2 years. The Education Department is nearing completion of an Administration alternative to this bill, which will be ready for transmission by the end of next week, should you wish to put an alternative forward now rather than waiting for the reauthorization of the bilingual program next year. The Hispanic Caucus is strongly opposed to the introduction of any alternative at this time, but other Democrats may want the cover that an alternative bill would provide in order to vote against the Riggs bill. We will send you a memo on this issue this week.

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THE WHITE HOUSE

WASHINGTON

June 11, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Senate Update: The Senate passed several important amendments to the McCain bill this week. The Craig-Coverdell amendment, approved by a 52-46 vote, authorizes about $2 billion per year for anti-drug efforts. Although we support most of these efforts, the money for them would come out of the funds previously reserved for public health programs: if the appropriators were to provide the full amounts authorized for these anti-drug efforts, funding for smoking cessation, education, and counteradvertising programs would decrease by about 80 percent. The amendment also prohibits the use of federal monies for needle exchange and allows states to give education vouchers to students who have been the victims of school violence.

The Senate also passed by a vote of 50-48 the Gramm tax-cut amendment. The Gramm amendment would cost $16 billion over the first four years and an additional $30 billion in the next five years; in these years, all the cost would come out of tobacco revenues. After 2008, the estimated cost of the proposal would increase dramatically to over $10 billion each year; one-third of all tobacco revenues would go to pay for this tax cut, with other revenues (presumably the surplus) accounting for the rest. The amendment would provide all couples with annual incomes below $50,000 a new tax deduction of $825 this year, rising to $3,300 in 2008, and would provide full deductibility of health insurance for the self-employed.

Finally, the Senate passed by a vote of 66-33 an amendment sponsored by Senators Kerry and Bond to require states to spend 25 percent of the funds they receive under the bill on child care subsidies. (States would have to spend another 25 percent of their funds on the menu of programs we negotiated with the NGA, which includes child care subsidies; states could do whatever they wished with the remaining 50 percent of their funds.)

As a result of these votes, key groups have expressed concern about the diminishing dollars available to them. The Governors have drafted a letter objecting to the state financing section of the bill because the funding level has dropped below the $196.5 billion over 25 years originally provided in the bill (the same level contained in the June 20 settlement). The Governors also may object to the further restrictions placed on state spending by the passage of the Kerry-Bond amendment. At the same time, public health groups such as the Campaign for Tobacco Free Kids, the American Cancer Society, and the American Heart Association are

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deeply concerned that sufficient funding will not be available for anti-smoking programs. Erskine, Secretary Shalala, and we met with them on Friday to explain that the bill would not move through the Senate without funding for tax cuts and anti-drug programs, and to urge them to work hard over the next few days to achieve final passage.

With the addition of a tax cut and anti-drug programs, Republicans should find it more difficult to oppose the bill. Many Republican Senators, however, harbor a very deep hostility to this legislation, and they read new polls to suggest that obstructing it will have little electoral consequence. Senator Lott sharply criticized the bill on this Sunday's talk shows and indicated that it would not pass the Senate. He noted that the Senate still had not dealt with the issues of tobacco farmers or attorneys' fees and that either issue could cause the legislation to explode. (Actually, the Senate has rejected two amendments to cap attorneys' fees -- one limiting fees to $250 per hour and the other limiting fees to $1,000 per hour -- but apparently Lott believes this issue remains open.) He also indicated that while there were not 50 votes in the Senate to defeat the legislation, there also were not the 60 votes necessary to pass it.

You will be speaking on Monday to 150 high school Presidential scholars and can use the event to urge swift passage of the tobacco legislation.

2. Education -- National Testing: The National Academy of Sciences (NAS) released an interim report last week, as required by last year's Labor-HHS-Education appropriations bill, on the feasibility of linking scores from existing commercial and state reading and math tests to each other and/or to NAEP. The NAS concluded that it is not technically feasible to compare student scores on different tests to each other and/or to the NAEP standards. This conclusion of course undermines Rep. Goodling's argument that existing tests could be used to accomplish the purpose of a national test in reading and math. We do not expect, however, that this report will dampen his opposition to our testing initiative. Indeed, earlier this week, he received assurances from the Republican leadership about supporting an anti-testing rider on this year's appropriations bill. (The leadership provided these assurances when they decided to remove an anti-testing provision, as well as a sweeping education block grant provision, from the conference report on the Craig-Coverdell education tax bill; as you know, they believe that removing these provisions will make it harder for you to veto the bill.)

3. Crime -- PRIDE Study: The National Parents' Resource Institute for Drug Education (PRIDE) will release on Thursday its annual survey on teen drug use and violence for the 1997-98 school year. We have not yet seen the data on drug use among teens, but PRIDE has shared with us some of its findings on school violence. The study finds that the percentage of students who reported carrying a gun to school decreased by over a third since the 1993-94 school year -- from 6 percent to 3.8 percent (or nearly 1 million students). Of those students who brought a gun to school, almost half did so six or more times, over half threatened to harm a teacher, and nearly two-thirds threatened to harm another student. Drug use was very high among students carrying guns: 30 percent used cocaine in the month prior

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to carrying a gun to school; 32 percent used stimulants such as methamphetamine; and 31 percent used hallucinogens. Perhaps most important, the survey reaffirms the effectiveness of involving kids in after-school programs and school activities. Students who did not bring guns to school were 53 percent more likely to be involved in after-school programs and 34 percent more likely to be active in school activities (such as band and sports teams) than those who carried guns.

4. Child Care -- House Legislation: The First Lady and Secretary Shalala joined House Democrats last week as they unveiled a comprehensive child care bill that includes all the pieces of your child care initiative, plus a tax credit for families with a stay-at-home parent and children under four years of age. The $20 billion package will be sponsored by more than 100 members. The proposal does not specify funding sources.

5. Child Care -- After-School Event: You are currently scheduled to announce on Wednesday $40 million in grants for after-school programs. These grants, the first awarded under the new 21st Century Learning Centers Program, will allow 315 schools in 36 states to establish or expand after-school initiatives. You also will release a new report, titled *Safe and Smart: Making the After-School Hours Work for Kids* and jointly authored by the Departments of Justice and Education, which finds that quality after-school programs decrease juvenile crime and improve the academic performance of participating children. This event, also involving the First Lady and Vice President, will support our efforts to expand the 21st Century Learning Centers Program in this year's appropriations process.

6. Health -- Patients' Bill of Rights: Larry Stein and Chris Jennings met with Rep. Dingell last week to discuss patients' bill of rights legislation. Dingell said he would work closely with the Administration in the event that he and Rep. Norwood begin to talk seriously about developing a unified bill to be brought to the floor by way of a discharge petition. For the moment, Dingell believes (and we agree) that he should stand firmly behind his bill as written, including its state-court liability enforcement provisions, rather than signal any willingness to compromise. Dingell noted, however, that the CBO may soon issue a high estimate of the costs associated with his bill's enforcement provision. We have heard that the Republican leadership has insisted on reviewing the CBO's estimate before it is released and is subjecting the CBO staff to relentless pressure. We will talk with Dingell about an appropriate response when we learn more about the CBO's estimate.

7. Health -- Vice President's Announcement of the Quality Forum: The Vice President is scheduled to unveil on Wednesday a planning committee to establish a "Quality Forum," a private sector entity that will develop and disseminate uniform standards for high-quality health care. Your Quality Commission recommended establishing this Forum, and you asked the Vice President to oversee the process. In conjunction with this announcement, we are releasing a report that highlights the many shortcomings of the current system: the report will note, for example, one study's estimate

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that preventable errors in hospital care lead to 180,000 needless deaths each year. Developing uniform measures of quality and encouraging health plans to adopt these measures has great potential to improve health outcomes, increase confidence in the health care system, and save costs. We will describe this effort as the natural complement to our patients' bill of rights proposal in the effort to promote health care quality.

8. Health -- FDA Commissioner: We plan to announce the nomination of the new FDA commissioner, Jane Henney, as soon as the Senate completes consideration of the McCain bill. (We do not think it would be helpful either to confirming Henney or to passing the tobacco bill to announce her nomination in the middle of the current debate in the Senate.) So far, advance word of her nomination has prompted neither major objections nor strong support. It is possible that Republicans will try to portray Henney as a David Kessler protégé essentially chosen by Senator Kennedy. One positive development is that Senator Domenici has agreed to accompany Henney on courtesy visits to Republican members of the Senate Labor Committee.

9. Housing/Welfare Reform -- Welfare-to-Work Housing Vouchers: The Senate Appropriations Subcommittee for VA and HUD last week voted in favor of a demonstration program that would give $40 million to seven cities or counties for 7,000 "self-sufficiency" housing vouchers targeted to people moving from welfare to work. The seven sites chosen were New York City, Los Angeles, Cleveland, Miami-Dade County, Anchorage, Charlotte, and Prince George's County. Although the Subcommittee provided substantially fewer welfare-to-work vouchers than the Administration requested -- 7,000 instead of 50,000 -- the vote is a good first step for the Administration's initiative. The Chair of the VA/HUD Subcommittee in the House (Jerry Lewis) has expressed interest in the program, and we are hopeful that he will support a greater number of vouchers.

10. Welfare Reform -- Portland Study: HHS is preparing to release an evaluation of Portland, Oregon's mandatory welfare reform program which shows that the program has led to increased employment and earnings and reduced welfare expenditures. The study, conducted by Manpower Demonstration Research Corporation as part of HHS's national evaluation of welfare-to-work strategies, tracked over 5,500 recipients from 1993 through mid-1996. The study found that after two years, participants in the program had earnings that were 35 percent higher and employment levels that were 11 percent higher than comparable individuals in the control group. Participants also received 17 percent less in welfare payments than people in the control group; 41 percent of program participants still received welfare after two years, as compared with 53 percent in the control group. The program had a measurable positive impact both for people with few barriers to employment and for people considered harder to place.

Portland required all welfare recipients with children older than one year to participate in its program and sanctioned 21 percent of recipients for failure to comply with program rules. (The sanction rate is in the mid-range for comparable programs.) The

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program generally had a strong employment focus, but a significant number of participants also participated in short-term education and training activities. The staff emphasized child care arrangements in their case management, and the program had relatively high child care usage and costs. The program, however, did not increase overall welfare costs.

11. **Welfare Reform -- New Jersey Family Cap Study:** Secretary Shalala has sent you a memo on the draft Rutgers University study issued last week which concluded that New Jersey's family cap policy has resulted in a "small but non-trivial" effect on abortion rates (an estimated additional 240 abortions per year). As the memo relates, both New Jersey and HHS have raised serious questions about the study's methodology and findings. Rutgers is currently revising the study in response to these criticisms. A total of 22 states have adopted a family cap policy since the passage of the welfare law (up from 15 states that had waivers to implement this policy).

12. **Disabilities -- Bunning-Kennelly Legislation:** The House last week passed legislation, sponsored by Reps. Bunning and Kennelly and supported by both the Administration and the disability community, to move SSDI and SSI beneficiaries into the workforce by using a "pay for performance" approach. People on the SSDI and SSI rolls currently get rehabilitation services through state vocational rehabilitation agencies, which receive reimbursement for their costs. Under Bunning-Kennelly, beneficiaries could choose their own rehabilitation providers from among a number of public and private entities. Providers that successfully assist beneficiaries to leave the rolls and return to work would receive a percentage of the disability benefits saved. These payments would continue as long as the person remained off the rolls, up to a maximum of five years. The premise of the bill is that providers will have a greater interest in their clients' long-term success if they are rewarded for results rather than reimbursed for costs. Notwithstanding widespread support for this approach, the bill's fate in the Senate is uncertain. Senators Jeffords and Kennedy may not want to move the bill unless it is paired with their proposal to extend Medicare and Medicaid benefits to those leaving SSDI or SSI. We have a number of problems with the Jeffords-Kennedy bill, including its cost (estimated at over $1 billion each year) and complexity. We are meeting this week with staff for the Senators to discuss these issues, as well as the possibility of moving the Bunning-Kennelly bill forward.

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THE WHITE HOUSE

WASHINGTON

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June 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Meeting with Senator Hatch: As you requested, Erskine, Larry, and we met with Senator Hatch to discuss his alternative tobacco legislation. Although Hatch would not give us a copy of his bill, his remarks suggested that it differs little from the June 20th settlement. We do not think this bill could command majority support (let alone the 60 votes needed to invoke cloture) in the Senate. The liability provisions (not only an annual liability cap, but also a prohibition on punitive damages and class actions) should make it unacceptable to most of the 60-plus Senators who just two weeks ago voted to strip the much weaker liability protections from the McCain bill. In addition, the payment and lookback provisions (probably resulting in an increase of about 75 cents per pack, plus abatable surcharges) would be too small -- and the FDA provisions too weak -- for most Democrats. Hatch himself admits that this legislation would not pass the Senate without the strong support of Senators Lott and Daschle. But even if Lott were to become sufficiently nervous to enter into a deal of this kind, Daschle almost surely would refuse to do so. The bill, at least as it now stands, is simply too close to the June 20th agreement to obtain the support of more than a handful of Democrats. Our meeting with Hatch -- and the present state of his bill -- reinforced our conviction that we need to spend some time putting pressure on Republican senators before we enter into any compromise discussions.

2. Tobacco -- Medicare Suits: We have asked the Department of Justice to analyze the possibility of bringing suit against the tobacco companies for losses suffered by the Medicare program as a result of tobacco-related disease. This suit would be an analogue to the suits brought by 42 states for losses suffered by their Medicaid programs. We expect the Justice Department to note the significant possibility of losing such a suit, perhaps even within a few months. (One large problem is that the Medicare statute does not clearly authorize suits against third-party tortfeasors, as the Medicaid statute does; the suit thus would be subject to an immediate motion to dismiss.) We and the Counsel's Office will transmit to you the Justice Department's analysis, and also will advise you on how such a suit would affect our broader youth smoking strategy.

3. Tobacco -- Events: We are preparing a directive for you to announce on Monday (at the Gores' family conference) to initiate work on a new survey to measure youth smoking. This survey, which HHS will develop and conduct, will provide the most accurate possible

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measure not only of overall youth smoking rates, but also of the distribution of youth smoking among different tobacco companies and brands. The survey, which the McCain bill would have mandated, also would form the basis of any lookback surcharges imposed in future tobacco legislation. We also are considering a number of other tobacco-related announcements, including a new Treasury report on the effect of price increases on youth smoking (to highlight the insufficiency of the expected no-money House bill) and a directive preventing movie makers from using federal lands (e.g., military installations and national parks) if their movies contain or glamorize youth smoking.

4. Health -- Vice President's Family Conference: The Gores will host their annual family conference next week, which will focus on health care. In addition to urging Congress again to pass a patients' bill of rights, you and the Vice President will announce an executive directive on children's outreach and a multi-faceted national health initiative for older Americans. The initiative for the elderly includes: new preventive benefits for Medicare beneficiaries; a national Internet site for Medicare beneficiaries; and a new nationwide public/private Medicare council with over 80 organizations that is designed to encourage prevention and wellness among older Americans and to ensure that they have the information they need to select the best possible health plan. To highlight the new preventive benefits, the First Lady will release a new public service announcement on osteoporosis, featuring her and Mrs. Gore. You also will reiterate your commitment to comprehensive anti-tobacco legislation and announce an executive directive to develop a survey on youth smoking (see above).

5. Health -- Medicare and Hyde Amendment: Secretary Shalala will transmit a letter to Senator Nickles on Tuesday that reaffirms the Health Care Financing Administration's longstanding policy to apply the Hyde Amendment to the Medicare program. Prior to the release of the letter, we will hold meetings with the women's advocacy organizations, the Catholic Health Association (CHA), and Senator Nickles's staff. In our meeting with the CHA, we will offer a way for Catholic health plans to decline to provide any abortion services (even those permitted under Hyde) and still become Provider Sponsored Organizations eligible to receive Medicare payments.

6. Health -- FDA Commissioner Nomination: You are tentatively scheduled to announce on Tuesday that Jane Henney is your nominee for FDA Commissioner. We do not expect Henney to have an easy road to confirmation, but we are working closely with Sen. Domenici, her home-state sponsor, to ensure that she gets the best possible send-off.

7. Health -- Patients' Bill of Rights Legislation: The Republican House Leadership is expected to release proposed health care legislation next week, which apparently will include a watered-down patients' bill of rights initiative combined with "Health-Mart" and "multi-employer welfare association" (MEWA) provisions. The patients' bill of rights initiative almost certainly will lack both a strong enforcement mechanism and any "body-part mandates" (e.g., for breast reconstruction following a mastectomy). The Health-Mart and MEWA provisions probably will enable small businesses to exempt themselves from state

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health regulations (including state-passed patients' bills of rights) and lead to further segmentation of the insurance market (i.e., separating healthy from sick populations). The Republican initiative also may include some inefficient tax incentives. As of now, we are not sure whether this bill will satisfy Congressman Norwood's desire for a patients' bill of rights initiative. If it fails to do so, we expect him to work with Congressman Dingell on a discharge petition to bring strong bill of rights legislation to the House floor.

8. Drugs -- Drug Courts: In response to your interest in drug courts, we are preparing an event in which you will announce the release of the latest Justice Department drug court grants. Approximately 150 jurisdictions will receive $27 million in grants to help plan, implement, enhance, or evaluate drug courts. Some of the cities receiving grants are San Francisco, Omaha, Little Rock, Washington, D.C., and Atlanta. We may want to combine this announcement with the nationwide launch of our anti-drug media campaign, tentatively scheduled for July 9.

9. Drugs -- PRIDE Survey: The National Parents' Resource Institute for Drug Education (PRIDE) released on Thursday its annual report on teen drug use. The report shows that drug, alcohol, and tobacco use by teens generally dropped during the 1997-98 school year -- the first across-the-board declines since the 1990-91 school year. Among the most notable declines: (1) marijuana use among junior and senior high students fell from 15% to 13% and from 36% to 33%, respectively, last year; and (2) cigarette use by junior high students fell from 32% to 29% last year -- the first such decline in the 11-year history of the PRIDE survey. The single discordant note in the report is that students in the 12th grade reported slight increases in their use of cigarettes, cocaine, uppers, and downers.

10. Drugs -- Pulse Check Report: ONDCP will release on Thursday its biannual Pulse Check report on the use and distribution of illicit drugs in 30 cities. The information contained in Pulse Check is gathered from ethnographers, law enforcement officials, and drug treatment providers. Some of the report's key findings include: (1) methamphetamine has continued its spread eastward and is now considered an emerging drug in Baltimore and Columbia, MD; (2) heroin use is stable or rising, with young users who snort or smoke the drug increasing across the country; (3) crack is failing to attract new users, although powder cocaine use is rising among the affluent in a few areas; and (4) marijuana use is widespread, crossing economic and social groups. Director McCaffrey is planning to unveil the Pulse Check report with DEA Administrator Tom Constantine and NIDA Director Alan Leshner.

11. Crime -- Brady Handgun Checks: The Justice Department will release on Sunday a report on Brady checks conducted in 1997. The report shows that state and local officials conducted 2.5 million background checks last year and prevented 69,000 sales of handguns. About 62 percent of the 69,000 rejections were for felony convictions or current indictments; 9 percent were for domestic violence misdemeanors; 6 percent were for fugitive status; and 2 percent were for domestic violence protective orders. The report also states that from February 28, 1994 (the Brady Law's effective date) through the end of 1997, background

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checks have prevented 242,000 handgun sales to prohibited purchasers. We previously have used a slightly higher figure (300,000 sales), based on a Justice Department estimate that could not fully separate sales of handguns and long guns.

12. Crime -- Modified Assault Weapons: We successfully deflected an attempt last week to add a rider to the Senate Treasury-Postal appropriations bill that would have undermined our recent decision to prevent the importation of modified assault weapons. The rider would have grandfathered more than a hundred thousand of these weapons into the country. To prevent the rider from passing, we helped craft an alternative amendment to reimburse importers for a limited number of firearms (roughly 2,000 to 3,000) that were in or en route to bonded warehouses when we announced our administrative action. This amendment, which also provides for the destruction of these weapons, passed instead of the broad rider originally proposed.

13. Crime -- Zero Tolerance: As you know, you signed a law in 1995 requiring all states to adopt a zero-tolerance standard for underage drinking and driving by October 1, 1998. On June 29, South Carolina will become the 50th state to enact a zero tolerance law. Delaware's zero tolerance law, however, does not fully comply with the federal standard and must be amended.

14. Education -- Teacher Education: Senator Bingaman has proposed an amendment to the Higher Education Bill (to be taken up by the Senate next week), which would impose new accountability requirements on teacher education programs. The amendment would require teacher education programs to publish the percentage of their students passing state teacher certification tests, and would cut off financial aid to students in programs with less than a 70 percent pass rate. The amendment has the strong support of the NEA, but is opposed by the higher education community and Senators Jeffords, Coats, Kennedy, and Dodd. We are working with Bingaman and Kennedy to find an approach that retains the amendment's strong emphasis on accountability without penalizing students for the low quality of their program.

15. Education -- Charter Schools: The Senate Human Resources Committee will mark up a bill to expand the charter schools program when the Senate returns from its July 4th recess. The House passed a similar bill last summer, which you supported. We are working with Sen. Kennedy to ensure that the Senate's version of the bill enables charter schools to expand more rapidly, while making sure they are held accountable for outcomes.

16. Welfare Reform -- GAO Report: The GAO issued a report last week showing sharp increases in the proportion of welfare recipients going to work. The GAO found that in three of the seven states studied (California, Louisiana, and Maryland), the proportion of welfare recipients who obtained jobs more than doubled between 1995 and 1997 and in another two states (Oregon and Wisconsin), the proportion increased by more than 70 percent. In one state (Texas), the proportion declined very slightly. In the last state (Connecticut), data

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on jobs was not available, but there was a substantial increase in the number of families leaving welfare because of increased earnings.

17. Welfare Reform -- Conference of Mayors Report: The U.S. Conference of Mayors released a report Friday on welfare reform in urban areas. A survey of 125 mayors included in the report indicates that while they see some cause for optimism after the first 18 months of welfare reform, they remain concerned about creating enough jobs and connecting people to those jobs. They note especially the lack of adequate child care, transportation, and affordable housing near employment. The report also estimates that the number of welfare recipients in urban areas needing jobs over the next five years could exceed by about 350,000 the number of jobs created in that time. HHS has methodological questions about this overall projection, noting for example that the study ignores welfare recipients who are already working and can take advantage not only of new jobs, but of turnover in the existing labor market. The study, however, clearly shows significant disparities among urban areas in the size of projected job gaps. In areas such as Fort Worth, Las Vegas, Little Rock, Miami, Phoenix, and San Francisco, projected job growth exceeds the expected number of job seekers; in areas including Detroit, Providence, Newark and Cleveland, the projected ratio of low skill job seekers to jobs is very high.

18. Welfare Reform -- Civil Rights Guidance: A number of agencies, including HHS, DOJ, EEOC, and DOL, have drafted guidance on the application of civil rights laws to welfare reform, particularly work requirements and time limits. The guidance notes, for example, that a racially neutral criterion that exempts disproportionately few racial minorities from the five year time-limit is permissible, but only so long as the state has a substantial and legitimate justification for this criterion and there is no comparably effective alternative that would exempt more minorities. HHS intends to share this guidance in the coming weeks with civil rights groups, advocates, and the states. Although we share HHS's view that the guidance is useful, we are somewhat concerned that the states may interpret it as imposing new requirements, rather than simply showing how existing law applies to new programs. We accordingly are working with HHS to ensure a smooth roll-out of this draft guidance to the states.

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July 2, 1998 - DPC Weekly Report

THE WHITE HOUSE

WASHINGTON

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July 2, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Legislative Strategy Update: We and Larry Stein believe that we should proceed along two fronts in our effort to get tobacco legislation back on track. On the first track, we must try to bring increased pressure to bear on Senator Lott to pass a comprehensive bill. To this end, we have worked with the public health community (which is generally demoralized and weak) on various grassroots activities over the congressional recess. We also have worked with Senator Daschle's office on a strategy for continuing to force votes on tobacco legislation on the Senate floor. Our preferred approach (which we think we can persuade Sen. Daschle to adopt) is to offer a tobacco amendment that makes no spending decisions (and so refutes somewhat the "tax-and-spend" argument) and therefore is not subject to a point of order (and so requires only 50 votes). Democrats could offer this amendment on either the VA-HUD appropriations bill or the product liability bill this week. We do not expect this amendment to win, but hope that it will make Lott recalculate the costs of killing comprehensive legislation. On the second track, we should explore with Lott and other Republicans what they need to support comprehensive legislation and whether a new deal is in reach. We will discuss with Erskine as soon as he comes back how to proceed with this part of our strategy.

2. Tobacco -- Executive Orders: We are also working on additional executive actions on tobacco to keep the pressure on Congress over the coming weeks. As you know, your announcement of a new HHS survey of youth tobacco use received a very favorable response. We are now completing a directive to HHS and DOJ to make the recently released tobacco documents more accessible to the public health community, the scientific community, litigants, and the general public. Although these documents are currently available on the Internet, no one can make effective use of them because they have not been organized in any comprehensible manner. The directive will require the departments to (1) create a user-friendly database and/or index of the documents and make this database and/or index widely available, and (2) require scientific analysis of the documents for information advancing public health goals. We are also exploring directives to (1) produce counteradvertisements on youth smoking for use by states and serve as a clearinghouse for state-produced counteradvertisements; (2) ban underage smoking on federal property and deny filming privileges on federal property for movies that portray youth smoking; (3) require strict enforcement of a Goals 2000 provision to ban smoking in facilities receiving federal funds to

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provide children's health care, day care, education, or library services; and/or (4) require OSHA to issue within a year a standard protecting workers from environmental tobacco smoke.

3. Health Care -- HIPAA Enforcement: You are scheduled to announce on Tuesday that the federal government will take additional action against insurers who are circumventing the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Earlier this year, we received a number of troubling reports that insurers were giving financial incentives to agents to avoid or delay enrolling Americans with pre-existing conditions, in contravention of the intent of HIPAA. Although the number of reports has declined since you directed HCFA to send guidance to insurers in March, insurer misconduct of this kind may still be a problem. To help ensure full compliance with HIPAA, you will direct the Office of Personnel Management (OPM) to take all appropriate action -- up to and including termination of a participating health plan from the Federal Employees' Health Benefit Plan (FEHBP) -- if the agency determines that a plan is engaging in insurance practices that are inconsistent with the letter or spirit of HIPAA. FEHBP, which contracts with 350 carriers and has 9 million enrollees, also will require health plans to certify that they are abiding by HIPAA before they can participate in the program. You also will direct HCFA to report any abuses they discover to OPM, and you will announce that the National Association of Insurance Commissioners has agreed to report any violations of HIPAA to OPM.

4. Health Care -- CBO Cost Estimates of Patients' Bill of Rights: The Congressional Budget Office (CBO) is expected to release on Thursday estimates of the cost of the Dingell/Ganske/Kennedy patients' bill of rights legislation. We anticipate that the CBO will project that this legislation will increase premiums by about 4 percent for the average employee, which amounts to about $7 a month (a cost that will be split between employers and employees). We are working on a positive roll-out strategy for this estimate to buttress our claim that the benefits of such legislation are more than worth the modest costs. Opponents of this legislation will try and use the estimates to argue that the patients' bill of rights will increase health care costs and the number of uninsured. Assuming we are successful at portraying these costs as moderate, the primary outstanding issue on patients' bill of rights legislation will concern the appropriate enforcement mechanism. We will send you an options memo soon on how best to position the Administration on this issue.

5. Health Care -- Report on Low-Income Medicare Beneficiaries: Families USA will release a report early this week showing that over 3 million low-income Medicare beneficiaries are eligible for but not enrolled in the Qualified Medicare Beneficiary (QMB) program. The QMB program pays Medicare copayments and deductibles for beneficiaries below 100 percent of poverty and pays premiums for beneficiaries below 135 percent of poverty. (Prior to last year's Balanced Budget Act, premium assistance went to beneficiaries below 120 percent of poverty). Many beneficiaries, however, are not aware of this assistance or have difficulty applying for it. To respond to this problem, we are preparing a multi-faceted effort by SSA and HCFA to enroll eligible beneficiaries in QMB by: (1) encouraging simple

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mail-in applications; (2) posting information about QMB in SSA offices; (3) including information about QMB in the pamphlets going to all Medicare beneficiaries this fall, and in annual cost-of-living-adjustment (COLA) notices received by Social Security beneficiaries; and (4) creating a new task force to find other ways to enroll eligible beneficiaries. We are preparing to announce these measures just around the time the Families USA report is issued.

6. Health Care -- Medicare Handbook: Secretary Shalala decided recently not to release this year's version of the Medicare handbook, which was supposed to inform beneficiaries of their new program options. The draft of the handbook that the Secretary received was unintelligible, and the Secretary decided that it would confuse beneficiaries. The Secretary instead instructed HCFA to send beneficiaries a short pamphlet providing basic information on the new choices and making clear that beneficiaries can remain in fee-for-service plans. Senator Breaux and Congressman Thomas sharply criticized the Secretary's decision, but advocates generally supported it on the ground that the handbook as written would have misled beneficiaries.

7. Health Care -- Catholic Health Plans and Medicare: We have reached agreement with the Catholic Health Association (CHA) on a way to allow Catholic health plans to become Medicare contractees even though they will not provide abortion services. Under this approach, Catholic health plans will disclose that they do not cover abortion services and Medicare will reduce payment to the plans by a small amount. (Beneficiaries of Catholic plans needing an abortion can go to fee-for-service providers.) We are meeting with HHS to determine whether to implement this plan through new legislation or administrative action; we should conclude this matter in a few weeks.

8. Health Care -- FDA Commissioner Nomination: We are working with Senator Domenici to introduce Jane Henney to as many Senators as possible. In meetings last week, most Senators appeared open to her candidacy. Senator Coats, who is expected to be the lead Republican on the Labor committee for this confirmation, expressed discomfort with Henney's link to Senator Kennedy and David Kessler, but also acknowledged that Doc Bowen, President Reagan's HHS Secretary, strongly supports the nomination. We will continue to work with Domenici on this nomination, and to try to secure a hearing date before the August recess; right now, we are cautiously optimistic about Henney's prospects.

9. Crime -- Youth Handgun Safety: You are scheduled to participate in an event on Wednesday that will focus on keeping firearms out of the hands of children. You will announce a final Treasury Department regulation requiring all federally licensed gun dealers to display signs (17" by 22" in size) warning prospective gun purchasers that: (1) misuse of handguns is a leading contributor to juvenile violence and fatalities; (2) safely storing and securing firearms will help prevent the unlawful possession of handguns by juveniles, stop accidents, and save lives; (3) federal law prohibits, except in certain limited circumstances, anyone under 18 from knowingly possessing a handgun, or anyone from transferring a handgun to persons under 18; and (4) a knowing violation of the prohibition against

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transferring a handgun to a juvenile is, under certain circumstances, punishable by up to 10 years in prison. You also will endorse in principle Child Access Prevention (CAP) legislation introduced by Senators Durbin and Chafee to impose legal liability on adults who allow juveniles access to firearms. We are working with the Justice Department and staff from Durbin's and Chafee's offices to improve this legislation by carefully defining the standard of liability and toughening the penalties for violating it.

10. Drugs -- National Anti-Drug Media Campaign: You are scheduled to announce on Thursday that the national anti-drug youth media campaign -- currently a pilot project in 12 cities -- is now going nationwide. New television ads will appear during prime time on all the major networks that night; new radio ads will begin to air in the top 100 markets; full-page print ads will run in 25 major newspapers; specialized spots with targeted anti-drug messages will appear in 75 media markets reaching approximately 80 percent of the population; a new web site will open on the internet; and a national 800-number, featured in all of the new ads, will become operational. Your comments at the announcement will be linked by satellite to five regional events and 200 community watch parties.

11. Drugs -- Drug Courts and Arrestee Data: You are currently scheduled to make two drug-related announcements in your radio address next week. First, you will release new Drug Use Forecasting (DUF) data from the Justice Department showing that the number of arrestees testing positive for most drugs -- and especially for cocaine and crack -- is down in most cities, but that the number testing positive for methamphetamines is climbing (after falling substantially last year) in key Western and Midwestern cities. Second, you will announce $27 million in Justice Department grants to implement and enhance drug court initiatives in 150 cities across the nation. We also are exploring a new policy announcement to promote coerced abstinence programs.

12. Civil Rights -- EEOC and Fair Housing Initiatives: We have been working with the EEOC, Congressional staff, and civil rights leaders to try to maximize funding for the Commission while avoiding a rider prohibiting the EEOC from using its funds to hire employment testers. Some months ago, Speaker Gingrich testified that he would support your proposed increase in funding for the EEOC conditioned on a number of "reforms," the most controversial of which relates to the use of testers. The EEOC in fact has no plans to hire testers with FY99 money, but wants to avoid a rider, which will be difficult to remove in future years. We are exploring whether a letter from the EEOC committing not to use FY99 money to employ testers would enable us to avoid a rider and secure a significant funding increase. The civil rights community supports this strategy so long as we do nothing to signal that testing is an illegitimate tool for civil rights enforcement. Ironically, the House VA-HUD appropriations subcommittee mark-up includes $7.5 million (we requested $10 million) to fund your proposal for a nationwide program using testing to measure housing discrimination and facilitate enforcement actions against those who violate fair housing laws.

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13. Welfare Reform/Housing -- Welfare-to-Work Housing Vouchers: The House Appropriations Committee included $100 million in the VA/HUD appropriations bill for 17,700 welfare-to-work housing vouchers. Although this appropriation is only one-third of our request, it is more than double the Senate committee level of $40 million for 7,000 vouchers, and represents significant progress for this new Administration initiative. The House language on how to distribute and use the funds is virtually identical to our proposal, whereas the Senate establishes a narrower demonstration program. We are continuing to push for our full request.

14. Welfare Reform/Community Empowerment -- Individual Development Accounts: The Coats/Harkin IDA demonstration program was included in the Human Services Reauthorization bill passed unanimously out of the Senate Labor and Human Resources Committee last week. The bill authorizes $100 million over four years to provide matching funds for low-income individuals who save to buy a home, pursue higher education, or start a small business. It is not clear whether the House will include a similar program in its Human Services Reauthorization bill, which will be marked up after the recess. The DPC and NEC have worked with staff for Senators Coats and Harkin to improve their legislation, and we are exploring an appropriate time and place to announce your support for the IDA program.

15. Abortion -- RU-486: Just prior to recess, the House passed an amendment to the agriculture appropriations bill that would prohibit the use of FDA funds for the testing or approval of RU-486. The amendment, which passed by a vote of 223-202, represents the first time that Congress has interfered with the drug approval process at the FDA. In response to press inquiries about this vote, we criticized Congress for restricting scientific research that can offer women the safest possible medical choices. We are reaching out to the pharmaceutical industry and scientific community during this recess to minimize chances that the Senate will pass a similar amendment.

16. Education -- Ed-Flex: Just prior to Congressional recess, Senators Frist and Wyden introduced a new bill, strongly supported by the NGA, to extend Ed-Flex to all fifty states. The bill is generally constructive, but it does not incorporate all the accountability measures of the current Ed-Flex program -- e.g., a requirement that states have standards and assessments in place and that they submit a statewide reform plan to the Secretary. We will work with Frist, Wyden, and the NGA to improve the bill's accountability provisions. In the worst-case scenario, the Education Department can send up an alternative Ed-Flex bill.

17. Education -- Education Block Grant: Also just prior to the Congressional recess, the House Education and the Workforce Committee passed a block grant bill by a straight party-line vote to consolidate 31 federal education programs, including Goals 2000, Eisenhower grants, technology literacy grants, afterschool grants, and school-to-work grants. The bill also would expand Ed-Flex to all fifty states, but in a way that fails to link increased

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flexibility to real accountability for high standards. Secretary Riley sent a letter to Rep. Goodling indicating that he would recommend a veto.

18. Children and Families -- Head Start Reauthorization: The Senate Labor and Human Resources Committee unanimously approved the Human Services Reauthorization bill, which would reauthorize Head Start, the Low-Income Home Energy Assistance Program, and the Community Services Block Grant programs, while establishing a new demonstration program for Individual Development Accounts (see above). Sponsored by Chairman Jeffords and Senators Kennedy, Coats, and Dodd, the bill included most of the Administration's priorities, including an increase in the new Early Head Start program over the next five years. The bill will be named after Senator Coats, who is retiring this year. We will be working with the bipartisan sponsors of the bill to secure full Senate approval as quickly as possible. In the House, there are danger signals: the Education and the Workforce Committee may schedule a mark-up on the legislation in July, but Subcommittee Chairman Riggs has indicated an interest in attaching several highly controversial measures to the bill, such as Head Start vouchers.

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THE WHITE HOUSE
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July 10, 1998

MEMORANDUM FOR THE PRESIDENT

THE PRESIDENT HAS SEEN
7-13-98

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FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

1. **Tobacco -- State Attorneys General:** Next week, the state attorneys general will meet to consider a possible new agreement between the states and the tobacco industry. The industry is interested in a new "state-only" deal that would give the states the $200 billion over 25 years they negotiated last year in return for settling the state cases. No federal or state legislation would be required. The deal would produce a price increase of 30-35 cents per pack, but would not say anything about FDA authority, farmers, lookback surcharges, or federal investments in research, counteradvertising, cessation and so on (although states would have substantial funds to invest in counteradvertising, tobacco education and prevention, etc.). The industry would agree to the advertising restrictions from the Minnesota settlement (no billboards, no promotional products, no film placements). Apart from settling the state cases, the industry would receive none of the liability protections of the June 20th agreement.

If such a deal materializes, we believe we should 1) embrace it, and try to bring the attorneys general to the White House to announce it; and 2) challenge Congress to finish the job by passing a streamlined bill that includes a smaller (e.g. 50-cent) tax increase to pay for targeted tax cuts (marriage penalty, long-term care), along with FDA authority, counteradvertising, and lookback surcharges. We'll still need to figure out what to do about farmers (paid for by the industry) and whether we can persuade the states to use a portion of their settlement for tobacco control, children's health, and/or child care. The state-only deal may take some pressure off Hill Republicans on tobacco (although it's not clear they were feeling much pressure anyway). But they remain under intense pressure to find revenue for a tax cut, and they can hardly sustain the argument that it's better to use Social Security and the surplus than tax tobacco.

2. **Tobacco -- House and Senate Legislative Activity:** When the House returns from recess, we can expect Rep. Pryce to unveil the Republican Leadership's tobacco legislation. Although we have not yet seen the legislative language, we are preparing to say that it will not save lives because it lacks a significant price increase and contains weak advertising restrictions (OMB and Treasury are preparing draft estimates based on likely scenarios). In addition, Representative Waxman is planning an event to highlight that members of the Republican House Leadership have taken hundreds of rides in recent years on tobacco industry corporate jets, paying only commercial fares for trips worth tens of thousands of dollars.

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THE PRESIDENT HAS SEEN
7-13-98

In the Senate, Senators Conrad and Kerry are approaching Domenici and Gorton about a streamlined bill that would settle the state cases in return for a 75-cent price increase (with another 50-cent increase in five years if teen smoking is not cut in half), FDA authority, warning labels, and other public health provisions, but no new federal programs. Three-quarters of the money would go to the states, which would have to spend one-third on tobacco control and one-third on our menu, with one-third unrestricted. The rest of the money would go for a marriage penalty tax cut. The industry would be required to pay for Ford's tobacco farmer program over the next ten years. Domenici does not seem very interested in a comprehensive bill, even at 75 cents, and Gorton raised concerns about the FDA authority and the proposal's lack of attorneys' fees limitation (a state-only settlement would diminish Gorton's interest as well)

3. **Tobacco -- Executive Memoranda on Industry Documents:** On Friday, July 17, in your remarks to Girls Nation, you will announce two directives to make tobacco industry documents far more accessible to the public. The first directive will require HHS to develop a plan for a user-friendly database and/or index of the documents and make them widely available. The second directive will instruct DOJ to file a brief to support the State of Minnesota's effort to make public an industry-created index to their documents. The release of this index would provide the public with a critical roadmap to industry documents and may identify documents that have not yet been produced.

4. **Tobacco -- Study on African Americans and Nicotine:** On Tuesday, the Journal of the American Medical Association published a study revealing that African American smokers have higher levels of metabolized nicotine than whites or Mexican Americans. This is true even though African Americans smoke fewer cigarettes per day than white smokers. This finding may help explain why African American smokers have more difficulty in quitting smoking, and are at higher risk of developing and dying from lung cancer than whites, and will prompt more research in this area.

5. **Education -- Charter Schools:** The Education Department is completing its second year evaluation of charter schools, as well as a guide to help chartering agencies (e.g., state and local school boards) do a better job selecting charter schools and holding them accountable. We will package these reports together for you to release, perhaps at an AFT/NEA event on July 29. The Senate Labor and Human Resources is expected to mark up a charter schools bill on July 22. The bill strengthens incentives for states to promote charter schools, and provides greater flexibility for charter schools while demanding increased accountability. There is growing resistance from the education community to passing a charter schools bill this session, and growing pressure on Democrats to drag their feet on the bill. We continue to support the committee in its efforts, and believe the bill will ultimately be reported out of committee.

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6. **Education -- Bilingual Ed:** The Education Department has completed work on its bill to overhaul bilingual education, and it is ready for transmittal if and when needed. Next week, we will begin consultations with House Democrats, seeking their views on whether an alternative to Riggs is needed, and sharing with them the approach in our bill. In addition, we are working closely with the Education Department and other agencies to make sure we have a robust package of steps you can take or propose, in addition to changes in the bilingual education program, that will actually make it possible for students to succeed in learning English. These steps include strengthening Head Start to better prepare LEP students for school, forming partnerships to help school districts recruit and train qualified teachers, and using technology to train teachers of LEP students and help students acquire English skills. We anticipate completing work on the entire package within the next 2 weeks.

7. **Health Care -- Patients' Bill of Rights Update:** Next week, we are planning two events to increase your visibility on the patients' bill of rights legislation. The first is a roundtable with physicians and patients who have had bad experiences with managed care plans, such as being denied access to a specialists, that would have benefited from a patients' bill of rights. We are currently working with the American Medical Association to see if they would be willing to host this event. The second event could be with the Democrats on the Hill. It may also be possible to highlight Congressional Budget Office estimates of the Dingell-Kennedy-Ganske legislation, which we expect will project premiums to increase by about 4 percent for the average employee, which amounts to about $7 a month (a cost that will be split between employers and employees). We are also looking to see if we could unveil a new Families USA report that highlights what states are doing in this area. On the Hill, the Senate Republicans are working on their patients' rights bill. We expect that their legislation will contain many, but not all of the patients' protections, including some type of modest enforcement provision.

8. **Health Care -- 25th State Approved for Children's Health Insurance Program (CHIP):** Next week, HHS is planning to approve Utah and Maryland, which will represent the 24th and 25th states for CHIP. Taken together, these 25 state proposals will provide health care coverage for more than 2 million uninsured children. We should highlight this, possibly through a public event with these Governors, both of whom have expressed interest in participating. If you are not available, we may want to consider having the Vice President do this event.

9. **Children and Families -- Well-Being Report:** Next Wednesday, the Federal Interagency Forum on Children and Family Statistics will release its second annual report, *America's Children: Key Indicators of Well-Being*, which you called for in 1997 by Executive Order. The report compiles regularly measured and representative Federal Government statistics on children. This year's report will show positive trends in the overall condition of the nation's children, including decreases in childhood mortality (with infant mortality at an historic low); increases in childhood immunization; dramatic decreases in the number of children with high blood lead levels; lower teen birth rates; and higher college graduation rates. The report will also point to high levels of cigarette smoking, alcohol consumption, and drug use among children; high numbers of children without health insurance (10.6 million in 1996, up from 9.8 million in

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THE PRESIDENT HAS SEEN
7-13-98

1995); an increase in low-birth-weight babies; and no significant change in the number of children in poverty (about 20 percent). We will try to time the CHIP approvals to coincide with this data, and the First Lady will highlight the findings in her weekly column the following week.

10. Welfare Reform -- Child Support Penalties Bill Coming to You for Signature: With our strong support, the House and Senate have passed legislation that makes a number of positive changes to child support law. The bill creates more sensible penalties for states that fail to meet the 1988 Family Support Act's requirement to establish state-wide child support computer systems. Instead of the current draconian penalty of withholding all federal child support funds -- a penalty unlikely ever to be imposed -- it puts in place smaller, automatic, and escalating penalties, ranging from 4% of funds for the first year to 30% for the fifth year that a state fails to implement such a system. A dozen states may face penalties. The largest is California, which is still years away from having a functioning system. Los Angeles County unsuccessfully sought an exemption from its portion of California's penalty on the grounds that its system has performed well even if the state has not, but Republicans opposed it.

The bill provides a new formula, proposed by an Administration-led working group, for distributing child support incentive funds based on states' performance on a number of key child support goals, such as paternities, child support orders, and collections, rather than simply cost effectiveness as under current law. It will also make it easier for states to establish medical support orders in cases where the non-custodial parent has private health insurance, by putting in place a process to create a medical support order form that all companies will recognize.

While the bill is a good one, we have not pushed for an event in connection with the signing because it could serve to emphasize how long it has taken some states to comply with the 1988 law requiring state-wide computer systems, and because the press may choose to stress the fact that the bill significantly reduces penalties for those states that have not yet put them into place.

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THE WHITE HOUSE

WASHINGTON

July 21, 1998

THE PRESIDENT HAS SEEN
7-22-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Patients' Bill of Rights Update: Congressional Democrats were thrilled with the two patients' bill of rights events you held last week. The media gave these events good coverage, but expressed skepticism about whether Democrats really want to pass legislation this year. Our best response to these doubts -- regardless of whether we want legislation or a political issue -- is to remain nonpartisan in tone, as you did in your remarks. As of now, both the House and the Senate may bring patients' bill of rights legislation to the floor this week. In the House, the Republican Leadership is attempting to pass a rule for separate up or down votes on the Republican Task Force bill and the Dingell/Ganske legislation. Under this scenario, the Task Force bill may pass, but with few or no Democrats and with a few Republican defectors. The Dingell/Ganske bill probably will receive about 200 votes. In the Senate, the Leadership will allow amendments, as well as complete substitutes, to the Republican bill; for this reason, the Senate is likely to produce a stronger bill than the House even though the Senate Republican bill is the weakest proposal on the table. It is still unclear whether Senators Chafee and Graham will introduce a bill. If they do, it is likely to have a full set of patient protections and an enforcement mechanism that is stronger than the limited civil monetary penalties in the House Republican bill but not as strong as the state-court enforcement option in the Dingell-Ganske bill. Because of the partisan divide on this issue, this kind of compromise approach may receive little support.

2. Health Care -- Nursing Home Enforcement: Senators Grassley and Breaux will release next week a scathing GAO report on inadequacies in nursing home care across the country. This report will criticize HCFA sharply for failing to monitor or oversee nursing home quality. As you know, we have worked with HHS to develop a strong initiative, including both legislative proposals and administrative actions, to make improvements in this area. The package provides for criminal background checks on nursing home workers, strengthened penalties for nursing homes that fail to meet standards, and closer federal oversight of state enforcement mechanisms. (The briefing memo we sent you described the initiative more fully.) Your announcement of this package today should blunt the impact of the GAO report, though it still will receive media attention.

3. Health Care -- Long Term Care: Congressman Mica, the Chairman of the Government Oversight Committee with jurisdiction over the Federal Employees Health Benefits

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Program (FEHBP), is planning to mark up a bill this week that would allow federal employees to purchase private long-term care. We have serious concerns about Mica's proposal, primarily because it does not ensure that the packages offered will be high-quality. We are developing an alternative proposal on this subject to include in a broader long-term care package that you can announce later this summer. In the meantime, OPM will write Mica a letter noting your longstanding interest in this issue while raising concerns about his proposed policy.

4. Tobacco -- Meetings with Hatch: Bruce Lindsey, Larry Stein, and we met with Senators Hatch, Feinstein, Torricelli, and Breaux last week to explore options for moving their tobacco bill in the Senate. As you know, the bill is based on the June 20th settlement, but with a slightly higher price and somewhat increased lookbacks. We expressed some concerns about the FDA provisions in his bill, and noted our fear that the absence of any company-specific lookback penalties and the scope of the liability provisions -- including not only a liability cap, but also a prohibition on class actions and punitive damages -- would prevent the bill from gaining strong Democratic support. Because Torricelli and Feinstein said that a significant number of Senate Democrats look to Senator Conrad for guidance on this issue, we all agreed to have another meeting, this time with Conrad in attendance. That meeting will take place on Tuesday afternoon. Following the principals' meeting, we also sat down with Hatch's staff to discuss further his FDA proposal. Although we continue to have some differences on this issue, the meeting went well; there is little reason to think that the FDA issue would stand in the way of a deal if everything else could be satisfactorily resolved.

5. Tobacco -- Counteradvertising Campaign: We are exploring with ONDCP whether to incorporate tobacco counteradvertising in our national youth anti-drug media campaign. Although ONDCP's $195 million budget must go toward anti-drug ads, we could encourage the television networks to use some of the matching funds they provide to air anti-tobacco messages. If we decide to go down this route, we would work with HHS and public health groups such as the Campaign for Tobacco Free Kids to propose programming ideas and produce specific advertisements.

6. Crime -- Values-Based Anti-Crime Initiative: You are scheduled to unveil a new values-based violence prevention initiative at an event on the South Lawn this Wednesday. The initiative will support the efforts of community organizations, including faith organizations, to provide values-based instruction and activities for at-risk youth to improve public safety. Some of the activities undertaken by the grant recipients, in partnership with law enforcement, schools, courts, and service providers, include gang intervention, gun abatement, truancy prevention, mentoring, drug and alcohol abuse, conflict resolution, and job training. The initiative will provide grants of between $75,000 and $150,000. The grant recipients are located in 16 cities: Salinas, CA; Los Angeles, CA; Washington, DC; Miami, FL; Chicago, IL; Indianapolis, IN; Baltimore, MD; Detroit, MI; Kansas City, MO; Hempstead, NY; Portland, OR; Philadelphia, PA; Charleston, SC; San Antonio, TX; Richmond, VA; and Seattle, WA.

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7. Crime -- Appropriation for Youth Crime Gun Interdiction Initiative: The Senate now has joined the House in fully funding your Youth Crime Gun Interdiction Initiative. The new funding will allow us to place additional ATF agents in each of the 27 cities in which the initiative is now operating; it also may enable us to expand the initiative to other cities.

8. Education -- Charter School Legislation: The Senate Labor and Human Resources Committee is scheduled to mark-up a charter schools expansion bill this week. The bill will contain many of the provisions we have recommended, and has solid bipartisan support. We will work to convince Democrats to use other bills -- perhaps including the Ed-Flex bill discussed below -- as a vehicle for forcing votes on other education priorities, so that we have a chance of moving this bill expeditiously through the Senate and to conference. In addition, we are planning to release an estimate of charter school enrollment for the upcoming school year and two Education Department reports -- one on what parents should look for in charter schools, the other on what guidelines chartering agencies should set -- at your speech to Boys Nation this Friday.

9. Education -- Ed-Flex Legislation: The Labor and Human Resources Committee also is scheduled to mark-up a Frist/Wyden Ed-Flex bill this week. As you know, the 12 states now participating in the Ed-Flex demonstration program have authority to waive most requirements in the major federally funded elementary and secondary education programs. The Frist-Wyden bill would give this flexibility to any state meeting specified requirements. We and the Education Department have worked hard with Frist and Wyden's staff, as well as with the NGA, to ensure that the preconditions for participation in Ed-Flex are sufficiently stringent -- i.e.. that states get waiver authority only if they have in place standards and assessments, school report cards, and procedures for intervening in failing schools. You announced support for this kind of approach at the last NGA Winter meeting. Democrats and most of the education community are at best lukewarm to this bill; even if Senate Democrats support it in committee, they are likely to use it as a vehicle for trying to move higher priority items, such as our class size reduction initiative. Republicans also may attempt to use the bill as a vehicle for their favorite proposals -- e.g., vouchers and block grants -- so its ultimate fate is quite uncertain.

Good

10. Food Safety -- Appropriations Victory: The Senate passed last week, by a vote of 66-33, an amendment offered by Senator Harkin to restore $68 million for funding of your food safety initiative. Harkin's amendment funded the increase by requiring the tobacco industry to take over the administrative costs associated with the USDA's tobacco program. We worked closely with Harkin and consumer groups to promote the amendment, and several newspapers, including the Los Angeles Times, published strong editorials in support. We will continue this effort to ensure that we get a good result on this issue in conference.

11. Welfare Reform-- Wellstone Amendment on Work Requirements: As part of its passage of the Higher Education Act, the Senate approved an amendment offered by Senator Wellstone, by a vote of 55-43, to allow states to count up to two years of vocational education or college toward the welfare work requirements. States currently can count one year of vocational

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education toward the work requirements, subject to a 30% cap on the percentage of the caseload that can count this activity as work; the cap would continue to apply under the Wellstone proposal. Supporters of the amendment argued that it would help welfare recipients increase their earning potential and improve the chances of their permanently leaving the welfare system. Opponents argued that it would weaken the work requirements, which are the lynchpin of the welfare law and the engine for caseload reduction. We understand that House Republicans will try to eliminate the Wellstone amendment in conference.

One possible compromise might be to let college attendance count for up to half of a person's work requirement (i.e., 10-15 hours) for up to two years. Amended in this way, the law would expect college students receiving welfare to perform some work, but would recognize the difficulty of juggling work, classes, and parenting responsibilities. Of course, if the Republicans succeed in simply knocking out the Wellstone amendment, we will continue our efforts to encourage states to use the existing flexibility in the welfare law (and in work-study programs) to accommodate college students.

12. Welfare Reform -- Illegal Immigrants: HHS will issue a list this week of "federal public benefits," which illegal immigrants are not eligible to receive under the welfare law. The list includes adoption assistance and foster care, child care, low-income heating assistance, Medicare, Medicaid, the Social Services Block Grant, the new Child Health Insurance Program, and TANF, as well as 20 smaller programs. The list excludes community health centers and maternal and child health programs, which will continue to be available to all comers. House Republicans (e.g., Lamar Smith) may argue that HHS should not have excluded these programs, but there are good policy reasons and a sound legal basis for doing so. At the same time, DOJ will issue a proposed rule instructing providers of federal public benefits on how to determine whether a potential recipient is an illegal alien. The rule requires a provider to look at documents for everyone, unless the provider has applied for and received a temporary waiver. Providers will view this requirement as a serious administrative burden, but the law left little room for any alternative approach.

13. Abortion -- Congressional Update: A series of contraception- and abortion-related votes occurred last week in the House, and we expect more next week. First, the House passed by a vote of 224-198 the Lowey proposal to require health plans participating in the FEHBP to provide coverage of contraceptives. Second, the House passed by a vote of 276-150 legislation making it illegal to transport a minor across state lines in order to avoid a state's parental consent law. Third, a House committee passed an amendment offered by Congressman Istook to require parental consent for Title X family planning services. We can expect the House to turn this week to the Partial Birth Abortion Act and the "Mexico City" international family planning restrictions.

14. Community Empowerment -- Community Reinvestment Act (CRA): According to a report by the National Community Reinvestment Coalition (NCRC), the private sector has pledged more than $1 trillion going forward in loans to distressed communities, with more than

95 percent of these financial commitments made since 1992. The NCRC also reported that there have been 23 times more financial commitments to distressed communities from banks in the past 5½ years than in the previous 15 years. In addition, lending commitments under the CRA have increased 69-fold from the pre-1993 era -- from an average of $2.6 billion per year between 1977 and 1992 to about $180 billion per year in the past 5½ years. Despite the success of your Administration's reform of CRA, some in Congress are working to attach riders to the Credit Union Membership Access Act which would gut the program. Over the next weeks, the NEC, DPC, and Treasury will monitor this situation closely.

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THE WHITE HOUSE

WASHINGTON

July 31, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Patients' Bill of Rights: The Senate adjourned this week without bringing patients' bill of rights legislation to the floor. Earlier this week, Senators Chafee, Lieberman, and Graham introduced their own bill of rights proposal. The proposal includes all of the rights recommended by your Quality Commission, in addition to enabling individuals to sue health plans for economic (but not non-economic or punitive) damages in federal court. This enforcement scheme is an attempt to split the difference between the provision in the Kennedy bill, which allows individuals to sue health plans in state court for all damages, and the provision in the Republican Leadership bill, which relegates individuals to a schedule of civil monetary penalties that bears no relation to the amount of damages actually suffered.

Senator Lott is placing pressure on Republicans not to co-sponsor the Chafee-Lieberman bill, and Senator Spector is the only Republican likely to join it. At the same time, Senators Daschle and Kennedy have criticized the bill, especially its enforcement provision, as inadequate. We have kept our distance from the bill, both because most Senate Democrats do not yet want to compromise and because early Administration support for such an approach could *decrease* the likelihood of eventually getting a strong bill out of the Senate. We have tried, however, to refrain from any sharp criticism of the bill, given that it is in fact a quite strong piece of legislation. Our task for this month is to emphasize the differences between the Republican and Democratic bills, so that when the Senate Republicans return, they feel a need to engage seriously with the Administration and Senate Democrats on this issue.

2. Health Care -- DeSario Case and Guidance: The Department of Health and Human Services will issue a guidance letter to all state Medicaid directors this week on their obligations to cover medical devices. The guidance comes in the wake of a controversial decision by the U.S. Court of Appeals for the Second Circuit in the DeSario case, holding that Connecticut could limit coverage to a list of approved medical devices, which the State had compiled by reference to the needs of the average Medicaid beneficiary. The HHS guidance letter will adopt a contrary interpretation of the law, stating that although states may set some limits on coverage of medical devices, they must take into account when doing so the special needs of Medicaid beneficiaries with disabilities. The guidance also will remind the states of their obligation to provide notice of any coverage restrictions, and to put in place a public and timely appeals process. Some Governors will complain that HHS's interpretation will increase

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their Medicaid expenditures; and although most disability advocates will welcome the letter, some will complain that it allows states to impose certain restrictions, rather than requiring them to pay for all medically necessary devices. We believe that the letter represents the best possible balance between these competing interests.

3. Tobacco -- Legislative Update: House Republicans have decided not to introduce tobacco legislation next week, as originally planned, and are arguing among themselves as to whether to do so when they return from recess. Speaker Gingrich and Congresswoman Pryce (whom Gingrich appointed to head the tobacco effort) continue to want to pass a skinny tobacco bill, with a counteradvertising campaign, some access restrictions, limited FDA authority, and no lookbacks or price increase. Other prominent Republicans, however, argue that such a bill will be subject to attack by Democrats and that there is no advantage in reviving this issue. If the Republicans do decide to bring a bill to the floor after recess, Democrats are ready with numerous amendments, including two full substitutes: the comprehensive Hansen-Meehan bill and a new Waxman bill that replaces an up-front price increase with lookback penalties of huge proportions.

Senator Hatch is talking with Democrats -- particularly Senator Conrad, to whom a great many Democrats defer on tobacco -- about possible compromise legislation, but their talks have not yet progressed very far. Conrad is willing to make some compromises on price and perhaps even on lookbacks, but he is insistent that liability protections be put into the bill only in conference and that they be limited to an $8 billion annual cap. Hatch wants more extensive liability protections, and remains adamant that they go into the bill prior to conference (even though he knows that Senators Gregg and Leahy will again try to strip the liability protections on the floor). We have been talking to both sides in an effort to move them closer together, but something more dramatic is probably necessary to break the current impasse.

4. Tobacco -- State and Federal Suits: The settlement discussions between the industry and the state attorneys general "recessed" late last week, with industry negotiators saying that they needed further guidance from the CEOs of the companies. The talks so far have focused on non-monetary issues, with both sides apparently assuming that the industry will pay about $200 billion. Opinions are very mixed as to whether the AGs and industry will return from the recess ready to strike an agreement.

We continue to have discussions with Justice Department attorneys about the possibility of filing suits against the companies for federal Medicare costs. (We say "suits" because the most likely way to bring such litigation is to file not a single national suit, but a number of suits in different states.) They continue to be very resistant, arguing that these suits probably would be thrown out of court on a motion to dismiss, and that this result would subject the Department to criticism that it brought litigation for political reasons. Other attorneys experienced in tobacco litigation -- Dick Scruggs, Stan Chesley, John Cole, etc. -- have far greater confidence that federal suits could survive a motion to dismiss and that such suits could bring the tobacco companies to the table and force them to make substantial concessions (perhaps even before

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motions to dismiss are decided). The Attorney General may raise this matter with you when she sees you this week.

5. Tobacco -- New CDC Data: The Centers for Disease Control released a study on Thursday indicating that minority populations would be more likely than whites to quit smoking in response to a cigarette price increase. The study found that controlling for income and education, blacks are twice as responsive as whites to price increases, and Hispanics are even more price responsive. For example, the study found that about 25 percent of 18-24 year old Hispanic smokers and approximately 10 percent of 18-24 year old black smokers would quit smoking in response to a 10-percent cigarette price increase, while only about 1 percent of white smokers of the same age would do so. The study examined data on adults only, finding that in African-American and Hispanic communities price responsiveness decreased with age, while among whites, price responsiveness remained steady.

6. Welfare Reform -- Medicaid 100-Hour Rule and Anniversary Event: You are scheduled to participate in an event this week to mark the progress of welfare reform over the past two years and announce steps to ensure that even more families make a successful transition from welfare to self-sufficiency. Most important, you can announce new administrative action (repealing the so-called 100-hour rule) to allow states to provide Medicaid to two-parent working families. (Old welfare rules precluded states from providing Medicaid to these families if the adults worked more than 100 hours each month.) You also can announce the release of HHS's first report to Congress on the new welfare law. This report focuses on the dramatic gains made in moving welfare recipients into work opportunities. Because this month is also the one-year anniversary of enacting the $3 billion Welfare-to-Work program, we are also planning for you to announce new formula grants to 5 states (MD, VA, WV, NM, NH). Finally, we may recommend that you use this opportunity to endorse the House and Senate bills to provide Individual Development Accounts for low-income families.

7. Education -- Charter Schools: The Senate Labor and Human Resources Committee reported out the charter schools bill unanimously last week, increasing the prospect that Congress will send this bill to you in September. We are attempting to work out one remaining issue with Senator Coats before the bill comes to the floor, so that we can avert a controversial amendment that could derail the bill's smooth passage. Coats wants to modify a requirement in existing law that charter schools use a lottery to select students if the school is oversubscribed. Coats thinks that charter schools should be able to guarantee slots for the children of founders and siblings of students already enrolled, as well as to use certain kinds of selective admission requirements (e.g., an audition for a performing arts school). We are working with the Education Department and Coats to see if we can accommodate Coats' concerns through new administrative guidance, without violating current law and without opening the door to abuses that could increase the number of racially identifiable schools.

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8. **Education -- D.C. Charter Schools:** We are working with Congress to address a potential shortfall of funding for charter schools in the District of Columbia during the next academic year. The budget developed earlier this year by the Control Board and the D.C. Government significantly underestimated the number of students likely to attend charter schools, providing only $12 million of the approximately $30 million needed for full per-pupil allocations to support the 4,000 students projected to attend charter schools this year. Although the original D.C. appropriations bills introduced in the House and Senate included only the $12 million recommended for charter schools, the House has added $20 million from the federal payment, with the support of the Administration. In the Senate, we are encouraging a manager's amendment on the floor either to provide additional funding for charter schools out of the D.C. surplus or to direct the Control Board to find an offset within the D.C. budget for additional funding.

9. **Education -- National Board for Professional Teaching Standards:** In preparation for the conference on the Higher Education Act, we are working on a strategy for eliminating the Goodling provision that prohibits continued funding for the National Board. This fight will be very difficult, given (1) the overwhelming majorities by which this bill passed both Houses; (2) Goodling'sapparent unwillingness to compromise on the issue; and (3) the lack of interest in the Board among House Democrats. There is bipartisan support for the Board in the Senate, and we are working closely with the NEA and AFT, Governors Hunt and Voinovich, and a variety of business leaders to put pressure on conference members to remove the Goodling provision. At the same time, we are working on compromise proposals that would give Goodling the ability to say that he corrected abuses or problems in the program, relating for example to the high salary of the Board's President and the high financial cost of seeking board certification.

10. **Education -- Ed-Flex:** The Senate Labor and Human Resources Committee reported out an Ed-Flex bill which would allow all states to waive federal education requirements if they have academic standards, assessments, and accountability measures in place. We worked hard to improve the bill, and it now reflects the principles you announced at last winter's NGA meeting. The prospects for floor action are not clear at present.

11. **Crime -- Prison Population:** The Justice Department will release a report on Sunday showing that in 1997, the nation's adult prison population grew by 61,186 men and women -- a 5.2 percent increase from 1996, but lower than the average annual growth of 7 percent since 1990. The total number of federal and state inmates reached over 1.24 million adults, with 1.13 million inmates in state prisons (a quarter in California and Texas alone) and 112, 900 in federal prisons. The report shows that since 1990, the inmate population increased by 60 percent. Violent offenders were responsible for much of this growth, accounting for a full 50 percent of the increase.

12. **Service -- Work-Study Funds:** New figures show that colleges and universities are spending more work-study funds on community service, but that there is still much room

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for improvement. According to the data, the average college/university spent 10 percent of its work-study funds on community service in 1996-97, up from 7 percent in 1994-95. As you know, a law enacted in 1992 required schools to spend at least 5 percent of work-study funds on community service. In 1996-97, 9 percent of all schools failed to meet this requirement, as compared with 24 percent two years earlier. (The Education Department does not penalize schools that fail to meet this requirement.) Only 12 percent of schools use more than 20 percent of their funds for service, and only 2 percent of schools use more than half their allocation for service. We are beginning discussions with the Education Department and Corporation for National Service on possible ways to improve these numbers.

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July 24, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Patients' Bill of Rights: The House passed the Republican Leadership's Patients' Bill of Rights on Friday by a 216-210 margin, while defeating the Dingell-Ganske substitute by a 217-212 vote. The Democratic Leadership believes that the Administration's veto message helped secure the strong showing (including about 10 Republican cross-over votes) for Dingell-Ganske. The Senate appears likely to postpone a vote on patients' bill of rights legislation until after recess. Senators Chafee, Lieberman, and Graham will unveil compromise legislation later this week. From all reports, it will be a strong package that has no poison pills and includes many if not all of the patients' protections we have supported. The enforcement mechanism is still unknown, but the Senators may allow suits in federal (but not state) courts for economic (but not non-economic) damages. We still do not think that this bill will attract much support -- perhaps as few as two to four Republican votes.

You have two events scheduled next week in which you can raise patients' rights. You will meet with key members of the disabilities community on Wednesday to discuss a range of issues, and can take the opportunity to plug a strong bill. (Members of the community are joining with Senator Kennedy and other Democrats for a rally in support of Daschle-Kennedy the day before.) In addition, you are tentatively scheduled to go to a health care facility on Long Island with Republican Congressman Michael Forbes on Saturday to highlight his support for the Dingell-Ganske bill, as well as to announce that the Department of Defense is now ready to come into compliance with the Patients' Bill of Rights.

2. Health Care -- Provider Taxes: After your line-item veto of legislation permitting New York to use provider taxes to fund its Medicaid program, we notified all states that we would seek legislation giving the Secretary of HHS authority to waive enforcement action against states with impermissible provider taxes so long as they drop these taxes and begin complying with the law. We also informed states that if Congress did not grant us this authority by August, we would have to begin enforcement proceedings. It is now becoming clear that Congress will not pass this legislation. States that have complied with the law see no reason to forgive states that have not. States that have not complied with the law do not believe we will enforce it in any event. As a result, no one has pushed this legislation. In a meeting with Erskine last week, we discussed whether and when to start enforcement activities. We arrived at a consensus, pending consultation with HHS

Remained a very private evening

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and DOJ lawyers, to delay action until after the Congress adjourns so that neither Congress nor the states can charge that we have provided insufficient time to pass the necessary legislation.

3. Tobacco -- Court Decision on Second Hand Smoke: A Federal district court judge in North Carolina ruled for the tobacco companies in a case challenging the EPA's finding, in a 1993 risk assessment, that environmental tobacco smoke (ETS) is a Class A carcinogen causing lung cancer in adults. (The decision left standing the EPA's finding that ETS causes respiratory harm to children.) The court found that the EPA "disregarded information and made findings based on selective information; deviated from its risk assessment guidelines; failed to disclose important opposing findings and reasoning; and left significant questions without answers." The ruling has no direct impact on federal, state, or local second-hand smoke rules, but the industry may try to use it to lobby against new restrictions or ease existing ones. The decision also will make second-hand smoke litigation much more difficult to win. We hope to be able to announce an appeal of this decision very shortly. We also can unveil a new EPA public service announcement that targets ETS in the home by informing parents of ways to protect their children from second hand smoke.

4. Education -- NEA/AFT International Teachers Congress Speech: You are scheduled to speak on Wednesday to the International Congress of Teachers, an international teachers organization tied to both the NEA and the ATF. Because national education standards are commonplace in most other industrialized countries, this forum provides a good opportunity to restate the case for national standards and tests, and to renew your threat to veto the Labor-HHS-Education appropriations bill for blocking work on the tests and failing to support necessary education investments. We also may use the occasion to highlight Congress's failure to fund summer job programs.

5. Disability Issues -- ADA Anniversary Event: You will commemorate the eighth anniversary of the Americans with Disabilities Act on Wednesday by signing a directive recommended by your Task Force on Employment of Adults with Disabilities. As you recall, you created the Task Force by executive order in March, and it is co-chaired by Secretary Herman and Tony Coelho. Its mandate is to help bring the employment rate of adults with disabilities "as close as possible" to that of the general population. The directive will instruct DOJ, EEOC, and SBA to do outreach on the ADA, and instruct HHS to do outreach on a state option, enacted as part of the Balanced Budget Act, to enable people with disabilities to buy into Medicaid as their earnings increase. In addition, you will announce that we are working with Senators Kennedy and Jeffords on additional health care legislation for people with disabilities who want to return to work. The disabilities community will greet this announcement very warmly because the Kennedy-Jeffords bill is their top priority. The current version of the bill costs $5 billion over five years, but we are working with the Senators' staff on a more affordable alternative.

6. Crime/Guns -- Appropriations Votes: During floor consideration of the Commerce-Justice-State appropriations bill last week, the Senate voted on several important gun issues. First, the Senate defeated (61-39) Senator Boxer's amendment to require federal gun dealers to provide a child safety lock with every handgun sold, while passing (72-28) Senator Craig's amendment to

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require dealers only to make safety locks available. Second, the Senate defeated (69-31) Senator Durbin's amendment to hold adults liable for failing to store firearms away from children. Third, the Senate passed (69-31) Senator Smith's amendment to prohibit the FBI from collecting a fee for Brady background checks when the National Insta-Check System (NICS) goes into effect in November. If the FBI cannot charge a fee for checks, DOJ estimates that the cost to the federal government will be $75 million in the first year, with the potential to rise in subsequent years. In the wake of this vote, we are planning an event in early August in which you would (1) call for a five-day waiting period even after NICS goes into effect, (2) release a long-planned DOJ rule on funding the NICS through user fees, and (3) attack the Smith amendment as a veiled attempt to gut the Brady law. These actions should attract a great deal of attention, particularly after last week's tragic shooting in the Capitol.

Good

7. Drugs -- Methamphetamine Penalties: The House Judiciary Committee marked up legislation last week to equalize federal penalties for methamphetamine trafficking and crack cocaine trafficking. Under current law, 10 grams of pure meth triggers the 5-year mandatory sentence and 100 grams of meth triggers the 10-year sentence; under the House bill, 5 grams of meth would trigger the 5-year sentence and 50 grams would trigger the 10-year sentence. Consistent with our prior statements, we endorsed the concept of equalization, but not at these low levels. At the same time, the Senate passed an amendment to the Commerce-Justice-State Appropriations bill offered by Senator Hutchison that would undermine DEA's regulatory authority over precursor chemicals that can be used to manufacture drugs such as methamphetamine. The amendment would (1) increase the difficulty of proving that drug sellers have violated record-keeping and reporting provisions of the Controlled Substances Act, and (2) decrease the penalties on drug sellers for violating these provisions. These measures would weaken the Comprehensive Methamphetamine Control Act you signed in 1996 by making it easier for drug sellers to divert legal chemicals into the manufacture of methamphetamine, and we will strongly oppose them.

8. Welfare Reform -- Urban Institute Study: A study to be released this week by the Urban Institute shows that people moving from welfare to work enjoy significantly increased income, even if they move into low-wage, part-time jobs. The study -- *Does Work Pay? An Analysis of the Work Incentives Under TANF* -- examines how monthly income for a family of three changes as a family member moves from no work to a part-time minimum wage job to a full-time minimum wage job, and finally to a full-time $9.00 per hour job. The study calculates these changes in 12 states (AL, CA, CO, FL, MA, MI, MN, MS, NJ, NY, TX, WA). Not surprisingly, the lower the welfare payment, the greater the incentive to work. (For example, moving from welfare to a part-time minimum wage job increases family income by 38 percent in Washington and 108 percent in Mississippi.) Across all 12 states, family income increases by an average of 51 percent in the transition from welfare to a part-time minimum wage job, with income growing by another 20 percent between part-time and full-time minimum wage work and still another 16 percent between a full-time minimum wage job and full-time work at $9.00 per hour.

Relay

The study confirms that federal and state policies make a big difference in making work pay. In particular, the EITC helps families maintain income as they lose other benefits over time. For

example, in Mississippi the EITC almost doubles the increase in family income between welfare and a part-time job -- from 67 percent to 108 percent. In New York, EITC makes the difference between a 19 percent and 45 percent increase in income.

9. Welfare Reform -- Washington State Report: A recent survey by the State of Washington shows relatively high levels of employment and earnings for people who left welfare between December 1997 and February 1998. The study found that 68 percent of people who have left welfare are currently working, at an average hourly wage of $8.42. Total family income for these families, including child support, was 137 percent of the federal poverty level. Though Washington has a generous child care program, only 31 percent of families reported using subsidized care. More than half responded that they did not need subsidies because they received care for free.

10. Welfare Reform -- Mayor Giuliani's New Plan: In a speech last week, Mayor Giuliani announced that he would transform New York from the welfare capital of the country to its work capital, by requiring everyone able to work to do so. Giuliani's new approach is similar to that adopted in Wisconsin -- which is unsurprising given that he recently hired Jason Turner, Governor Thompson's former welfare reform guru, to head New York's welfare program. Although not publicly backing away from the workfare program he has championed, the mayor is now making workfare only one part of a comprehensive work-first, employment-focused approach which includes unsubsidized and subsidized private sector employment. The mayor announced that under this approach, he would transform every welfare office into an employment center, divert as many applicants as possible to work so that welfare is the last rather than first resort, require mothers with newborns to attend a parenting class, expect those with disabilities not severe enough to qualify for disability payments to work (in specialized settings if necessary), and compel those with substance abuse problems to participate in work and treatment.

both good

The Mayor's new approach sets very high expectations for both recipients and the welfare system. An approach this ambitious will have a lot to overcome given New York City's size, bureaucracy, political dynamics, and continuing high unemployment. But if welfare reform can make real headway in New York City (as well as in California, which has lagged behind the rest of the country), it can succeed anywhere. HHS intends to contact city officials to determine whether we can give them any assistance in implementing this far-reaching program.

11. Welfare Reform -- NGA Report on Employment Retention: The National Governors Association will release a report next week on how states can help people remain employed once they have left welfare. The report emphasizes that "work first" means not simply placing people in entry level jobs, but working with people after they are employed to help them keep their jobs, avoid returning to welfare, and advance within the labor market. The report suggests that states should: promote learning at the workplace; help people get jobs that give them access to career ladders; improve the quality of "transitional employment" by combining it with education, training, career guidance and job placement; and improve access to education and training that complements work. The report also encourages: ongoing case management and mentoring; access to supportive services such as child care, transportation, health care, housing; and financial incentives such as the federal

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and state earned income tax credits. We are working with HHS to put out a press release praising the report and highlighting once again an NGA report issued in May (which we previously described to you) showing that states are investing more than ever before in child care and work opportunities.

12. Children and Families -- Nutrition Bill: With Administration support, the House on Monday passed a reauthorization bill for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Summer Food Service Program; the Farmers Market Nutrition Program;, the Nutrition Education and Training Program; and State administrative support for the School Lunch Program. The bill advances your after-school care agenda by incorporating a variety of Administration recommendations, such as enabling States that are enrolled in the School Lunch and Breakfast Program to provide snacks to children in after-school education and enrichment programs, and allowing institutions that provide after-school care for "at-risk" school children aged 12 through 18 to participate in the Child and Adult Care Food Program. The bill also strengthens protections against WIC fraud and abuse, and requires states participating in WIC to provide program participants with education on drug and alcohol abuse. The Senate is expected to act on its bill shortly.

13. Children and Families -- Child Care: The House Government Reform and Oversight Committee unanimously passed the Quality Child Care for Federal Employees Act last week, and both the House and Senate are likely to pass the bill by unanimous consent before they recess. The legislation in part mirrors the executive memorandum you issued in March to improve federally-sponsored child care in the executive branch, by ensuring proper background checks of child care providers, and achieving full accreditation of child care facilities. The pending legislation also applies to child care sponsored by the judicial and legislative branches of the federal government, and includes additional important provisions, such as: (1) giving GSA new oversight responsibilities for most federally-sponsored child care and directing GSA to develop, issue, and enforce uniform health and safety standards; and (2) authorizing agencies to use appropriated funds for child care subsidies for their low-income employees.

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FG006-21 273802SS

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THE WHITE HOUSE

WASHINGTON

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August 7, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Patients' Bill of Rights Event: You are scheduled to go to Kentucky on Monday to participate in an event on patients' bill of rights legislation. In line with your pledge to the Democratic caucus last week, you will highlight the many shortcomings of the Republican bills and show how they differ from the Kennedy-Dingell-Ganske alternative. The President of the Kentucky Medical Association, a lifelong Republican, is currently scheduled to give a speech at this event, expressing the AMA's disappointment with the Republican proposals. Other major provider and consumer organizations will repeat the same message and praise your leadership on this issue. In addition, you will announce at this event that the Federal Employees Health Benefits Program is now ready to implement an anti-gag rule -- thus taking still another step in our continuing effort to bring all federal health programs into compliance with the patients' bill of rights, even while Congress delays in passing legislation.

2. Health Care -- Elder Abuse: We are working on an initiative that you could unveil as early as Thursday to respond to continuing reports of elder abuse. By that time, HHS and NIH should be ready to release reports documenting the physical, psychological, emotional, and financial abuse which older Americans suffer, often at the hands of family members. As part of the initiative, you would (1) announce the creation of a new center on elder abuse; (2) release new Justice Department grants to help identify and prevent elder abuse; and (3) call on Congress to reauthorize the Older Americans Act, which includes services to help elders at risk for abuse. We also will work with aging advocates and others to help highlight some of the best practices in the states to crack down on elder abuse. This initiative complements your recent efforts to ensure that patients in nursing homes receive high quality services, and we will try to draw that connection.

3. Health Care -- Home Care Reimbursement: Home care providers are pressing Congress to modify a Medicare reimbursement policy passed as part of last year's Balanced Budget Act. In that Act, Congress established a phased-in prospective payment system, similar to the system that has constrained hospital payments, to curb the dramatic increase in home health expenditures (from $4.7 billion in 1990 to $17.2 billion in 1997). Now home care providers are claiming that the new policy reduces rates too much, penalizes efficient providers, and disproportionately harms some providers who serve very ill patients. A number

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THE PRESIDENT HAS SEEN
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of the providers' complaints appear to have some validity, but there is little HCFA can do about them without new legislation. Congress would like to respond, but so far has failed to devise a viable alternative. Budget-neutral changes in the reimbursement policy cannot attract sufficient support because they inevitably would hurt as many home care providers as they would help. But non-budget-neutral revisions also have significant problems, because they would require new and almost certainly unpoular Medicare offsets. In response to this difficulty, Congressman Thomas and other members of the Ways and Means Committee have begun to allege that the Administration bears primary responsibility for solving the problem. We expect pressure to grow even stronger over the next month or so for the Administration to identify new Medicare savings and provide cover for using them for this purpose.

4. Education -- National Board for Professional Teaching Standards: Congressman Goodling agreed to drop the provision in the Higher Education Act to prohibit funding for the National Board for Professional Teaching Standards in exchange for OMB's promise to accept the CBO's scoring of the student loan program. Goodling also agreed not to attack the Board in any other legislation that Congress will vote on this year. While this deal protects the Board for the time being, we expect Goodling to pursue his vendetta against the Board in next year's reauthorization of the Elementary and Secondary Education Act. Our efforts over the last few weeks have demonstrated that although the Board enjoys broad bipartisan support in the Senate, it has no real following in the House; in addition, our efforts have shown that even champions of the Board have questions about certain aspects of its work -- particularly about the very high cost of certification. We will continue to work closely with Governor Hunt and others on a strategy to shore up support for the Board among members of Congress, including by urging the Board to make needed reforms.

5. Education -- Bilingual Education: The House Republican Leadership scheduled Congressman Riggs's bilingual education bill for a floor vote on Thursday, but pulled the bill at the very last minute. Democratic opposition to the bill was strong, and a few Republicans from New Mexico, Texas, and Florida also might have voted against it. It is unclear whether the Leadership will schedule new time for the bill in September.

6. Community Empowerment -- Empowerment Zones: A bipartisan coalition of Senators including Senators Jeffords, Leahy, and Warner last week introduced legislation that would provide grant funding for the second round of Empowerment Zones (EZs). This bill, the result of months-long negotiations between Administration and Senate staff, not only would provide flexible grants to the second-round EZs (as the Administration's earlier proposal did), but also would provide: (1) funds for a new demonstration program called Rural Opportunity Communities (ROCs) to spur economic development in communities that cannot qualify for the EZ/EC program; (2) a new pool of money for high-performing EZs and ECs that have exhausted their existing resources; and (3) a preference for high-performing first-round ECs that are applying for a second round EZ. In the next weeks, DPC, OVP, and NEC will continue to work closely with HUD and USDA in procuring additional cosponsors for this

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legislation, and will work to secure its passage as part of any revenue-related legislation coming out of the Senate Finance Committee.

7. Crime -- Concealed Weapons Legislation: The House Judiciary Committee approved legislation last week to expand the right of certain persons to carry concealed weapons across interstate lines. As originally introduced -- upon the request of the Fraternal Order of Police -- this bill would have allowed current and former law enforcement officers to carry concealed firearms across state lines. As amended in the Judiciary Committee -- with strong support from the NRA -- the bill also would allow private citizens with permits to carry concealed weapons in their home states to do the same in any other states that permit concealed weapons.

Currently, 29 states must issue concealed-weapons permits upon request to all persons not prohibited from owning a firearm (generally, convicted felons); 13 states may issue concealed-weapons permits, but retain some discretion in approving and denying applicants; one state -- Vermont -- does not even require a permit to carry a concealed weapon; and only seven states flatly prohibit the carrying of a concealed weapon. Thus, the practical effect of the legislation passed last week is to allow millions of gun owners to carry concealed and loaded weapons on an interstate basis in 43 of the 50 states. We are considering making this legislation a central piece of the gun event you will do in California next week (which also will focus on Brady), but first must consult with Grey Davis and others.

8. Crime -- Law Enforcement: The House Crime Subcommittee is scheduled to mark up legislation next week to provide college scholarships to the children and spouses of local law enforcement officers killed in the line of duty. You called on Congress last year to pass this legislation, after signing a bill in 1996 to provide such scholarships to the dependents of slain federal officers. Similar legislation passed the full Senate in May.

9. Gay and Lesbian Issues -- Sexual Orientation Executive Order: The House last week voted down an amendment, sponsored by Congressman Hefley, to prohibit funding to implement your executive order of May 28 banning discrimination based on sexual orientation in the federal civilian workforce. The vote was 252 to 176, with 63 Republicans rejecting the Hefley measure. A recent Wall Street Journal/NBC News Poll showed that 72 percent supported the order, while only 20 percent opposed it.

10. Children and Families -- After-School Programs and Service: You recently asked us to look into a proposal from a White House Fellow to earmark 15 percent of proposed funding for the 21st Century Community Learning Centers program for after-school programs run through the Corporation for National Service (CNS). Strengthening the connection between service and after-school activities is important, and service is in fact already a significant part of the current 21st Century program. But specific earmarking from an Education Department program to the CNS might be disadvantageous for both programs for the following reasons: (1) funds from the Education Department come with

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many more restrictions on their use than CNS dollars; (2) additional earmarking would drain the 21st Century program of needed resources (the Administration's budget proposal already targets 10 percent of program funding to community-based organizations, and the House Appropriators cut our budget request from $200 million to $60 million); and (3) this kind of earmarking would lessen our ability to promote greater utility of public school buildings during after-school hours. We will, however, continue to explore ways in which we can provide greater support and funding both to traditional after-school learning programs and specific service-oriented programs.

Ok

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THE WHITE HOUSE

WASHINGTON

August 15, 1998

THE PRESIDENT HAS SEEN
8-17-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Legal Update: As you know, a Fourth Circuit panel invalidated the FDA's tobacco rule yesterday, holding (2-1) that the Food, Drug, and Cosmetic Act does not give the FDA authority to regulate tobacco products. The Justice Department immediately decided to seek review of the decision by the en banc Fourth Circuit. Those knowledgeable about the Fourth Circuit think we have about a 50 percent chance of obtaining en banc review. If the Fourth Circuit rejects the petition for an en banc rehearing, the Justice Department will file a petition for certiorari in the Supreme Court.

The industry's settlement talks with the states are scheduled to resume on August 24th, but some believe that the industry may decide not to return to the table. The latest gossip is that a serious split has developed between Philip Morris and R.J. Reynolds, with the former still preferring to reach a resolution, but the latter inclined to take its chances in court. (RJR apparently now believes that PM is using the settlement talks to gain a competitive advantage over the rest of the industry.) The next case scheduled to go to trial (on September 14th) is Washington State's, which everyone considers to be in very bad shape.

In the event that the states do reach a settlement with the tobacco companies, we will have to decide how much money to claim as the federal government's. As you recall, the federal government is entitled on average to 57 percent of the monies collected by the states in Medicaid recoupment actions. The Justice Department has developed a theory under which the federal government could make a claim for even more -- in fact, for every penny that the states collect from the tobacco companies. The Department, unfortunately, has failed to develop a similarly creative theory under which we could relinquish our claim to this money in exchange for the states' commitment to use it for specified purposes (e.g., tobacco control programs or child care). The Department currently believes that we would need Congressional approval to effect such a bargain.

The Justice Department continues to doubt -- but still (at least ostensibly) to consider -- the viability of bringing an action against the industry for the tobacco-related costs incurred by federal health programs. We understand that Justice Department staff will brief the Attorney General on this issue this coming Friday. The Civil Division currently has many reservations about bringing such a suit, but its most essential claim is that the federal

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THE PRESIDENT HAS SEEN
8-17-98

government can sue the companies only for the harm suffered by each individual (and named) Medicare beneficiary (an essentially impossible proposition), rather than for the costs incurred by the entire Medicare program. Professor Larry Tribe of Harvard Law School called the Attorney General on Friday to dispute this conclusion (he is sure that the federal government has an independent claim for tobacco-related costs, existing separate and apart from any individual beneficiary's claim for damages), but we do not yet know how their discussion went. (Our own view is that neither the Civil Division nor Tribe should be so certain about this question; the answer is not nearly as clear as each would have it.) The Antitrust Division has just begun to look at potential claims against the industry, based on an alleged conspiracy to refrain from producing a safer cigarette, but fears that the federal government may not have legal standing to bring such an action. Professor Einer Elhauge, also of Harvard Law School, has written Joel Klein a memo urging that the federal government does indeed have standing to bring suit against what he terms "the most socially destructive antitrust conspiracy of the century." We will continue our discussions with the Justice Department on these questions.

Promises / Recall Pr Court / Minnesota in a case

2. Tobacco – Counteradvertising Event: We are planning an event for September where you can announce a new national effort to promote tobacco counteradvertising, thus showing once again that you are taking every action within your power to reduce youth smoking while Congress dallies in passing comprehensive legislation. At the event, you could designate the Center for Disease Control's Media Campaign Resource Center as a National Clearinghouse on Tobacco Counteradvertising, and direct HHS and CDC to: (1) collect and disseminate a package of the "top-10" advertisements for preventing youth smoking, and make these available free of charge to states and organizations for television placement; (2) work with the Department of Education to make effective anti-tobacco curricula available to every school; and (3) conduct research on what media interventions are most successful in preventing youth smoking.

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3. Crime – Police Corps/COPS: We are preparing an event that you can do while on vacation or in September that focuses on educating and hiring law enforcement officers. At this event, you could announce new Police Corps grants totaling over $30 million, of which about half will fund scholarships for students. Included in the grant recipients are six states that have not previously participated in the Police Corps program. Because Massachusetts is one of these new states and because the Police Corps program is closely associated with the Kennedys (first Bobby and now Kathleen), we are working to involve the Kennedy family. At the same time, you could announce $10 million in COPS Small Community Grants to help 855 small and rural law enforcement agencies (serving populations under 50,000) defray the costs of retaining current COPS-funded officers, and $75 million in COPS Universal Hiring Grants to hire over 1,000 community police officers in 237 jurisdictions, including 12 school resource officers for Jonesboro, Arkansas.

Good

4. Crime – Early Warning Guide: We are working with the Departments of Justice and Education to complete the Early Warning Guide to school violence that you recently directed Secretary Riley and the Attorney General to develop; we should be ready to announce

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the release of the guide prior to the start of this school year, probably in your August 22nd radio address. The guide will be a user-friendly document with practical suggestions to help principals, teachers, and parents identify and address the early signs of youth violence. The guide also will provide advice on how to respond to violent incidents if they occur. The departments will post the guide on the Web and mail about 250,000 copies to schools and communities on the day of your announcement.

5. Crime -- Probation/Parole Study: The Justice Department will release on Sunday a survey of the nation's probation and parole population in 1997. The survey will show that a record 3.9 million adults were on probation or parole in 1997. This number reflects a 2.9 percent increase from 1996, which is roughly consistent with the average annual increase of 3 percent since 1990. Of the 3.26 million probationers, 54 percent were convicted felons, 28 percent were misdemeanants, and 14 percent were drunk or impaired drivers. Of the 685,000 parolees, nearly all (96 percent) were convicted felons. Texas and California had the greatest number of probationers and parolees (538, 500 for Texas and 408,900 for California); four states (Nevada, Maine, New Hampshire, and Arizona) reported more than a 10 percent increase in their probation populations; and nine states reported more than a 10 percent increase in their parole populations.

6. Crime -- Brady Law Statistic: We thought we should clarify some statistics on the Brady Law to which you referred in California. Background checks have stopped nearly a quarter of a million (or 242,000) prohibited handgun purchases since the Brady Law took effect in February of 1994. Checks stopped 69,000 prohibited purchases last year alone, of which about 62 percent were based on felony convictions or indictments. Thus, the Brady Law stopped about 42,780 felons -- *or an estimated 18 per day* -- from purchasing handguns in 1997.

7. Drunk Driving -- New Statistics: The Transportation Department announced on Friday that the rate and number of alcohol-related traffic fatalities dropped in 1997 to their lowest levels since the Department began keeping these statistics in 1975. The percentage of all fatal crashes that involved alcohol fell from nearly 41 percent in 1996 to 38.6 percent in 1997 -- the first time ever that the rate dropped below 40 percent. At the same time, 1997 saw the lowest total number of alcohol-related traffic fatalities, with these fatalities dropping by a full 5 percent among 16 to 20 year olds. Last year's statistics are part of a long-term trend: the number of alcohol-related fatalities has dropped by more than a third since 1982.

8. Health -- Patients' Bill of Rights: Senator Lott sent you a letter last week that chided you for threatening to veto the Republican patients' rights bill and asked you to urge Senate Democrats to enter into an agreement to limit debate and amendments on the legislation. The letter is consistent with Lott's strategy of attempting to blame Senate Democrats for his refusal to bring the bill to the floor of the Senate. We believe that this letter presents a good opportunity to reiterate your concerns about the Republican Leadership bills, while expressing your continued commitment to work toward a good bill on a bipartisan basis.

We accordingly have drafted a letter to Lott that lists the shortcomings of the Republican bills (in much the same way as you did in Kentucky) and restates your insistence on strong legislation. The letter also contrasts your own willingness to work across party lines with the Republicans' decision to develop their bills through a purely partisan process, without consulting Democrats, holding hearings, or considering the proposals in committee. We plan to release the letter sometime this week.

9. Health -- Physical Fitness Council: Secretary Shalala recommended to the DPC last week that the Administration transfer responsibility for the President's Council on Physical Fitness and Sports to the United States Olympic Committee (USOC), while retaining the current mechanism for appointing members. The Secretary believes that the Council currently suffers from chronic underfunding, and that the USOC would provide the Council with needed financial support. Senator Stevens of the Appropriations Committee also favors this approach, as long as the Administration and Congress retain authority over appointments. We think that the Council is now falling short in its mission to promote physical fitness and that this proposal -- which probably will require new legislation -- therefore merits serious consideration. We will give you a recommendation when you come back from vacation.

10. Welfare Reform -- New Caseload Numbers and Study: HHS will release new welfare caseload numbers on Friday to coincide with the two-year anniversary of the welfare reform law. We do not have the exact numbers yet, but we expect to see a caseload reduction of several hundred thousand in the last three months. HHS also will announce $1.6 million in technical assistance grants to help states promote job retention and advancement.

At around the same time, the Manpower Demonstration Research Corporation will release an encouraging study of welfare reform in Los Angeles, funded in part by HHS. In 1995, Los Angeles shifted to a job-focused welfare program, based largely on the positive results from nearby Riverside county. The early results from Los Angeles are promising: after six months, welfare recipients in the program were 34 percent more likely to be employed and had 46 percent higher earnings than other welfare recipients. In addition, the program reduced welfare costs by just under 10 percent.

The Los Angeles study adds to the multitude of evidence contained in HHS's first report to Congress on the success of the TANF program in promoting work opportunities. Almost every state now requires personal responsibility contracts, and most states have adopted a work-first model, with 32 states expecting clients to work within six months. For the first time, half of all low-income single mothers with children under six -- the population most affected by welfare policy -- are working, a dramatic increase from 35 percent in 1992. And state evaluations of welfare programs consistently show employment increases of between 8 and 15 percentage points.

11. Welfare Reform -- San Diego Immigrant Policy: We are currently considering how to respond to the possibility that San Diego County will take actions in its food stamp and

TANF programs that are ostensibly directed at illegal immigrants, but that may harm U.S. citizen children. The county for many years has asked all people applying for TANF and food stamps whether they are illegally in the country, even if they are requesting assistance only for their citizen children. The county now may begin to send to the INS names of illegal aliens that it obtains through this process -- and to send a letter to all current welfare and food stamp recipients indicating its intention to do so. These actions may well deter undocumented parents from applying for assistance for their citizen children. Although we probably have legal authority to stop the county from taking these actions under the food stamp program, we have no similar legal authority under TANF. In a meeting with HHS and USDA last week, we agreed that USDA would attempt to point out to the county, in a relatively low-key way, the pitfalls of proceeding with its intended policy -- for example, the potential budget costs to the county as more children have to rely on county-funded nutrition programs, and the possibility of triggering regulatory action by the USDA that will force the county to separate its food stamp and TANF application processes. If this approach fails to work, we will determine whether to take the threatened regulatory action.

12. Food Safety -- Food Safety Council: We expect the National Academy of Sciences to release next week a report recommending better coordination of the government's food safety structure and more even allocation of resources between FDA and USDA. In response to this report, we have prepared an executive order setting up a Food Safety Council, consisting of all relevant agencies and White House offices, which will set common food safety priorities and produce a coordinated food safety budget. The Council also will take charge of reviewing the specific recommendations in the NAS study and reporting back to you on appropriate further actions. HHS and USDA are somewhat anxious about the proposed Council, fearing that it could constrain their current budgetary authority or create a desire for a single food agency. We and NPR believe, however, that the government's food safety efforts are currently too fragmented and that the Council can serve a very useful coordinating function. Assuming we can clear up remaining issues with the agencies (they are especially fearful of White House participation in the Council), you could announce the creation of the Council in early September.

13. Education -- Single-Sex Schools: The Education Department has been working for the past six months with the New York City school system to develop a rationale and evidence to support the continued operation of its Young Women's Leadership Academy. The Education and Justice Departments initially believed that the most promising approach, consistent with prevailing interpretations of Title IX and the Equal Protection Clause, would be to find evidence that the school is an appropriate remedial response to gender discrimination. The Departments, however, now have concluded that there is insufficient evidence to support this approach. In a meeting last week, they acceded to the strong view of the DPC and Counsel's Office that they nonetheless should allow this school to continue, rather than close it down, force it to admit boys, or order the establishment of an all-boys school. The Department's new approach will be to work cooperatively with the New York City school system to (1) develop evidence that students in the all-girls school and students

in coed schools currently are afforded "comparable learning opportunities" and (2) set up some kind of mechanism, preferably fairly informal, to monitor the continued existence of comparable opportunity over time.

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FOIA Number: Kagan

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THE WHITE HOUSE

WASHINGTON

August 22, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health -- Patients' Bill of Rights: You are tentatively scheduled to devote next week's radio address to patients' rights. You will call on Senator Lott to bring up patients' bill of rights legislation for a vote as soon as the Senate returns from recess. (Just prior to the radio address, we will release your response to Senator Lott's recent letter on patients' rights legislation, in which you will call attention to the shortcomings of the Republican proposal, but continue to urge bipartisan cooperation.) You also will continue your effort to protect patients rights through executive action, by announcing the release of a new Department of Labor regulation that will require all self-insured health plans -- which cover a total of 50 million Americans -- to have a strong internal appeals process for enrollees. We expect both employer and consumer advocates to support this regulation.

2. Crime -- COPS/School Safety Event: We have prepared a crime event for you to do in Boston in case you want to take a short break from your vacation. At the event, you would announce: (1) the release of an Early Warning Guide for youth violence, which you asked the Departments of Justice and Education to prepare after the Springfield, OR school shooting; (2) $30 million for states to fund college scholarships for aspiring law enforcement officers through the Police Corps; and (3) roughly $80 million for more than 1,000 communities to hire and retain police officers. Education and Justice will send out over 200,000 copies of the Early Warning Guide to schools, and will post the full text on their websites. The guide provides teachers and principals with information on how to identify and respond to early warning signs of youth violence; it also provides a crisis response checklist in the event that violence does occur. The event program probably would include Mayor Menino (who could announce new, positive crime statistics) and Police Commissioner Evans. The program also could include a recent Police Corps graduate who became involved with the Corps because of his brother's gang-related death, and a citizen (yet to be identified) who could discuss the importance of communities and schools working with law enforcement.

3. Drugs -- Household Survey: HHS and ONDCP release on Friday the 1997 National Household Survey on Drug Abuse. The survey shows the following:

Overall Drug Use Flat -- The total number of Americans who are current drug users (or who used illicit drugs during the past 30 days) did not change significantly between

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THE WHITE HOUSE

WASHINGTON

August 22, 1998

THE PRESIDENT HAS SEEN
8-28-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health -- Patients' Bill of Rights: You are tentatively scheduled to devote next week's radio address to patients' rights. You will call on Senator Lott to bring up patients' bill of rights legislation for a vote as soon as the Senate returns from recess. (Just prior to the radio address, we will release your response to Senator Lott's recent letter on patients' rights legislation, in which you will call attention to the shortcomings of the Republican proposal, but continue to urge bipartisan cooperation.) You also will continue your effort to protect patients rights through executive action, by announcing the release of a new Department of Labor regulation that will require all self-insured health plans -- which cover a total of 50 million Americans -- to have a strong internal appeals process for enrollees. We expect both employer and consumer advocates to support this regulation.

Doug
Adam
Gene Sperling
Joe Lockhart
Tad Devine

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Overall Drug Use Flat -- The total number of Americans who are current drug users (or who used illicit drugs during the past 30 days) did not change significantly between

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1996 and 1997 (from 13 million to 13.9 million), and remains nearly 50 percent below its peak in 1979 (25 million).

Youth Drug Use Up -- The percentage of youth (12 to 17-year olds) who were current drug users increased from 9 percent in 1996 to 11.4 percent in 1997 -- reversing last year's drop from 10.9 percent in 1995. The rate was highest in 1979 (16.3 percent) and lowest in 1992 (5.3 percent).

Marijuana a Big Problem -- The prevalence of marijuana use among youth more than doubled from 1992 to 1997 and increased significantly last year, from 7.1 percent in 1996 to 9.4 percent in 1997. This rate also was highest in 1979 (14.2 percent).

Cocaine Use Stable -- The overall number of cocaine users did not change significantly in 1997 (declining from 1.75 million to 1.5 million), and remained well below its peak in 1985 (5.7 million).

Increasing Heroin Use -- The number of current heroin users has increased from 68,000 in 1992 to 325,000 in 1997. Heroin users, however, remain a relatively small percentage of the drug-using population (increasing from .1 percent in 1992 to .2 percent in 1997).

Alcohol/Tobacco Use Stable -- The overall number of Americans using alcohol and tobacco did not change significantly from 1996 to 1997. About 110 million Americans aged 12 and over were current users of alcohol, including 32 million binge drinkers (5 or more drinks on one occasion) and 11 million heavy drinkers (5 or more drinks at least 5 times a month). Eleven million current drinkers were between the ages of 12 and 20 years old, including 4.8 million binge drinkers and 2 million heavy drinkers. About sixty-four million Americans aged 12 and older reported smoking in the past 30 days in 1997. This number included 4.5 million youth between the ages of 12 and 20 years old -- about 20 percent of this population. Although the overall youth rates are similar to the 1996 estimates, the number of 12-13 year olds that smoked increased from 7.3 percent in 1996 to 9.7 percent in 1997.

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FG 006-21

THE WHITE HOUSE

WASHINGTON

September 4, 1998

THE PRESIDENT HAS SEEN
9-8-98

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

1. Health Care -- FDA Commissioner Update: Jane Henney's confirmation hearing before the Senate Labor Committee this week went well. The two major remaining roadblocks are: an unpopular regulation on the dissemination of information about off label uses of prescription drugs; and a likely hold by Senator Nickles and others who may attempt to trade her nomination for a nomination they care about or to make hay over FDA's approval of RU-486. We are pushing to have Dr. Henney voted out of committee within the next two weeks and are developing a strategy to get her confirmed in this session.

2. Health Care -- Medicare Commission: The Medicare Commission is scheduled to meet again September 8th and 9th. Senator Breaux says he is most interested in reforms that include: some type of prescription drug benefit; changes in the cost sharing structure to reduce the need for inefficient Medigap policies; and having health plans compete for Medicare business through regional bids. This last idea is similar to an approach advocated by Bob Reischauer that assumes Medicare pays the median bid and Medicare beneficiaries pay for the additional costs of more expensive plans. While we believe this concept has some promise, it is unlikely to achieve significant savings at least for the foreseeable future.

3. Health Care -- FEHBP Premium Increases: After Labor Day, OPM will announce that FEHBP plans will have a 10 percent increase in premiums. This follows an 8 ½ percent increase from last year. OPM believes that these hikes will closely reflect the premium increases expected in other private sector health plans. We are reviewing all available data to determine if FEHBP growth rates are significantly exceeding other private health plans and, if so, why. The increase also somewhat undermines the arguments of those who advocate using an FEHBP type system for Medicare. It may well be, however, that one important constraint on OPM to be more efficient is its statutory obligation to include all health plans who wish to participate in its health care system, which limits its ability to use market leverage to get better prices from a fewer numbers of plans..

4. Consumer Product Safety -- Advanced Air Bags: You will announce on Thursday a new proposed rule that will require *advanced* air bags in American cars and light trucks. The new air bags will be safer than the air bags that are now in many cars while preserving the significant

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benefits of air bags. Air bags have saved almost 3,500 lives, and they are projected to save 3,000 lives each year once they are in all cars. But we also now know air bags have killed 113, mostly young children and small-sized adults. The proposal you will announce should help prevent virtually all of these deaths. It will also make air bags more effective than the 20-35 percent depowered bags now being installed in most new vehicles. The rule will expand the crash dummy family by adding 1-, 3-, and 6-year-old child dummies, and a 5-foot female dummy, to the standard 170-pound male dummy that is now the only dummy used to test air bags. The rule also will add a 30-mph crash test with belted and unbelted male and female dummies to test the entire safety system. This test will replace the less effective, but industry-favored sled test now in use. The proposal will require companies to phase in advanced air bags into their fleets beginning in model year 2003. The Department of Transportation estimates that advanced air bags could save 640 additional lives each year. The new air bags will add $4-126 to the cost of each vehicle depending on the technology that is used. The rule will be supported by consumer and safety groups. Car companies have already publicly announced their opposition to replacing the sled test. There is significant media and Congressional interest in the rule.

5. Welfare Reform -- Food Stamp Fraud: We are preparing three anti-Food Stamp fraud announcements for you to make as part of a radio address on the 12th or the 19th. We have prepared directives that will: 1) Ensure that Food Stamp recipients who die are immediately removed from the rolls, by requiring the Social Security Administration to share its death records with Food Stamp program; 2) Require USDA to develop a plan to create an interstate matching system to ensure Food Stamp recipients are not receiving benefits in multiple states; and 3) Require Treasury to collect (through offset of federal payments and other means) unpaid fines owed by retailers that have violated Food Stamp rules, such as exchanging Food Stamps for cash.

6. Welfare Reform -- Wisconsin: September 1st marked the one-year anniversary of implementing Wisconsin Works (W2). Caseloads are down 68% in the past year alone, and there are only 11,000 families left on welfare in Wisconsin. Five counties have no one left on cash assistance, and over half of the counties have fewer than 10 cases. The state reports that the average starting wage for people leaving welfare is $6.77 an hour, which puts a typical family 25 percent above the poverty line even after paying a child care co-payment (the state pays a share of child care costs for low income working families whether or not they receive welfare).

A recent study of people leaving the welfare rolls in Wisconsin shows encouraging results. The study found that 70% of those who left the rolls did not return; the 30% who did return did so within four months of exiting. Leavers were more likely to: have more education; be white, or to a lesser extent Hispanic, and U.S. citizens; have fewer children and other adults in the household; not be receiving SSI for the mother or children; and have more work experience and higher earnings in the two years before they left the rolls. Families were generally better off when they left welfare, though small families did better than large families. Over half of all families saw their income rise when they left welfare, though slightly less than half of families with more than three children experienced income gains. Leavers had earnings well above their income on

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welfare, and these increased over time. All leavers earned about $1,000 more during the quarters they were not receiving AFDC than they did while they were on AFDC.

7. Welfare Reform -- Rockefeller Institute Research: Last week, we met with Dick Nathan, director of the Rockefeller Institute, about a nationwide study his group is doing on the effect of welfare reform on the culture of the welfare office. Already, the study has found a surprising degree of bureaucratic change. Nathan finds a strong and consistent change in signaling by all levels of government on the importance of work and time limits which has been matched by immense change in individual welfare recipient behavior, particularly in terms of increased work. Nathan believes the broad public support for time-limited welfare linked to work has resulted in a "detoxification of welfare" that now makes it politically feasible to provide services to help people get and keep jobs. While sanctions have become more frequent, they tend to be selective and graduated. Based on extensive interviews with front-line staff, he finds most workers support the welfare reform changes and see them as an opportunity to help people improve their lives. He is also struck by the amount of devolution from states to localities. A major concern is the importance of good information systems for oversight, evaluation, and helping front-line workers do their job. We will explore what more can be done to help in this area.

8. Drugs -- Youth Drug Use and Attitudes: On Tuesday, the National Center on Addiction and Substance Abuse (CASA) at Columbia University released its 1998 Back to School Teen Survey. One thousand teens, age 12 to 17-years-old were surveyed, as well as over 800 teachers and 800 principals. The survey found the transition from age 12 to 13 as a critical turning point in use of, access to, and attitudes towards drugs. The survey found that at age 13, teens were about three times more likely than a 12-year-old to know other students who use and sell marijuana, acid, cocaine, or heroin; to learn where to buy drugs and from whom to buy them; and to report students who use and sell drugs.

For the third straight year, the number of high school teens reporting that drugs are used, sold, and kept at their school has risen: from 72% in 1996 to 78% in 1998. Meanwhile, only 18% of high school principals believe that their schools are not drug-free. Teens who attend religious services four times a month were significantly less likely to smoke cigarettes or marijuana, or drink alcohol than those who did not regularly attend services. Although nearly half of teens reported that their parents never discussed the dangers of drugs with them, the 43% of teens who never smoked marijuana cite their parents as having the most influence over their decision. On the other hand, 50% of those who do smoke marijuana cite their friends as most influential. Teens who used one substance were found to be much more likely to use another. For instance, 79% of teen smokers also smoke marijuana, compared with 14% of teens who have never smoked. And of teens who smoke marijuana, 45% also smoke cigarettes, as compared with only 3% of non-marijuana smokers.

9. Crime -- Senate Democratic Crime Bill: Senate Democrats will introduce an omnibus crime bill on Thursday. While we have not reviewed the legislative language, we understand the

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9-8-98

bill will be primarily comprised of Administration and legislative proposals already before the Congress -- and is intended to give Senate Democrats a consensus piece of legislation to rally around between now and the November elections. Provisions in the draft bill include: a patchwork of school safety and juvenile crime proposals that mirror the Administration's juvenile crime strategy; a prospective gun ban for violent juveniles; funding for high-intensity gang activity areas; an extension of the COPS program and the Violence Against Women Act; funds for drug treatment and testing; a reauthorization of the Drug Office; funds to improve state criminal history records, communications systems and forensic labs; money laundering improvements; new drug, gang, and gun penalties; and portions of the Administration's International Crime Bill.

10. Education -- McKay Event: On Wednesday, you will visit an elementary school in Orlando with Buddy McKay to announce the release of a report by the Department of Education on the gap in NAEP achievement levels of 4th graders in high- and low-poverty schools. While the gap in reading and math achievement is significant, there are recent signs of improvement, particularly in math. However, the continuing gap allows you to point to the need for the education investments you have proposed: smaller class sizes and well-prepared teachers; modernized schools; after school programs; America Reads; and extra support for disadvantaged children to enable them to master the basics through increases in Title I funding.
You will also announce the release of over $16 million in COPS school-based partnership grants to 155 law enforcement agencies across the country. The grants will be used by policing agencies to work with schools and community-based organizations to address crime at and around schools using principles of community policing.

11. Political Reform -- Campaign Finance Reform Letter: We have prepared a letter for you to send Lott and Daschle next week calling on the Senate to join the House and pass Shays-Meehan/McCain-Feingold this Fall. There is a good possibility McCain and Feingold will try to bring their legislation to the floor next week.

MR PRESIDENT:
The campaign finance letter was sent on Friday at Rahm's urging. I had it autopenned on your behalf.
Phil Caplan
9/5

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THE WHITE HOUSE

WASHINGTON

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September 11, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Medicaid and the Patients' Bill of Rights: You are currently scheduled to participate in an event on Thursday to announce the application of the patients' bill of rights to the Medicaid program and call on Congress to pass legislation extending these protections to all Americans. As of this writing, Senator Lott does not intend to bring the patients' bill of rights to the Senate floor for a vote. But Senator Daschle is challenging Lott every day to schedule a vote, and a presidential event this week will increase the pressure on Lott to do so.

2. Health Care -- Assisted Suicide: The House and Senate are both expected to take action on assisted suicide next week. We expect the full House to approve the Hyde-Hatch bill, which would empower the Drug Enforcement Agency to prosecute physicians who assist the suicide of a patient. We also expect the Senate Judiciary Committee to approve this bill, although we think that the full Senate will be unable to pass the legislation in the limited time left in the session. As you recall, we have opposed this legislation (while underscoring your opposition to assisted suicide) on the ground that the fear of DEA enforcement action of the kind specified in the bill would deter physicians from appropriately prescribing already underutilized pain relief medications for the terminally ill. The AMA and a host of other national health care organizations (most of which also oppose physician-assisted suicide) have joined us in taking this position.

In advance of his mark-up, Senator Hatch has asked us to submit an alternative piece of legislation prohibiting assisted suicides. We are inclined not to do so because we simply do not have enough time to work through the real difficulties involved in developing medically sound legislation prohibiting physician-assisted suicides. In addition, putting forward an alternative proposal of this kind now would anger most respected health care organizations and the whole Oregon delegation, particularly Senator Wyden. Instead, we are working with the Department of Justice on a letter proposing to establish (either by statute or by executive action) a new advisory board to (1) develop guidelines on appropriate (and inappropriate) uses of controlled substances for terminally ill patients and (2) recommend the best mechanism or method to enforce these guidelines. The board's members would include doctors, nurses, consumers, ethicists, and law enforcement officials and would report back to Congress and the

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Administration within a specified time period. If you do not favor this suggested way of proceeding, please let us know.

3. Health Care -- Vice President's Event in New Hampshire: The Vice President is scheduled to join Governor Shaheen in New Hampshire on Friday to discuss a number of the Administration's health care priorities. The Vice President will highlight the approval of New Hampshire's new Children's Health Insurance Program, the application of the patients' bill of rights to federal health plans, a new grant to the State to provide support services to disabled individuals going to work, and perhaps an initiative related to programs for older Americans.

4. Education -- Charter Schools Legislation: We are attempting to broker an agreement to bring charter schools legislation to the Senate floor for a vote, in the face of a recent objection by Senator Harkin. As you recall, a bipartisan coalition on the Senate Labor and Human Resources Committee last month approved a charter schools bill, which is generally similar to the bill that the House passed last year. Harkin, however, is holding up the bill in an effort to insert a provision permitting a small portion of the funds to support "innovative" non-charter schools in states (such as Iowa) where charter schools are not permitted. Senate Republicans oppose this provision because it undermines one purpose of the bill -- to provide incentives to states to enact charter schools legislation. We are trying to break the resulting logjam by helping Harkin to find other funding streams for innovative non-charter schools and/or by suggesting possible legislative compromises, such as a small demonstration program to support these schools. It is unclear whether either Harkin or the Republicans will accept such approaches.

5. Immigration -- Agricultural Guestworkers Program: We are beginning meetings this week with a bipartisan group of legislators on proposals to reform the agricultural guestworker (H-2A) program; at the same time, we are continuing to oppose an H-2A provision, sponsored by Senator Wyden, that the Senate attached to the Commerce-Justice-State Appropriations bill. Secretary Herman wrote a strong letter of opposition to the Wyden amendment when it came to the floor, arguing that it would severely weaken labor protections for migrant farmworkers. Although the amendment passed by a large majority (68 votes), Democratic support for it has declined in recent weeks, in part because of increasingly fierce labor opposition; in addition, no one in the House (Republican or Democrat) appears to have a strong interest in including this provision in the final bill. We have told Wyden that we would like to work with him on reforms to the H-2A program, but want to do so through a bipartisan working group that will try to develop consensus legislation (outside the appropriations process) addressing the concerns of both growers and farmworkers. This working group -- which probably also will include Senators Kennedy, Graham, Feinstein, Abraham, and Coverdell and Representatives Lamar Smith, Becerra, and Berman -- will meet for the first time this week. Wyden is unhappy with this approach, preferring to negotiate with us directly on changes to his appropriations rider. Erskine is meeting with him this week to discuss the differences in our approach to this issue.

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9-14-98

6. Welfare Reform -- Caseload Decline: The rate of decline in welfare caseloads is continuing to hold steady across the nation, at about 2 percent each month and 20 percent each year. (Of course, as the rolls get smaller, this steady rate of decline produces a progressively smaller number of people leaving the rolls each month). For example, the rolls declined by 6 percent between March and June of 1997 and by an identical 6 percent between March and June of 1998. Caseload decline has slowed down some in the states with the largest overall rates of decline since 1993, such as Wisconsin, Idaho, and Wyoming (which all showed declines of more than 80 percent during this period); at the same time, however, caseload decline has quickened in some other, slower-starting states.

7. Tobacco -- Smokers' Quitting Rates: A study published in the latest issue of the New England Journal of Medicine found that smokers were four times more likely to quit if their health insurance plan paid the full cost of smoking cessation services, rather than paying just half. The researchers found that with full coverage, 10 percent of smokers per year use cessation services and 2.8 percent successfully quit smoking; with half coverage, only 2.4 percent use cessation services and 0.7 percent quit. The study involved 90,000 enrollees in the Puget Sound health maintenance organization. In preparation for your FY 2000 budget, we are examining ways to make cessation services more affordable within the Defense, Veterans, Medicaid, Medicare, and federal employees health systems. New proposals to help current smokers quit could complement your continued call for comprehensive legislation to stop children from smoking before they start.

8. Children and Families -- Child Care Appropriations: The Senate Appropriations Committee has approved $182 million in new funding for the Child Care and Dependent Block Grant (CCDBG). This is the exact amount that you requested in new discretionary funding as part of your child care initiative. Because you requested that large mandatory spending increases (from tobacco revenues) go toward CCDBG, you recommended that these additional discretionary monies fund new efforts to enforce quality standards and provide scholarships for child care workers. In the absence of your proposed mandatory spending increases, we and the child care community think that the Senate committee was right to apply the additional discretionary monies to the block grant. We and OMB will work to maintain at least this level of increased support for CCDBG.

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Sept. 19, 98 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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September 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Charter Schools: Senator Harkin continued this week to prevent charter school legislation from coming to the Senate floor. As you recall, Harkin is insisting that the legislation set aside funds for innovative non-charter schools in states (such as Iowa) that have not passed charter school legislation. Harkin is motivated in part by a desire to get money for Iowa and in part by opposition toward the charter school movement. Senator Coats will not compromise with Harkin, arguing that the set-aside would minimize the difference between charter and non-charter schools and decrease incentives for states to pass charter legislation. Coats also may be responding to leadership pressure to use all available excuses to deny you a legislative accomplishment. Secretary Riley is scheduled to talk with Senator Harkin this weekend to urge him to drop his objection; in particular, Riley will explore with Harkin whether there is some other effective way to support innovative public schools in Iowa. If Riley does not succeed in convincing Harkin to back off, we probably will ask you to make a phone call to Harkin.

2. Education -- Single Sex Schools: Senator Kay Bailey Hutchison is threatening to offer her single-sex schools amendment to the early literacy bill -- a move that almost certainly would prevent passage of the bill -- unless we work with her to develop a version of the amendment that we could accept as part of the Labor-HHS-Education appropriations bill (or an omnibus appropriations package). As you recall, Hutchison's amendment expressly allows school districts to use funds from Title VI of the Elementary and Secondary Education Act for single-sex schools, so long as the districts provide comparable educational opportunities to students of both sexes. The Department of Education believes that this amendment is unnecessary (because it simply restates the governing legal standard) and confusing (because it may lead school districts to believe that some other standard governs non-Title VI funds). Given the nature of these reservations, we probably could work out mutually agreeable language with Hutchison. But most women's groups and a number of Senate Democrats (including Senators Kennedy and Harkin) appear to have much more fundamental objections to the Hutchison amendment; they would like substitute language that makes single-sex schools a good deal harder to establish. Because of their strong feelings on this issue, we have not yet agreed to negotiate with Hutchison; we are going to have further discussions this week with the groups and Senate staff.

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3. Education -- Block Grants/Class Size: The House passed education block grant legislation on Friday by a vote of 212-198. Congressman Clay offered your class size proposal as an amendment during the debate. Republicans defeated the amendment by a vote of 216-190, thus putting themselves on record as opposing measures to reduce class size in the lower grades. We do not expect the Senate to take up the block grant legislation.

4. Children and Families --Head Start Reauthorization: The House passed a generally good Head Start Reauthorization bill on Monday, after Congressman Goodling agreed to strip several highly controversial provisions -- involving, for example, vouchers and the Davis-Bacon Act -- that the Republicans had added in committee. The Senate already has passed a strong reauthorization bill, and we hope for a speedy conference and a bill signing next month. Both the House and the Senate bills reauthorize the program at sums near your request and add important new goals for the program, such as "school readiness." The most important issue left for conference concerns how to allocate new funds between quality improvement and program expansion. We have advocated a careful balance between improving quality and serving more children, very much along the lines of the Senate bill; the House bill puts more of the new money into quality improvements, such as salary enhancements. We will work in conference for the Senate version, but expect to see some middle-ground position emerge from conference.

5. Crime -- COPS Grants: The COPS Office released last week over $20 million in grants to 27 jurisdictions to hire 331 officers. The office is now ready to release another $300 million in grants, including: (1) $200 million in COPS MORE grants to allow 600 law enforcement agencies across the country to redeploy 10,000 officers; (2) $100 million for Los Angeles to hire over 700 new police officers (with a long-awaited waiver of the normal matching requirement); and (3) $6 million to four other law enforcement agencies in California to hire an additional 82 officers.

6. Crime -- Juvenile Crime Legislation: The House attached two major juvenile crime bills that it had passed during the past year -- H.R. 3, a penalties bill which we have opposed, and H.R. 1818, a prevention bill which we have supported -- to a noncontroversial bill coming from the Senate to reauthorize funds for the Center for Missing and Exploited Children. The amended bill passed on the suspension calendar by a vote of 280-126, thereby setting up a conference on the juvenile crime measures. Senate Democrats will oppose the appointment of conferees, but they may eventually have to back down and accept a conference on juvenile crime. We will continue meeting with them this week to discuss how best to proceed on this issue.

7. Health Care -- Medicare Home Health Update: Ways and Means Subcommittee Chairman Bill Thomas unveiled a proposal last week to modify the home health care reimbursement provisions passed in the Balanced Budget Act. As you recall, home health providers (including Val Halamandaris) have complained that these provisions set rates too low and prevent providers from offering quality service to Medicare beneficiaries. The

Thomas proposal would raise payment rates overall, while also lessening geographical disparities in reimbursement. Although not fully satisfying the industry, the proposal goes a long way toward meeting their objections. (Val, for example, sent generally positive signals about it.) The primary problem with Thomas's approach is that it would cost $1.4 billion over 5 years -- and that it takes this amount out of the budget surplus. We believe that House Democrats will hold firm in opposing the proposal's surplus financing, but that they will feel real pressure to propose an alternative financing mechanism. The difficulty, of course, is that the Medicare offsets that could pay for Thomas's home health proposal are themselves politically nonviable. We will meet with the Democrats next week to discuss how to proceed on this sensitive issue.

8. Welfare Reform -- New Federal Child Support Case Registry: HHS is almost ready to put in place a new national database of child support cases, called the Federal Case Registry. This registry -- another of the critical building blocks of the interstate child support system proposed in your 1994 welfare reform bill and enacted in 1996 -- will make it easier to locate deadbeat parents, especially if they have moved to a different state. HHS will check the Registry daily against an already operative database of employees (the National Directory of New Hires, which was created in October 1997 and is updated daily with "new hire" information submitted by employers). When this computer check produces a match, HHS will report information about the delinquent parent to the state in which child support is owed; the state then will arrange to garnish the wages of the parent. States will begin to submit their child support case data to HHS on October 1; HHS expects to have 30 states in its system by the end of October and 40 states by the end of the year. The National Directory of New Hires already has made it easier to find delinquent parents (the Directory helped locate one million parents in just its first nine months of operation); the addition of the Federal Case Registry will increase still further the ability of states to find and proceed against deadbeat parents.

9. Welfare Reform -- Research Grants: HHS awarded $3 million in grants to 10 states and 3 counties last week to study what happens to families coming off the welfare rolls. The research studies will track employment and earnings; returns to welfare; participation in Food Stamps, Medicaid, child support, and child welfare programs; and family and child well-being. Florida's study is specifically designed to explore the impact of welfare reform on different ethnic groups, and Arizona's study is directed in part toward the State's large Native American population. Massachusetts will examine, among other matters, the first group of families to hit the State's 24-month time limit. Several of the states also will track what happens to families who have been diverted from the welfare rolls.

10. Immigration -- H-2A Agricultural Guestworkers: We met several times last week with Democratic Members of Congress interested in the H-2A visa program for agricultural workers to inform them that we would continue to oppose the H-2A provision on the Senate's Commerce-Justice-State (CJS) appropriations bill, but that we would engage in a broad-based process to consider future legislative reform of the program. Senators Wyden and Graham co-sponsored the provision on the CJS bill, but Hispanic groups, labor unions,

and their many Democratic friends in Congress (including Senator Kennedy and Congressmen Berman and Becerra) just as strongly oppose it. We believe that there is good reason for this opposition, because the Wyden/Graham amendment would weaken labor protections for migrant farmworkers. At the same time, we believe that the growers have legitimate concerns about the program, and that we should take a hard look at the way it operates. After several meetings, Wyden and Graham decided that they would continue to push their amendment on the CJS bill, but that they also would join a working group (which will include as well Kennedy, Berman, and Becerra) to consider different ways to reform the H-2A program. We will begin meetings of this working group this week, in the hopes of developing a consensus proposal and introducing it at the beginning of the next session of Congress. In the meantime, we believe that we are in a strong position to defeat the Wyden-Graham amendment, especially because anti-immigrant Republicans also oppose it.

11. Community Empowerment -- Regulation B: We have heard that the Federal Reserve may be coming close to approving a change in Regulation B, which implements the Equal Credit Opportunity Act, to allow (but not require) banks to collect data on the race and income of loan applicants. The Administration sent a letter to the Fed last Spring, arguing that this change in the regulation would allow banks to assess their outreach and approval practices for a variety of loans, including loans to small businesses. The Fed considered and rejected a similar proposal in December 1996, but may change its mind between now and the end of the year because of the Administration letter, supportive letters from several large banks, and recent changes in the composition of the Board of Governors.

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Sept. 26, 98 - DPC Weekly Report

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September 26, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- State Settlements and Federal Recoupment: Rumors about a state settlement with the tobacco companies continue to run rampant. We heard in the middle of last week that the states were only days away from wrapping up an agreement that would give them about $200 billion and a limited set of advertising restrictions. We heard on Friday, however, that new disputes had emerged and that there is not likely to be a settlement this week.

In preparation for a settlement, the NGA and NAAG are asking Congress to pass legislation extinguishing the federal government's claim to any share of the money that the companies will pay the states. (As you know, the federal government is entitled to an average of 57 percent of any state recovery of Medicaid expenditures; although the states will try to argue that the tobacco settlement is not -- or at least is not primarily-- a Medicaid recovery, the Justice Department will disagree strongly.) Governor Bush, who already has a settlement in hand, is pressing especially hard for this legislation.

During a meeting with Erskine last week, Governor Chiles urged the Administration to support compromise legislation on this subject, predicated on the agreement we reached with the NGA in the context of the McCain legislation. Under this approach, the federal government would relinquish its claim to a state recovery if but only if the state agrees to use half its money on a menu of seven items: child care, child welfare, the maternal and child health block grant, the substance abuse block grant, the safe and drug free schools program, Eisenhower education grants, and the state match for the children's health insurance program. Erskine, Secretary Shalala, Jack Lew, Bruce Lindsey, and we believe that this solution is a good one, and Erskine responded fairly positively to the proposal. Such legislation, however, would involve a serious budget issue, because the Congressional Budget Office currently scores the federal share of state tobacco recoveries as worth $1.2 billion over five years. Chiles apparently has a plan for the states to reimburse the federal government this amount, thereby making the legislation budget-neutral, but neither we nor OMB has yet seen his proposal.

1 page

2. Health -- Medicare Managed Care Program: A number of major HMOs currently participating in the Medicare program are likely to pull out of select markets prior

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to the October 1st plan enrollment deadline. As of this writing, we expect these defections to affect between 100,000 and 500,000 Medicare beneficiaries -- about five to seven percent of the five to six million beneficiaries participating in Medicare HMOs; these individuals will have to find a new HMO (if one is available) or return to traditional fee-for-service coverage. The HMOs will blame excessive regulation and inadequate payment rates for their actions. Many health economists, however, note that (1) most of these plans comply with similar regulations in the private sector, and (2) the plans are "cherry picking" among regions for those with the most generous payment rates and/or the largest HMO market shares.

The industry is now urging HHS to stop the anticipated exodus of plans from the Medicare program by allowing them to increase premiums or reduce benefits, particularly drug coverage. HHS is currently evaluating the effects of such action on HMO participation in the program, and will brief Erskine on Monday. In the meantime, we are consulting with key members of Congress and aging advocates (like AARP). Although some Republican members may use this development to impugn our patients' bill of rights proposal (arguing that increased regulation leads to decreased health care choices), so far we have found little sympathy among the Republicans most knowledgeable about health care issues for the HMOs' position.

3. Health -- Number of Uninsured: The Census Bureau will release on Tuesday new statistics showing that the number of uninsured Americans has increased by about 1.7 million, from 41.7 million in 1996 to 43.4 million in 1997. According to the Bureau, the number of uninsured children remained constant at 10.7 million, and the number of uninsured poor stayed at about 11.2 million. The increase in uninsured appears to consist mostly of Americans who are working and earning income above the poverty level, but whose firms do not provide affordable coverage. Although some of these individuals may have come off the welfare rolls (becoming ineligible for Medicaid because they now make too much money), the total increase far exceeds the size of this welfare-to-work population. Most of the increase probably reflects general trends in employer-based coverage, particularly among small to mid-sized firms. We will continue looking into this matter, and provide you with whatever further information we can discover.

How much was # of uninsured in 1993?

4. Health -- FDA Commissioner Update: The Senate Labor and Human Resources Committee last week reported out by voice vote the nomination of Jane Henney as FDA Commissioner. Although the vote was very encouraging, we remain concerned that one or more conservative Republicans (perhaps Senator Nickles) will object to bringing the nomination to the floor for a vote. We will work closely with Senator Domenici, Henney's homestate Senator, to try to prevent this from happening.

5. Health/Crime -- Event on Elder Abuse and Fraud: We have prepared an event for you on elder abuse and fraud, scheduled for either this week or next. At the event, you would announce a new HHS study finding that more than 500,000 Americans aged 60 and

THE PRESIDENT HAS SEEN
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over were the victims of abuse or neglect in their own homes during 1996. You also would note the extent to which fraudulent telemarketers target older Americans as their primary victims. To combat these problems, you would: (1) announce the creation of a new national center on elder abuse, which will train officials to detect and respond to elder abuse; (2) call on Congress to reauthorize the Older Americans' Act, which helps states to prevent and redress elder abuse; (3) launch a new partnership between the Justice Department and AARP to create Elder Fraud Prevention Teams; and (4) release a small amount of grant money to prosecute telemarketing scams and other forms of fraud against the elderly.

6. Crime -- COPS Grants: The Vice President will announce this week a total of $370 million in grants to hire or redeploy about 11,000 more police officers. This total includes over $100 million for Los Angeles and other communities in California to hire 800 new police officers, and $200 million in COPS MORE grants for communities across the nation to redeploy almost 10,000 officers.

Why does this only add to?

7. Welfare Reform -- New Employment Statistics: The Census Bureau's new statistics on income and poverty show that the ~~rate of employment among former welfare~~ recipients is at an all-time high. Thirty-four ~~percent of the individuals who received welfare in 1997 were working in 1998 -- the highest percentage ever reported~~. This employment rate has risen by nearly 60 percent since you took office and by about 28 percent since you signed the welfare law (from 21 percent in March 1993 to 26 percent in March 1996 to 34 percent this year). These numbers indicate that the movement from welfare to work is proceeding apace even while the caseloads decline and the harder cases begin to predominate. We are continuing to analyze these trends, with an eye toward putting together another welfare event (perhaps also involving new caseload numbers and state work participation rates).

8. Welfare Reform -- National Child Support Case Registry: HHS will initiate this week a new national database of child support cases, called the Federal Case Registry. This database will make it easier to locate deadbeat parents, especially if they have moved to a different state. HHS will check the Registry daily against an existing database of new employees; when it finds a match, it will report the information to the state, which then will arrange to garnish the wages of the delinquent parent. You proposed this mechanism for finding delinquent parents in 1994, and two years later Congress made it part of the welfare law. The new system has extensive privacy protections in place to guard against any unauthorized use of child support data. We expect USA Today to run an article on Monday about the new database, as well as the Administration's other efforts to increase child support collections.

9. Education -- Congressional Agenda Event: We are working with Senator Daschle's and Congressman Gephardt's offices on a rally event in which you and Congressional Democrats would call on the Republican Leadership to devote just one day before Congress leaves to voting on your education agenda. Though we are still discussing with Congressional staff the particular education programs to highlight, we probably will

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make class size the centerpiece of the event. As you know, Senator Murray has introduced legislation to enact your full class-size proposal, and has identified offsets to pay for it. In addition, she and Senator Harkin have prepared a scaled-down class-size initiative that would involve about $500 million in additional Title 1 funding. Democrats on the Hill want to call attention to these efforts and to the Republicans' refusal to give them serious consideration.

10. Education -- Charter School Legislation: We are continuing to work with congressional staff to bring charter school legislation to the floor of the Senate. Senator Harkin promised Secretary Riley last week that he would refrain from offering his amendment to the bill so long as no other Senators offer amendments. We are currently not aware of any other amendments, and we are working with congressional staff on a consensus manager's package to bring to the floor within a week.

11. Food Safety -- Salmonella Report: USDA will release on Monday a report showing that your science-based food safety program -- called the Hazard Analysis Critical Control Point (HACCP) program -- has led to an almost 50 percent reduction in the frequency of salmonella in broiler chickens and an almost 40 percent reduction in the frequency of salmonella in swine. We leaked this report to the Washington Post, which ran an excellent story in Sunday's newspaper and may run a supportive editorial tomorrow. The new data comes just as the Agricultural Appropriations conference begins deliberations on funding for your food safety initiative.

12. National Service -- AmeriCorps Recruitment: You recently asked about the status of AmeriCorps recruiting and the feasibility of a proposal to locate AmeriCorps recruiters in military recruiting offices. AmeriCorps is currently recruiting very successfully, and it expects to pass the 100,000-member mile~~stone this fall. (By way of comparison~~, it took the Pe~~ace Corps two decades~~ to reach the 100,000 member mark.) AmeriCorps has identified a number of ways to improve recruiting further, but believes that it should steer clear of proposals involving closer links to the military. AmeriCorps already relies to a limited extent on the Selective Service: the acknowledgment sent to people who register for the draft asks if the person would like more information about joining the Armed Forces or AmeriCorps. Republican members of Congress have criticized this arrangement as interfering with military recruiting efforts, and Rep. Ron Paul has introduced legislation to prohibit the practice. Given this response to a much more limited kind of joint arrangement, AmeriCorps is reluctant to locate recruiting personnel in military offices.

As should do an event in Oct. & Nov. BC

13. Children and Families -- After-School Poll: Secretary Riley participated in the release of a new national poll on Thursday finding that Americans overwhelmingly endorse the expansion of after-school programs. Ninety-three percent of those surveyed said they favor making safe, educational programs available to all children in the hours after school, with strong support across party lines and among parents and non-parents. In addition, 80

Should put in Event at all pos

percent said they would be willing to use additional federal or state tax dollars to fund after-school programs in their community at a cost of $1,000 per child, even if doing so raised their individual tax bills by $10 a year. The Secretary also announced a new partnership among the Administration, NBC, "People Magazine," the Ad Council, and the Entertainment Industry Foundation to create a new public service announcement campaign to support the expansion of high-quality after-school programs in public schools.

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THE WHITE HOUSE

WASHINGTON

October 3, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- State Settlement: Rumors continue about an upcoming settlement between the states and the tobacco companies, as R.J. Reynolds and Brown & Williamson returned yesterday to the negotiating table. The parties, however, still have not worked out some difficult problems -- most prominently, how to prevent companies that do not join the settlement from gaining a competitive advantage -- and the return of RJR and B&W to the table may make resolution of these issues even more complicated. As you know, some plaintiffs' lawyers continue to suggest a broadening of the current negotiations to include the federal government. Both the states and the companies, however, have responded negatively to these proposals, fearing that the intrusion of the federal government would queer the deal they have been working on for so many months.

2. Health -- Medicare Managed Care Program: As you know, Friday marked the last day that HMOs participating in Medicare could decide whether to stay in the program for the upcoming year. Preliminary data from HHS indicates that some 25 companies in 320-400 counties serving 240,000-300,000 beneficiaries -- about 5 percent of the six million beneficiaries now in Medicare HMOs -- have decided to withdraw from the program. Most affected beneficiaries will have the option of joining another HMO in the same county. But in 60-100 counties, some 30,000-75,000 beneficiaries -- less than two percent of the total -- will no longer have any HMO option and will have to return to traditional fee-for-service coverage. Secretary Shalala has recommended that in these 60-100 counties we (1) expedite the approval of new plans, and (2) allow plans that have just withdrawn to come back into the market with increased premiums and/or decreased benefits. She argues that these steps will allow us to say that we have done everything possible to ensure that Medicare beneficiaries have access to managed care plans. We believe, however, that the second part of the Secretary's recommendation would reward bad actors and create perverse incentives for the future. We will meet with the Secretary and Erskine Monday to resolve our differences on this matter (and if necessary, come to you), so that we can announce our response as soon as possible.

3. Health -- CHIP Waiver Request: Governor Thompson is pushing HHS to approve a waiver that would allow Wisconsin to use federal match dollars from the Children's Health Insurance Program (CHIP) to provide insurance coverage for parents as well as

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children. Thompson has broad support in Wisconsin for this proposal (including among some traditionally Democratic constituencies), and last week Senators Lott and Roth sent a letter to Secretary Shalala saying that she should grant the waiver and suggesting that they would seek legislation next year if she did not do so. HHS so far has refused to approve any waivers from CHIP, reasoning that we should first get the baseline program off the ground. HHS also has serious substantive objections to Thompson's proposal, believing that CHIP dollars were designed for children rather than adults, and that granting waivers of this kind could prevent us from reaching our goal of covering five million children. Many supporters of the CHIP program in Congress agree with HHS, including Senators Hatch, Rockefeller, Jeffords, and Chafee and Congressmen Dingell and Waxman. We believe that HHS should refuse the waiver request and work with this bipartisan group of legislators to try to defeat any legislative attempt to reverse this ruling.

4. Health -- Statistics on Uninsured: You asked last week about the increase in the uninsured population since 1993. About 43.4 million Americans are now uninsured, up almost 10 percent from 39.7 million in 1993. Among the total number of uninsured are 10.7 million children, up from 9.6 million in 1993. As we noted last week, the number of uninsured children did not increase at all last year, in part because of our focus on children's health. We anticipate that within two years, we will see a noticeable decline in the number of uninsured children as a result of the full implementation of CHIP. In contrast, the number of uninsured people ages 55 to 64 increased by 7 percent last year, validating the need for your initiative to increase coverage options for this population. We will soon send you a more detailed memo shortly describing the new Census data and outlining additional policy options.

5. Health -- Dean Ornish: We have worked with Dr. Ornish in recent weeks to obtain funding for his research on the impact of diet on prostate cancer. The conference report on the DOD appropriations bill now includes $2.5 million for this research initiative. Although Ornish had hoped for a $5 million grant, he was very pleased with this amount. Ornish also has requested that we provide assistance in his ongoing efforts to obtain Medicare reimbursement for his diet treatment plan. Ornish will meet with high-level officials at HCFA later this month to discuss this issue, and we will ensure that they give his proposal full and fair consideration. We also discussed ways for him to engage members and staff of the Medicare Commission on this issue. Ornish is pleased with the Administration's responsiveness and asked us to pass along his personal appreciation to you.

6. Education -- Charter Schools: We are hopeful that Congress will pass charter school legislation prior to adjourning this year. House and Senate staff met last week to pre-conference the bill, and reached agreement on virtually every issue. We think that they will finish their work within the next few days, and that the leadership then will bring up the bill for a vote. The NEA and AFT continue to be lukewarm to the legislation, but we do not now anticipate that any Democrats will try to derail it.

THE PRESIDENT HAS SEEN
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7. Education -- Class Size Reduction: We are talking with Democrats in Congress about whether to insist on a scaled-down class size reduction initiative in the Labor-HHS-Education appropriations bill. Senators Murray and Harkin have developed a proposal to provide $500 million in new Title 1 funds specifically for class size reduction. Secretary Riley believes that if we push hard enough, we can get the Republicans to sign on to this kind of proposal. Senate Democrats appear supportive of this approach. House Democrats, however, have sent mixed signals about whether to get a class size initiative in the bill or leave it out and preserve a campaign issue. We will continue to engage them on this matter.

8. Welfare Reform -- Noncustodial Fathers Study: The Manpower Demonstration Research Corporation released last week the first full-scale study of a program focusing on the non-custodial fathers of children on welfare (the Parents' Fair Share program, which was created by the Family Support Act). The results were generally disappointing. The program, which operated in 7 cities, raised child support payments by an average of $173 or 7 percent, but failed to improve participants' employment status or earnings level. We are currently holding discussions with policy experts and government officials to try to find more effective approaches. Many states are using their Welfare-to-Work funds to serve the fathers of children on welfare, and we want to make sure that these funds are put to the best possible uses. We are hoping to have policy proposals ready for this year's budget and State-of-the Union.

9. Welfare Reform -- Federal Welfare-to-Work Hiring Numbers: Federal agencies hired 926 former welfare recipients last month, bringing the total number hired to 7,087 since April 1997. As you recall, our goal is to hire 10,000 welfare recipients by the year 2000, so we are well on our way to success in this area.

10. Crime -- COPS Grants: You asked last week about the total number of law enforcement officers that the COPS program has funded. The program now has provided $5.2 billion to fund over 88,000 new and redeployed officers across the country. We will probably reach the 100,000 mark ahead of schedule -- in the middle of Fiscal Year 1999, rather than at the end of Fiscal Year 2000. As you know, however, there is a lag of about 18 months between the time funding is provided to hire police officers and the time the officers actually hit the street.

11. Crime -- NAPO Event: You are currently scheduled to participate in the NAPO Top Cops Award ceremony on Friday. Although we are still considering message options, we probably will recommend that you blast Congress for failing to pass legislation that would extend education benefits to surviving children of law enforcement officers killed in the line of the duty, despite widespread bipartisan support. At the same time, you could criticize Congress for failing to pass a host of measures that would continue our progress in fighting crime.

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12. Drugs -- Medical Marijuana: Five states (AK, WA, OR, NV, CO) and the District of Columbia have medical marijuana initiatives on their ballots for November 3. We are working with ONDCP and other federal agencies on a targeted media and outreach strategy to inform the public about the Administration's position on this issue. The strategy will place special emphasis on D.C.'s medical marijuana initiative, and will include communications to local opinion leaders, elected officials, churches, and law enforcement officials. There are currently eight states with medical marijuana statutes.

13. Children and Families -- Head Start Reauthorization: We expect that Head Start Reauthorization (part of the Community Services bill that also includes LIHEAP and IDA demonstrations) will pass by the end of next week. The bill coming out of conference is generally quite good -- authorizing the program at levels near your request and adding an important new "school readiness" goal for Head Start grantees. The bill does include a requirement -- championed by Congressman Goodling and insisted upon by the Republicans in conference -- that a greater percentage of Head Start dollars be spent on activities to promote quality. Currently, 25 percent of dollars are set aside for quality improvement; this bill requires that 60 percent be set aside in fiscal year 1999, 50 percent in 2000, 47.5 percent in 2001, 35 percent in 2002, and 25 percent in 2003. Unless we obtain additional investments in Head Start in the future, this requirement will prevent us from reaching our goal of serving one million children by 2002.

14. Community Empowerment -- CDFI Fund: The CDFI Fund awarded $75 million to 190 institutions last week. Of the total, $44 million in loans and grants went to 42 CDFIs in 21 states, $2.9 million in technical assistance grants went to an additional 70 CDFIs, and $27.9 million went to traditional insured depository institutions that have increased their lending to distressed areas or invested in CDFIs. We are working closely with Treasury to ensure appropriate funding of your Fiscall Year 1999 CDFI budget request.

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THE WHITE HOUSE

WASHINGTON

October 10, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Charter Schools Legislation: The Senate approved bipartisan charter schools legislation on Thursday by voice vote, and we expect the House to pass the identical bill prior to adjourning. As you know, the bill (which we had a substantial hand in drafting) would amend the federal charter school grant program to (1) encourage states to issue more charters; (2) give charter schools greater flexibility while ensuring that they meet performance goals; (3) provide for charter schools to receive their fair share of funding from federal education programs; and (4) promote ways for high-performing charter schools to help revitalize other public schools.

2. Education -- Vocational Education Legislation: Congress passed the Carl D. Perkins vocational education reauthorization bill on Thursday. The bill is the third and final piece of legislation -- following the workforce investment act and adult education act -- carrying out your "G.I. Bill for Workers" proposal. The bill consolidates numerous existing programs and set-asides into a single grant to states that combines flexibility with strong accountability mechanisms. Consistent with your general approach on education issues, the bill focuses on ensuring that students meet high standards (both technical and academic) by requiring states to develop a standards-based plan and to use their new funds to implement it. In addition, the bill specifically allows vocational education funds to support School-to-Work and "Tech-Prep" activities.

3. Education/Crime -- White House Conference on School Safety: You are scheduled to host the White House Conference on School Safety on Thursday. Other participants in the Conference include the Vice President, the First Lady, Mrs. Gore, experts in education and youth violence, community leaders, teachers, parents, and students. The conference will be downlinked by satellite to almost 600 locations -- including Jonesboro, Paducah, Pearl, and Springfield -- and will be cybercast over the Internet.

In addition to releasing the first Annual Report on School Safety, you can announce at the Conference: (1) a plan to create a Federal School Crisis Response team, which will assist local communities in much the same way that FEMA assists communities in response to natural disasters; (2) a plan to overhaul the Safe and Drug-Free Schools program so that it targets funds to communities with the greatest need, rewards the use of proven practices,

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and requires schools to provide school safety report cards to parents and the public; (3) a set of grants totaling $60 million to provide 2,000 school safety officers to schools with serious crime problems; (4) a commitment to trace all firearms recovered in schools to their sources; (5) a demonstration program, with coordinated funding from the Departments of Education, Justice, and HHS, to help schools, law enforcement, mental health agencies, and community groups to develop and implement coordinated, community-based efforts to address school safety and youth violence problems; (6) a commitment by four retailers (K-Mart, Walmart, Dockers/Levi Strauss, and JC Penney) to give back a percentage of their profits from the sale of school uniforms to schools to develop comprehensive school safety plans; and (7) a year-long public awareness campaign by MTV focusing on the problems of and solutions to school and youth violence.

4. Children and Families/Welfare Reform -- Human Services Act: Congress passed the Human Services Reauthorization Act on Thursday. The bill reauthorizes Head Start (with a number of improvements we recommended), as well as LIHEAP and the Community Services Block Grant. Perhaps even more notably, the bill also includes the first-ever authorization for individual development accounts, which you long have promoted as a critical component of comprehensive welfare reform.

5. Housing/Welfare Reform -- Welfare-to-Work Housing Vouchers: Congress approved in the VA/HUD appropriations bill your full request for 50,000 welfare-to-work housing vouchers. These new housing vouchers are the first ever to be linked to welfare reform, which is probably why Congress approved them. (Prior to this action, Congress had not approved a real increase in housing vouchers for four years.) The new vouchers present an exciting opportunity to improve how local welfare, employment, and housing agencies work together. We are working with HUD on ways to highlight the availability of these new vouchers.

6. Welfare Reform -- Welfare-to-Work Partnership Survey: The Welfare-to-Work Partnership's second annual survey of businesses, released last week, shows continuing success in the employment of welfare recipients and some remaining challenges. The survey shows that welfare recipients hired by Partnership companies earned an average starting wage of $7.20 per hour, which is comparable to other entry level hires. About 76 percent of these recipients held full-time positions and 24 percent held part-time jobs, which also is comparable to non-welfare entry-level hires. Perhaps most striking, the Partnership companies promoted former welfare recipients at a significantly <u>higher</u> rate than is usual for non-welfare entry-level hires. According to the survey, the companies reported child care and transportation as significant barriers to hiring and retaining welfare recipients, but only about one-third offered services to overcome these barriers. The survey also found that <u>non</u>-Partnership companies are hiring former welfare recipients at an active rate: one-quarter had hired someone off welfare in 1997 and one-third expected to hire someone in 1998.

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7. Tobacco -- CDC Report on Youth Smoking: The Center for Disease Control released a study on Thursday showing that between 1988 and 1996, the number of children who become regular smokers increased by 73 percent. This increase resulted in an additional 1.5 million children becoming regular smokers over the eight year period. The study also showed that in 1996 alone, 1.8 million Americans became regular smokers, of whom 66 percent, or 1.2 million, were under the age of 18. This means that in 1996, about 3300 young people became regular smokers each day; as you know, about one-third will die early as a result.

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Oct. 17, 1998 - DPC Weekly Report

cc: VP
CTS (Craig Smith)

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THE WHITE HOUSE

WASHINGTON

October 17, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Class Size Initiative: The final agreement we reached on your class size reduction initiative is remarkably close to your original proposal. The program, totaling $1.2 billion this year, is targeted to reducing class size in the early grades to an average of 18 and to ensuring that well-prepared teachers are in the smaller classes. Under the legislation, states receive funds based on either the Title 1 (poverty) formula or the Eisenhower program (enrollment) formula, whichever is higher. The states then distribute funds to local school districts according to a formula that is based 80 percent on poverty and 20 percent on enrollment. Districts can use the funds to recruit, train, and hire new teachers to reduce class size in the early grades; they also can use up to 15 percent of the funds for additional steps to improve teacher quality, such as professional development for experienced teachers and testing of new teachers. If and when a district brings class size down to 18 in the early grades, it can hire teachers to reduce class size in other grades or make other teacher quality improvements. Schools must produce an annual report card for parents providing information on class size and student achievement levels. We estimate that school districts will be able to hire between 30,000 and 40,000 teachers with these new funds, which would put us on track to reaching your goal of 100,000 additional teachers in seven years, assuming Congress provides continued appropriations.

2. Education -- National Testing: As you know, the budget bill includes a provision on national standards that allows test development work to continue, but bans pilot testing (which we intended to do this year), field testing, and implementation without congressional authorization. The provision also calls on NAGB and the National Academy of Sciences to conduct several studies related to national testing in anticipation of Congress considering this issue when it reauthorizes NAEP next year. Because the likelihood of obtaining Congressional approval for the tests is so slim, we are trying to develop other ways to continue our push for national standards.

3. Health Care -- Home Health Care Fix: The Congressional Republicans (House and Senate) announced a proposal on Friday to modify the reimbursement rates for home health care providers, and asked that it be included in the final budget bill. The proposal is sound as a matter of health care policy, but it is financed in part by a scheme to increase income limits on Roth IRA rollovers, which the Administration strongly opposes. (As you

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recall, the scheme loses revenue in the outyears and benefits only wealthy individuals.) We responded to the Republican proposal by offering several alternative financing mechanisms, including a limit on participation in Medicare Medical Savings Accounts and some relatively non-controversial tax offsets that have appeared in other bills. The Republicans strongly oppose limiting MSAs as an offset, but may be able to agree to some of our other financing sources. We will work through the weekend to see if we can reach agreement. Even if we do not, we believe that our quick response has insulated us from Republican attacks that we stood in the way of solving the home health care problem.

4. Health Care -- Historic Budget Increases: The final budget bill includes an increase of almost $2 billion -- or 14 percent -- in biomedical research at the NIH. In addition, the CDC and the Agency for Health Care Policy Research (AHCPR) received the full budget increases you requested for new research to improve prevention efforts and quality outcomes. The final budget bill also includes the $80 million you asked for (though distributed among slightly different programs) to eliminate racial health disparities in six health areas, including cancer, diabetes, and immunizations. Finally, the bill includes significant new funding for HIV/AIDS, including $250 million (a nearly 30 percent increase) for the Ryan White Program and $130 million for funding to address the AIDS problem in the minority community. The latter increase is particularly striking and meets the Congressional Black Caucus's request for funding.

5. Health Care -- Needle Exchange: One of our greatest disappointments in the budget is a provision that not only prohibits federal funding of needle exchange programs across the country, but also prevents the use of local and private funds for this purpose in the District of Columbia. The Republican Leadership was adamant about retaining this provision, presumably because it was necessary to sell the budget package to conservatives in the party.

6. Health Care -- Kennedy-Jeffords Legislation: We proved unable to include the Work Incentives Improvement Act (Kennedy-Jeffords) in the final budget bill. This legislation, which is the disability community's primary legislative priority, gives people with disabilities the option to buy into Medicaid and Medicare when they go back to work. Although the bill has received broad bipartisan support, the Republican leadership rejected the idea of including a significant health care expansion in the omnibus legislation. We believe, however, that we have laid the groundwork for passage of this bill in the next Congress.

7. Health Care -- Pennsylvania DSH Payments: The entire Pennsylvania Congressional delegation is lobbying the Administration to place a moratorium on the collection of claims (valued at over $300 million) against the State's hospitals for making inappropriate Medicare DSH payments. This moratorium would give the State time to get the claims overturned in court and/or lobby for remedial legislation. Because we believe that HCFA has applied the rules inconsistently in this area, we have urged the agency to be

THE PRESIDENT HAS SEEN
10-19-98

responsive. We think that HCFA will decide to impose a temporary moratorium next week, at which time we will contact the State's Democratic Members.

8. Crime -- Prison Drug Testing/Treatment: The final budget agreement includes language to allow states to use up to 10 percent of their federal prison funds to implement drug testing and treatment plans for prisoners and parolees. As you recall, you urged Congress in January to adopt this change in law, at the same time as you signed a directive promoting coerced abstinence policies in the federal prison system. Before now, Senator Hatch consistently had opposed our efforts to allow states to use their prison funds for this purpose.

9. Crime -- Brady Implementation: The final budget agreement ensures that the Brady National Instant Criminal Background Check System (NICS) will go on-line as planned at the end of next month. Although the bill prohibits the FBI from charging a user fee for background checks, it appropriates sufficient funds ($42 million) to operate the system. Equally important, the bill does not include a Republican-proposed rider on records destruction procedures that would have delayed implementation of the NICS by 6 to 8 months.

10. Community Empowerment -- Budget Agreement: The final budget agreement includes almost all of the community empowerment initiatives you proposed this year. Some of the highlights include: (1) 50,000 new welfare-to-work housing vouchers; (2) first-year funding for the Round II Empowerment Zones; (3) a 19 percent increase in the Community Development Financial Institution Fund budget; (4) enactment of landmark public housing reform legislation; (5) extension of the Work Opportunity Tax Credit and the Welfare-to-Work Tax Credit; (6) an 18 percent increase in homeless assistance; (7) a 33 percent increase in HUD's fair housing programs; (8) full funding for the EPA's Brownfields program; and (9) the creation of a new program to provide Individual Development Accounts to individuals wishing to save for a first home, post-secondary education, or new business. The one initiative we failed to enact was your proposal to expand the Low-Income Housing Tax Credit (LIHTC). We believe, however, that we have laid the groundwork to secure Congressional approval of this proposal next year.

11. Welfare Reform -- Teen Birth and Pregnancy Rates: Two recent reports show continued good news on teen birth and pregnancy rates. CDC announced data showing a 3 percent drop in the teen birth rate from 1996 to 1997, bringing the rate to 52.9 births per 1,000 girls between 15 and 19 years old. The ~~drop is the sixth in a row and caps a total~~ decrease of 15 percent since 1991. Teen birth rates declined for all racial groups, although the rate of decline for blacks was slightly less than for other groups. In addition, a new report from the Alan Guttmacher Institute shows that the teen pregnancy rate dropped nearly 13 percent from 1991 to 1995 and now stands at the lowest level since 1975, at 101 pregnancies per 1,000 15- to 19-year-old girls. Researchers attribute the drop in pregnancy rates to a decline in sexual activity among teens and improved use of contraceptives. The teen pregnancy data lag several years behind the teen birth data because the pregnancy data depend on abortion data which

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take longer to collect. In a few months, CDC will produce its own estimate of the teen pregnancy rate, which will use a slightly different methodology but show a similar trend.

During last week's budget negotiations, we succeeded in removing a rider on the Labor-HHS-Education appropriations bill that would have endangered these very positive trends. The rider would have prohibited all family planning organizations receiving federal funds from dispensing contraceptives to minors without their parents' consent. This rider, if passed, would have led to more teen pregnancies, births, and abortions.

12. Tobacco -- Medicaid Recoupment: The final budget agreement does not include any provision to waive the federal government's right to a share of state tobacco recoveries. During negotiations, the Republicans supported language that would have given the federal share of the money to states to use in whatever manner they pleased (rather than for a menu of specified activities). The Democrats opposed any provision waiving federal claims (with or without a menu), on the theory that leaving this issue open would make Congress more likely to consider comprehensive tobacco legislation next year. We will work with members of Congress and the public health community on a strategy to use the federal government's claims against the states as part of a renewed effort to enact such legislation.

13. Children and Families -- Child Care Budget Increases: The budget bill includes two notable increases in child care spending. First, the bill provides for $200 million for after-school programs (up from $40 million this year and $1 million the year before), which will serve about a quarter of a million children each year. You are currently scheduled to highlight this remarkable increase when you campaign with Senator Boxer in California on Wednesday. Second, the bill adds $182 million to the quality fund within the Child Care and Development Block Grant. Although even this increase was very difficult to get, the child care community expected higher. We and the first lady's staff will meet with representatives of that community within the next few weeks to discuss the treatment of child care in the next budget and develop a strategy for making progress on this issue in the next Congress.

NLWJC - KAGAN

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OA/ID Number: 21748

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Oct. 23, 1998 - DPC Weekly Report

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10-28-98

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THE WHITE HOUSE

WASHINGTON

October 23, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

RE: DPC Weekly Report

1. Education -- Class Size Reduction: To ensure that we capitalize on your victory on class size reduction, the Vice President and the Education Department released state-by-state figures showing the funding levels and estimated number of new teachers to be hired with the $1.2 billion in the omnibus appropriations bill. The Education Department has provided members and the press county-level funding numbers as well. In addition, we have distributed widely the attached chart showing that the final class size reduction agreement comes very close to your original proposal.

2. Education -- After School Programs: We are working with the Education Department to determine if it will be possible to award a portion of the $200 million in new after-school program grants to cities such as Boston and Chicago which didn't make the cut this past year. The remainder of the funds would be used to fund a new competition, with grants to be awarded in the spring. Making some awards now would give us an opportunity to take credit for our victory and would allow students to participate in after-school programs during this school year. However, in order to take this step, we must make certain that the awards will be made consistent with new report language in the appropriations bill directing the Education Department to target the funds to communities with high poverty levels, high juvenile crime and low academic achievement.

3. Health Care -- Final Report on Federal Compliance with Patients' Bill of Rights: Late next week, you are scheduled to release a report showing that while the Congress failed to pass a Patients' Bill of Rights, you have taken action to implement these protections for the 85 million Americans in Federal health plans. Last February you issued an Executive Memorandum directing the five Federal agencies with jurisdiction over health care to come into compliance with the Patients' Bill of Rights. This report details the steps those agencies have taken to come into compliance. You can also reiterate your strong commitment that passing a Patients' Bill of Rights that guarantees these protections for all Americans will be one of your top priorities in the next Congress.

PHOTOCOPY WJC HANDWRITING

4. Health Care -- AIDS/Congressional Black Caucus (CBC) Event: Next Wednesday, at Rep. Waters's request, you will take part in an event with the CBC to celebrate the $130 million budget increase targeted to HIV/AIDS for minorities. African-Americans represent 44 percent of all new HIV/AIDS cases. Securing new targeted funding for minorities through a range of programs -- including new investments in prevention, women and children, and substance abuse -- was the top priority for the CBC in the budget. They are thrilled they received their full request and greatly appreciate the Administration's efforts in fighting for these increases. They are also pleased that there were significant increases in funding for Ryan White, as well as a new commitment to pay for programs designed to reduce health care disparities among the minority populations.

5. Health Care -- Safeguarding Medicare Beneficiaries who Lose HMO Coverage: On Friday, HCFA released a letter to state insurance commissioners outlining the rights of Medicare beneficiaries who have been involuntarily terminated from Medicare HMOs to access supplemental "Medigap" insurance. The letter made clear that insurers must provide such beneficiaries access to certain Medigap plans now offered regardless of health status, prior claims history, or medical condition. Although the letter will be well received by the aging groups (such as AARP), two issues will attract dissatisfaction from the disability community. First, because of concerns about adverse selection, the law does not give us the authority to mandate that Medigap plans with prescription drug coverage be guaranteed issued. Second, under current law we do not have the authority to require insurers not now offering Medigap plans to disabled Medicare beneficiaries to do so. As a consequence, in the 35 states that do not mandate offering Medigap to the disabled, disabled beneficiaries who were dropped from HMOs will not have guaranteed access to affordable Medigap plans. However, the HCFA letter does urge states to pass legislation to require a Medigap offering to the disabled. Moreover, you have been on record since last year as supporting bipartisan legislation in the Congress to require all insurers offering Medigap plans to seniors to also offer such an option to the disabled population.

6. Drugs -- Medical Marijuana: ONDCP and the Justice Department have tentatively scheduled a press conference early next week in D.C., at which General McCaffrey and Attorney General Reno will call on voters to reject medical marijuana ballot initiatives pending in six states (AK, AZ, WA, OR, NV, CO) and the District of Columbia. McCaffrey will urge voters not to change drug laws until scientific facts can confirm that the benefits of marijuana outweigh the risks. ONDCP also hopes to release a letter signed by former Presidents Ford, Carter, and Bush opposing these ballot initiatives.

7. Crime -- Law Enforcement: Last week, just prior to adjourning, the Congress passed legislation to provide college scholarships to the dependents of slain state and local law enforcement officers. You called on Congress to enact such legislation at last year's NAPO Top Cops event. Two years ago in a Rose Garden ceremony, you signed similar legislation, which provides scholarships to the children and spouses of slain <u>federal</u> law enforcement officers.

8. Immigration -- Budget Victories: The budget bill contains several significant achievements for your immigration agenda. We asked for and received a $171 million increase to address the two-year backlog of pending naturalization applications at the INS. With help from the Hispanic Caucus, labor unions, and religious groups, we were able to delete provisions that would have reduced job opportunities, wages, and work standards for legal U.S. farmworkers by creating a new agricultural guestworker program. Finally, we were able to grant amnesty -- automatic eligibility to adjust to permanent legal status -- to approximately 48,000 Haitians who were paroled into this country after the 1991 overthrow of President Aristide or who applied for asylum prior to 1996. You temporarily suspended deportation of these Haitians last December and called on Congress to grant them permanent relief.

9. Immigration/Welfare -- Public Charge: The Justice and State Departments have agreed to issue guidance instructing INS inspectors and State Department consular officers to disregard prior or current receipt of Medicaid, CHIP, and/or Food Stamps when determining whether an immigrant is likely to become a public charge (unless an alien has received institutionalized care funded by Medicaid). In recent months, there have been documented instances of aliens being denied re-entry to the U.S. because they had received Medicaid and of aliens being told by immigration officials that receipt of Medicaid or Food Stamps could negatively affect their immigration status. Our goal is to have the new guidance issued by November 1st, when provisions which restore Food Stamp benefits to 250,000 elderly, disabled, and other needy legal immigrants go into effect.

10. Civil Rights -- EEOC: Your FY 1999 budget included $279 million -- a $37 million increase over the previous year -- to expand EEOC's alternative dispute resolution program and reduce the backlog of private sector discrimination complaints. The final budget fully funds your request, providing the first real increase for EEOC in several years.

CLINTON VICTORY ON SMALLER CLASSES WITH QUALITY TEACHERS

PRESIDENT CLINTON'S GOAL	ADMINISTRATION'S PROPOSAL	FINAL AGREEMENT IN OMNIBUS APPROPRIATIONS BILL	PRESIDENT'S GOAL MET
CLEAR PURPOSE	• Reduce class size to 18 in the early grades	• Reduce class size to 18 in the early grades	✔
FIRST STEP TOWARD HIRING 100,000 TEACHERS	• $1.1 billion in first year • Help school districts hire more than 30,000 teachers in the first year of a seven year-initiative to hire 100,000 teachers	• $1.2 billion in first year • Help school districts hire more than 30,000 teachers in the first year	✔
TARGETING NEEDIEST STUDENTS	• Targeted to high poverty communities using Title 1 formula	• Targeted to high poverty communities, with 80% of funds allocated by poverty and 20% by population count	✔
GETTING DOLLARS TO LOCAL SCHOOL DISTRICTS	• 99.4% of funds to local school districts • 0.0% for federal administration; 0.5% for costs to state of program administration and testing of new teachers; 0.1% for evaluation	• 100% to local school districts • 0.0% for federal administration; 0.0% for costs to state of program administration and testing of new teachers 0.0% for evaluation	✔
ENSURING TEACHER QUALITY	• Requires that local school districts spend at least 10% of funds on improving teacher quality • New teachers must meet state certification requirements • New teachers must pass state-selected competency test	• Establishes 15% cap for local school district expenditures on improving teacher quality • New teachers must meet state certification requirements • School districts may use funds for teacher competency tests	✔
ACCOUNTABILITY FOR RESULTS	• Must produce annual school report card to parents and the public on student achievement and class size	• Must produce annual school report card to parents and the public on student achievement and class size	✔

Preserve the Citizen Service Tradition

By Stephen E. Ambrose

It is the nature of youth to want to explore. Youngsters yearn for challenge and new experiences and the sense of belonging to something larger than themselves. They are idealistic and want to advance their ideals through service.

It is one of the principle misfortunes of our time that we do not provide our 18- and 19-year-olds with enough opportunity to do these things, and it is one of the chief differences between America today and America a half-century ago. Then, service of some sort to the nation by the young was taken for granted, along with the notion that society would provide them with a place to serve.

In the Depression, it was the Civilian Conservation Corps, universally praised for the projects it undertook and completed and for the way it provided impoverished youngsters with a chance to serve, to travel, to get to know other young Americans from different backgrounds and parts of the country. In the Second World War and during much of the Cold War it was the armed forces, where millions of young Americans served. President John F. Kennedy tapped the same vein to create the Peace Corps. Today AmeriCorps is extending that tradition of citizen service, giving young people opportunity to serve their country here at home.

The generation of Americans now in retirement faced and overcame great challenges, starting with the Depression and including the Nazis, the Japanese militarists, and the Communists in Korea, Vietnam, and the Soviet Union. The challenges of today are not so clear, or terrifying, or dramatic. Nor are they as unifying: During World War II, a popular saying, used to respond to a complaint about this or that shortage, was "We are all in this together." Today's youth have never had that feeling. They have missed the experience of working together for a common goal as much as they have missed the chance to serve others.

It seems to me that one of the great things that came out of World War II, and to a lesser extent out of Korea and even Vietnam, was the way in which millions of young men learned to work together, to take responsibility, to become part of a team. They learned, too, to savor deferred gratification, and to take pride in contributing to their fellow man.

Michigan Historical Museum

CCC workers near Camp Au Sable, Mich.

Today, too often, our youngsters hardly know one another. Middle class kids have little or no contact with inner-city kids. As we become a more diverse society, it is critical that we provide our youth with experiences that bring Hispanic-Americans and European-Americans, Jewish-Americans and Muslim Americans, Asian-Americans and African-Americans together, working, living, serving side-by-side. Lord knows there are plenty of challenges out there and much to be done, improving education, fighting poverty, and protecting the environment.

In Europe, several nations require that, at 18, young people give a year of service to their country. In the U.S. it is not required, but AmeriCorps provides a voluntary opportunity to make a similar commitment. Instead of fighting enemies abroad these young Americans battle against the everyday enemies of illiteracy, poverty, and violence that plague our nation. In four years, AmeriCorps members have taught, tutored and mentored more than 2.2 million children, provided after-school programs to more than a million at-risk youth, removed close to 70,000 tons of trash from neighborhoods, and recruited more than 1.8 million volunteers to assist in these and other efforts.

AmeriCorps members, most of whom are between the ages of 18 and 24, receive a loan living allowance, and after a year of service a stipend of almost $4,800 to help pay for college. This is similar to the 1944 GI Bill of Rights, which was the best piece of legislation Congress ever enacted. The GI bill sent hundreds of thousands of GIs to college—guys who never dreamed it would be possible for them to get a higher education—and after earning their degrees they went out and built modern America. They were part of the best educated, best disciplined, hardest working, most innovative generation of Americans ever. Today's young people, through AmeriCorps and other volunteer groups, can emulate them.

Our young people are our future. Our very soul as a nation is at stake. I cannot imagine a better investment than in youth who want to work for others and then go on with their education, taking a hand up rather than a hand out. Since 1994, more than 100,000 young men and women have pledged to "get things done" for America. This month, as AmeriCorps celebrates this milestone, let us congratulate them for their service to our country—and hope that future generations have the opportunity to follow in their footsteps.

Mr. Ambrose is author, most recently, of "Citizen Soldiers" (Simon & Schuster, 1997).

THE WALL STREET JOURNAL

FRIDAY, OCTOBER 23, 1998

NLWJC - KAGAN

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FG006-21 283185SS

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THE WHITE HOUSE

WASHINGTON

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October 30, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Crime -- National Instant Criminal Background Check System: The Justice Department will publish this week its final regulation implementing the Brady National Instant Criminal Background Check System (NICS or Instacheck). Under the NICS, which will go into effect on November 30th, the FBI and/or state points of contact will conduct computerized background checks of all prospective gun purchasers (not just handgun purchasers). Implementation of the NICS is a very significant accomplishment, capping your efforts first to enact the Brady Law, then to secure sufficient funds to improve state criminal history records, and most recently to thwart Republican attempts to undermine the efficacy of the Instacheck System.

2. Drugs -- Medical Marijuana: General McCaffrey held a press conference last week stating the Administration's opposition to five ballot initiatives allowing the medical use of marijuana; he also released a letter from former Presidents Carter, Ford, and Bush taking the identical position. McCaffrey argued that these initiatives send the wrong message to children about marijuana and conflict with the federal drug approval process. Current polls indicate that such initiatives will pass in Alaska, Oregon, Washington, and the District of Columbia; the vote is too close to call in Nevada. In addition, voters in Arizona probably will vote down an initiative that would repeal a broad medical marijuana law passed two years ago.

3. Health Care -- Patients' Bill of Rights Event: You are scheduled to lead a roundtable discussion with health care workers and patients on Monday that focuses on the need for a patients' bill of rights. We will downlink this event to patients' rights rallies led by Democratic candidates in congressional districts across the country. At the event, you will receive a status report from the Vice President outlining how the five federal agencies with primary jurisdiction over health care responded to your executive order directing them to ensure that their health plans come into compliance with the patients' bill of rights. This report will underscore that while the Republican leadership allowed patients' rights legislation to die, you took every possible action to implement these protections for the 85 million Americans in federal health plans. You will respond to the report by again calling on Congress to enact legislation to extend these rights to all Americans.

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4. Health Care -- Pediatric Labeling Initiative: We are pushing HHS and FDA to publish within the next two weeks a final regulation requiring manufacturers to test certain drugs for use in children and provide information to pediatricians on correct dosage levels. You announced the proposed regulation at an event with the First Lady last year, and pediatricians and advocates warmly applauded the action. (The American Academy of Pediatrics called it "one of the most important advances for pediatric drug therapy in several decades" and noted its special importance for treating children with AIDS.) Subsequent to your announcement, Congress included a provision in FDA reform legislation that provides short-term patent extensions to companies conducting these new pediatric tests. Although the legislation is fully consistent with our regulation (effectively providing some compensation to companies that must meet our regulatory requirement, as well as to companies that conduct pediatric tests voluntarily), the industry is arguing that Congress intended to negate our proposed rule and rely exclusively on incentives to promote voluntary testing. Because of this controversy, we decided to delay publication of the final rule until the Senate confirmed Jane Henney as FDA Commissioner. Now that the Senate has approved Dr. Henney, we and the First Lady's office want to move forward with the final regulation as soon as possible, perhaps even before Henney is sworn-in to her new position.

5. Welfare Reform -- New Jersey Family Cap Study: New Jersey will release on Monday its latest evaluation of the State's family cap policy, which denies additional per-child benefits to welfare recipients who give birth while on the rolls. We understand that this report, prepared by Rutgers University researchers, will show a decrease in births and a small increase in abortions among families on welfare. Secretary Shalala sent you a memo about the draft Rutgers study in June, pointing out that both New Jersey and HHS had serious concerns about its methodology. The Department is still reviewing the latest study, but its preliminary appraisal is that the Rutgers researchers have failed to address many of these methodological questions; in particular, HHS is concerned that the study does not control sufficiently for other factors that could affect the rate of abortions. A total of 23 states have chosen to adopt a family cap policy since the passage of the welfare reform law, up from 15 states that implemented this policy through welfare waivers.

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THE WHITE HOUSE

WASHINGTON

November 6, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Patients' Bill of Rights: This week's election has virtually assured us a working majority in the House for strong patients' rights legislation. The Dingell-Ganske legislation that we supported lost last summer by a 217-212 vote. Of the 201 Democrats who supported this legislation, 189 are returning to the House, and of the ten Republicans and one Independent who supported the bill, all but one are returning. In addition, we expect all or almost all of the 22 Democrats newly elected to the House to support the bill. We therefore have about 220 votes, even assuming that no Republicans alter their position. And Congressman Ganske thinks that we can pick up an additional five or more votes from Republicans. In the Senate, we think a majority could form around a slightly strengthened version of the Graham-Chafee bill. As you recall, that bill includes virtually all of the patient protections in the Dingell-Ganske bill, but has a somewhat weaker enforcement provision. If Senate Democrats agree to accept an enforcement provision more similar to Graham-Chafee than to Dingell-Ganske, Senators Chafee and Spector and possibly Senators Snowe, Collins, Jeffords, Voinivich, and Bunning would join them. Because many unions also prefer the Graham-Chafee approach, this kind of compromise may make sense to Senate Democrats.

2. Health Care -- Contraceptive Benefits for Federal Employees: The Office of Personnel Management issued a benefits directive letter on Friday requiring the approximately 280 health plans in the FEHBP to provide coverage of all FDA-approved, prescription contraceptives to federal employees. As you know, we insisted on including this requirement, which Congresswoman Lowey sponsored, in the omnibus appropriations bill. The requirement will become fully effective in January 1999.

3. Health Care -- Massachusetts Medicare Issue: We are working with Senator Kennedy, Congressman McGovern, and other members of the Massachusetts delegation to find a way to provide administrative relief to an HMO in Massachusetts that otherwise will have to withdraw from the Medicare Choice program. This HMO contracted to provide a comprehensive drug benefit to beneficiaries, on the mistaken belief that a state law required it to do so. As a result, it is now facing severe financial difficulty and is close to pulling out of the program. As you recall, Senator Kennedy requested that we attempt to include a provision in the omnibus appropriations bill to address this problem, but the Republican leadership refused to do so. We are now considering whether we should act administratively

PHOTOCOPY WJC HANDWRITING

to allow this HMO -- and perhaps others in the same market -- to modify its drug benefit. The trick here is to do so without establishing a precedent that will allow Medicare HMOS generally to renege on their contractual commitments to provide particular benefits. We will let you know whether we and HHS, working with Senator Kennedy, can find a solution to this problem.

4. Abortion -- Task Force on Violence Against Abortion Providers: The Attorney General will announce on Monday the formation of a task force to address violence committed against abortion providers. Bill Lee of the Civil Rights Division will lead the task force, which also will include attorneys from the Criminal Division and investigators from the FBI, ATF, and Marshals Service. The task force will coordinate the Department of Justice's activities regarding the investigation and prosecution of acts of violence against abortion providers. It also will make recommendations to clinics and providers regarding security and provide training to federal, state, and local law enforcement personnel. We are working with the Justice Department and other agencies on further actions that can be taken -- perhaps involving additional budgetary commitments -- to curb the recent increase in violence against abortion clinics and providers.

5. Crime -- Gang Study: The Justice Department's National Institute of Justice (NIJ) released last week a study on youth gangs. The study, which was conducted in Colorado, Florida, and Cleveland, found that: (1) gang members committed significantly more violent crime, including homicides and drive-by shootings, than other at-risk youth; (2) gang members were over 12 times more likely to be involved in drug sales, and were much more likely to own a gun, than other at-risk youth; and (3) reprisals suffered by youths who refused to join a gang were often milder than the serious assaults endured during gang initiations.

6. Crime -- Community Policing Conference: More than 750 police and community leaders from across the country will attend this week a community policing conference sponsored by the Justice Department's COPS Office and the National Institute of Justice. The conference will focus on problem-solving and community-building strategies that are helping law enforcement agencies respond to crime, fear, and disorder in their jurisdictions. In addition, this week the COPS Office released $18 million in grants to 139 law enforcement agencies to hire 276 officers. These grants bring the total number of officers funded through the COPS program to 88,797.

NLWJC - KAGAN

WHORM - BOX 002 - FOLDER 033

FG006-21 284794SS

FOIA Number: Kagan

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THE WHITE HOUSE

WASHINGTON

November 13, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Proposed State Settlement: According to the latest rumors, the tobacco industry and eight Attorneys General will announce a proposed settlement of state claims on Monday; states will then have until Friday to decide whether to accept the deal. The proposed settlement will provide a maximum of $206 billion over 25 years to the states; if states opt out of the settlement, the amount of industry payments will decline accordingly. The $206 billion includes $183 billion in annual payments, $13 billion in up-front payments, nearly $9 billion in a "strategic contribution fund" (distributed between 2008 and 2017 to the states that have done most work in suing the tobacco companies), $1.45 billion over five years for counteradvertising and public education, and $250 million over 10 years for a research foundation. We are working with OMB to estimate the price impact of these industry payments; some Wall Street analysts have suggested that they will cause a 35 cent per-pack price increase over five years. The marketing restrictions in the proposed settlement are similar to those adopted in Minnesota, but less extensive than those in the FDA rule or the June 20th agreement: the settlement will ban billboards, paid product placements, cartoon characters, and promotional items with brand names or logos (such as hats and gym bags). The settlement will not have any provisions for farmers. We are sending you and the Vice President a separate memo setting out an idea for building on this state settlement.

2. Tobacco -- Great American Smokeout: The Vice President will appear at an event with the WNBA's Washington Mystics and 500 young people on Thursday, the date of the American Cancer Society's Great American Smokeout. He will designate a National Clearinghouse on Tobacco Counteradvertising at the Centers for Disease Control to make effective tobacco counteradvertising available to all states. He also will unveil a package of the "top-10" youth-oriented anti-smoking ads, including ones featuring supermodel Christy Turlington and the musical group "Boyz II Men."

3. Health -- Stem Cell Research: As you know, we worked with OSTP and NIH to draft a letter from you to the Chair of the National Bioethics Advisory Commission, requesting the Commission to consider the serious ethical issues raised by a recent experiment involving the creation of an embryonic stem cell that is part human and part cow. The letter also requests the Commission to review issues related to other stem cell research, involving purely human material, that may have significant medical potential. Dr. Varmus believes that while

the commingling of animal and human material is wholly improper, other stem cell research is both ethical and scientifically beneficial; he would interpret -- or if necessary, amend -- the current law to allow federal funding of some of these research efforts. Senator Spector is planning to hold a hearing on this issue on December 1st; in the meantime, we will try to figure out where Spector is going and work with Varmus on his testimony.

4. Health -- Amicus Brief on Health Insurance Remedies: Within the next two weeks, the Solicitor General will file an amicus brief in the Supreme Court arguing that the Employee Retirement Income Security Act (ERISA) does not preempt state laws allowing injured consumers to sue health insurance plans. Although the federal government took the opposite position during the Reagan Administration, we believe that the Solicitor General's argument has a very strong basis in the language of the statute. We also believe that the argument is consistent with our support for a strong enforcement mechanism in patients' rights legislation. If the Supreme Court accepts our argument, we will still need federal legislation to (1) enforce patients' rights against self-insured plans, which are not regulated by the States, and to (2) enforce patients' rights against insurance plans in States that have failed to provide an adequate remedy. If the Supreme Court rejects our argument, we will need federal legislation to enforce patients' rights against both self-insured and insurance plans in every State. We are now in the process of considering whether we should seek publicity for this amicus brief.

5. Health -- Massachusetts HMO Update: In response to requests from Senator Kennedy, HHS last week offered the four HMOs in Massachusetts that participate in the Medicare program a chance to modify their benefit packages. As you recall, at least one of these HMOs would have dropped out of the program in the absence of this administrative action. The HHS offer was well received by the Massachusetts delegation, the Governor, and the press. As of this writing, three of the four plans have responded by agreeing to provide comprehensive drug benefits if the fourth plan (Harvard Community Health Plan) does so as well. (The plans believe that they will not suffer from adverse selection if they all offer the same drug benefits.) We will know by Tuesday whether Harvard Community will agree to this proposal. If it does not, the other plans probably will submit alternative plans with much lesser drug benefits. Even in this worst-case scenario, Senator Kennedy believes that blame will attach to the HMOs, rather than to HHS.

6. Health -- Racial Disparities in Heart Disease: The Morbidity and Mortality Weekly Report of the Centers for Disease Control (CDC) published a report last week showing increased racial disparities in heart disease. The report found that between 1981 and 1995, the ratio of blacks to whites who died from heart disease increased by nearly 20 percent. The racial disparity increased across all age groups, but particularly for individuals between the ages of 45 and 54. The disparity also increased during each of the three five-year time periods examined. This study underscores the need for your racial health disparities initiative, which seeks to eliminate disparities in six critical health areas, including heart disease, by the year 2010.

7. Welfare Reform -- New York City Food Stamp and Medicaid Procedures: HHS, USDA, and welfare advocates have serious concerns that New York City is inappropriately requiring families to wait until their second visit to a human services office before applying for food stamps and Medicaid. Although the welfare law allows agencies to adopt this practice for TANF assistance (the agencies, for example, can require an applicant to search for a job first), Food Stamp and Medicaid law require agencies to provide applications on the first visit. As a result, both USDA and HCFA are requesting information from city and state officials about their application procedures. Mayor Giuliani's welfare commissioner (Jason Turner) initially responded to these requests in a highly cooperative and forthright manner. Guiliani himself, however, decided to take a different tack, insisting that the review is an attack on his work-first welfare agenda. We are confident that HCFA and USDA are trying to resolve this issue as quietly and expeditiously as possible, consistent with the Food Stamp and Medicaid guarantee; we are unsure, however, whether Giuliani's stubbornness will make such a resolution hard to achieve.

8. Welfare Reform -- Welfare-to-Work Study: A new study presented at the Southern Economic Association meeting last week provides encouraging data on the employment rates of families leaving the welfare rolls. The report tracked welfare recipients in Atlanta, Baltimore, Houston, and Kansas City by matching welfare case data with employment data submitted by employers through the Unemployment Insurance reporting system. The study found that between 1993 and 1997, the proportion of people leaving the welfare rolls who were working in the following quarter increased in all four cities -- from 55 percent to 67 percent in Kansas City, 47 percent to 57 percent in Atlanta, 45 percent to 56 percent in Baltimore, and 43 percent to 47 percent in Houston.

9. Welfare Reform -- Vice Presidential Welfare-to-Work Event: The Vice President will announce the second round of Welfare-to-Work competitive grants on Thursday at a town hall meeting with civic and faith-based organizations, employers, and individuals who have moved from welfare to work. You announced the first round of competitive grants at an event in May. Although the Department of Labor is still finalizing the grants, we expect to award approximately 75 new grants totaling over $250 million to communities across the nation. Secretaries Herman and Shalala will join the Vice President, and Secretaries Slater and Cuomo may amplify the welfare-to-work message at similar events around the country.

10. Education -- National Board: The National Board for Professional Teaching Standards (NBPTS) announced on Thursday that 924 teachers from 37 states earned master teacher certification during 1997-1998. This brings the total number of Board-certified teachers to 1,836 in 45 states and the District of Columbia. States with the greatest number of master teachers are North Carolina (536), Ohio (337), and California (129). The newly certified teachers include the first from Arkansas: Susan Lockhart, from Rena Elementary School in Van Buren. Mike Cohen will meet with NBPTS President Jim Kelly next week to map out plans for putting the board on a stronger and more bipartisan footing in the next

Congress.

11. Crime -- Chicago Gun Industry Law Suit: The City of Chicago and Cook County filed suit against the gun industry on Thursday, charging manufacturers, distributors, and dealers with engaging in practices that promote illegal gun use. The suit comes at the end of a three-month sting operation in which Chicago police officers, posing as gang members, bought hundreds of guns from suburban gun shops for obviously illegal purposes. The suit claims that the defendants have "created a public nuisance" because they "knowingly design, market and distribute firearms in order to facilitate their illegal entry into and possession in Chicago, where they are illegal to possess -- and where they are often used in crimes." The suit seeks $433 million in damages for costs incurred since 1994 by the Chicago Police Department, the Chicago Fire Department's emergency medical services, the City Law Department, Cook County Hospital, and the Cook County criminal justice system.

12. Crime -- Survey on Gun Ownership: The Center to Prevent Handgun Violence released a survey on Friday showing that 43 percent of households with children have guns, and that of those households, 23 percent keep their guns loaded.

NLWJC - KAGAN

WHORM - BOX 002 - FOLDER 034

FG006-21 285628SS

FOIA Number: Kagan

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Subseries:

OA/ID Number: 21748

Scan ID: 285628SS

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Nov. 24, 98 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

November 24, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

Good argument, intro to 2000

1. Education -- GAO Report on Goals 2000: Pursuant to a request from Congressmen Goodling, Hoekstra, and Riggs, the GAO issued a report last week on the implementation of Goals 2000. The findings of the report were very positive. The GAO found that states and school districts use Goals 2000 funds for a wide range of reforms based on high standards -- for example, to develop academic standards, update curriculum frameworks, provide professional development, and support technology acquisition and training. The GAO also reported that most state and local officials believe that the funding design in Goals 2000 is sufficiently flexible, and that many fear that proposals to fold Goals 2000 into a block grant will lead to a reduction in overall federal support of education reform.

2. Education -- Class Size Implementation: After consulting with governors, mayors, state and local education officials, and members of Congress, the DPC and Department of Education have decided to issue guidance within the next month on the use of class size reduction funds. The guidance will give communities maximum flexibility in using the funds so that they can sensibly deal with local conditions, such as a scarcity of classroom facilities or qualified teachers. At the same time, the guidance will ensure that the states and school districts focus on our goal of reducing class size in the early grades and hire a critical mass of new teachers for the next school year. In issuing this guidance, we are rejecting the recommendation of Congressman Goodling to forego all federal guidance until Congress determines whether to extend the class size initiative beyond the next fiscal year. We have told Goodling that the guidance will spell out both the current funding commitment and our intent to seek its extension.

3. Education -- Rand Study of State Education Reforms: The National Education Goals Panel last week released a study it commissioned from the Rand Corporation on education reform strategies in North Carolina and Texas. The Panel selected these two states because of their strong records of improving student achievement: they had the largest average gains on NAEP reading and math assessments from 1992-1998, comparable gains on state achievement tests, and particular success among minority students. The study attributed success in these states to the kinds of education reform strategies that you have promoted. The study particularly noted the states' efforts to (1) set clear and demanding grade-by-grade academic standards for all students, (2) measure students against these standards each year,

(3) hold schools accountable for results by rewarding success and intervening in low-performing districts, (4) increase local flexibility, (5) and target resources to schools with disadvantaged students.

4. Education -- ESEA Reauthorization: We are working with the Education Department to develop an ESEA reauthorization proposal for transmission to Congress in the first few months of next year. We are trying to ensure that the proposal maintains a strong focus on helping students reach high standards and that it improves on current law by more effectively ensuring that program funds support best practices, providing stronger accountability for results, and more vigorously promoting public school choice. As part of this standards-based effort, the proposal will place greater emphasis than does current law on improving the quality of teaching, especially in high-poverty schools. We are also working to ensure that positions you previously have taken on strengthening bilingual education and the Safe and Drug Free Schools Program are fully incorporated into the reauthorization proposal. The Department is currently behind schedule in formulating its proposals, but we hope to make all major policy decisions by Christmas.

5. Children and Families -- Adoption Registry: You and the First Lady will take part in an event on Tuesday to celebrate National Adoption Month, at which you will release an executive directive to HHS to expand the use of the Internet as a tool to find adoptive homes for the 100,000 children waiting in foster care for adoption. Under the directive, Secretary Shalala will report back to you in 60 days with a plan to develop this national Internet registry. The White House event will also serve as the venue for D.C. Adoption Day, an annual event in which the D.C. Superior Court finalizes a number of adoptions. About 20 new adoptive families from D.C. will attend the event.

6. Children and Families -- Violence Against Women: The National Institute of Justice and the Centers for Disease Control released a report on Tuesday showing disturbing rates of violence against women. The report found that 52 percent of women surveyed had been physically assaulted in their lifetime, with physical assault defined to include behaviors ranging from slapping and hitting to the use of a gun. This finding suggests that about two million women are physically assaulted annually in the United States. In addition, 18 percent of women surveyed said that someone had raped or attempted to rape them; of these women, 54 percent were under 17 years old when the rape attack occurred. Finally, the survey found that violence against women is primarily partner violence: of women who were raped or physically assaulted after the age of 18, more than 75 percent suffered at the hands of a date, cohabiting partner, or current or former husband.

7. Health -- Massachusetts HMOs: After HHS allowed Massachusetts HMOs participating in the Medicare program to revise their benefit packages (in response to Senator Kennedy's request and in order to prevent withdrawals from the program), the plans all chose to provide limited prescription drug benefits, with maximum payout provisions of between $300 and $800. As you recall, all but one of the HMOs had announced that they would

provide comprehensive drug benefits if the remaining HMO -- the Harvard Community Health Plan -- agreed to go along; Harvard, however, refused this offer, and all plans then decided to offer only a limited drug benefit. Although the HMOs are taking a public relations beating, they probably will hold to this position. Perhaps surprisingly, no one is criticizing HHS's decision to allow the plans to modify their benefit packages; apparently, most people understand that without this action, plans would have withdrawn entirely from the Medicare program.

8. Health -- Embryonic Stem Cell Research: Your National Bioethics Advisory Commission (NBAC) responded on Friday to your request that it consider the ethical, medical, and legal concerns arising from the fusion of a human cell with a cow egg. The letter stated that any attempt to create a child through this technique would raise "profound ethical concerns" and should not be permitted. It also expressed ethical concerns about the technique if it results in a human embryo, even if there is no attempt to bring that embryo to term. The letter suggested, however, that if the technique does not produce a human embryo, ethical concerns are at a minimum. The letter said that there is insufficient scientific information currently available to determine whether this technique in fact produces a human embryo. We and Neil Lane are drafting a separate memo to you to explain more fully NBAC's opinion.

NLWJC - KAGAN

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FG006-21 286666SS

FOIA Number: Kagan

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OA/ID Number: 21748

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Dec. 5, 1998 - DPC Weekly Report

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12-7-98

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THE WHITE HOUSE

WASHINGTON

December 5, 1998

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Medicare Commission: The Medicare Commission met last week for its first serious discussion of policy options. Although the Commission continues to suffer from weak staffing, poor communication among members, and a general sense of disorganization, the staff did manage to produce an options memo that presented several proposals meriting further consideration. The memo listed a number of fee-for-service reforms, such as rationalizing the program's cost-sharing requirements. In addition, the memo presented a "premium support" program -- i.e., a program that both defines a set of benefits and sets the government's contribution. (Henry Aaron and Bob Reischauer have advocated a similar proposal.) Many of the Democrats believe that a premium support approach, if done correctly, could inject more market competition into the Medicare system while providing a vehicle for establishing a prescription drug benefit. In addition to discussing this options memo, the Commission members also considered a set of principles that Congressman Dingell devised (with our assistance) to guide future consideration of policy options. The Democrats on the Commission (including Senator Breaux) responded favorably to these principles, and they may serve their intended goal of ensuring that Breaux does not endorse an option wholly unacceptable to other Democrats.

All this generated positive momentum at the meeting, but the challenges facing the Commission remain enormous, especially if it hopes to reach its tentative goal of making final decisions next month. The Commission members are finally coming to recognize the scope of the Medicare financing problem, and to realize that more than program savings will be necessary to significantly extend the life of the program. The Commission probably will respond either by scaling back its ambitions (for example, aiming to keep the program solvent for only another 10 or 12 years) or by proposing to inject new funds into the program. We will continue to monitor the progress of the Commission, as well as respond to Democratic members' requests for assistance, as the Commission continues its efforts.

2. Health Care -- Medicare Fraud and Abuse: HHS Inspector General June Gibbs Brown released a report last week finding that the program managers that HCFA hires to reimburse Medicare providers are generally ineffective in detecting fraud and abuse. The report is only the latest in a series of reports the IG has issued criticizing HCFA's efforts to eliminate fraud and/or calling on Congress to give HCFA additional statutory authority in this

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area. In an event now scheduled for Monday, you can counter these reports by unveiling a set of legislative proposals and administrative measures to make HCFA's anti-fraud efforts more effective. The legislative proposals are similar to those we introduced in Congress last year, and should result in savings of about $2 billion. The new administrative measures include a plan to contract with a special set of fraud investigators, rather than use the normal program managers, to identify fraud in the program. Most of these initiatives respond directly to the IG's recommendations, and we expect her to give them strong validation. We also anticipate that aging advocates, such as AARP and the National Council of Senior Citizens, will receive the initiatives favorably.

3. Health Care -- National Toxicology Board Recommendation: The National Toxicology Board of Scientific Counselors recommended on Wednesday that the Secretary of HHS classify alcoholic beverages as a known human carcinogen. Although the scientists acknowledged that moderate consumption of alcohol may produce some health benefits, they concluded that cancers of the mouth, pharynx, larynx, and esophagus are sufficiently linked to alcohol consumption as to compel this classification. The Board's recommendation will come to Secretary Shalala for decision in the spring of 1999. As you know, she rarely overturns a recommendation made by a scientific body. A decision to classify alcohol as a carcinogen will not prompt any other regulatory action. The only effect of the decision will be to list alcohol in HHS's ninth Report on Carcinogens, a congressionally-mandated publication designed to inform the public and regulatory agencies about substances linked to increased rates of cancer. In the wine, beer, and liquor industry, however, even this action will provoke intense displeasure.

4. Health Care -- Stem Cell Research: The Senate Appropriations Subcommittee on Health held a hearing on Wednesday to explore the medical, ethical, and legal issues raised by recent developments in stem cell research. Participants in the hearing devoted considerable attention to the medical potential of this research, noting that it may reduce the need for transplantable donor organs and suggest new treatments for Parkinson's, Alzheimer's, spinal cord injury, stroke, burns, heart disease, diabetes, osteoarthritis, and rheumatoid arthritis. Participants in the hearing also discussed whether and how the current ban on federal funding of human embryo research applies to stem cell experiments. Senators on the panel appeared deeply divided on this question. The Administration took no position on the issue in its testimony; Harold Varmus simply testified that the HHS General Counsel's office had not yet completed its review of the question. We expect, however, that the General Counsel soon will conclude that federal funding for at least some (but probably not all) stem cell research techniques is legal. When we get a more complete sense of the scope of this legal ruling, we will work with OSTP and HHS to present you with appropriate options.

Sorry this important one report from Harold Shapiro

5. Consumer Protection -- Toxic Toys: The Consumer Product Safety Commission released on Tuesday the most comprehensive report to date on the potential health risks to children from teethers, rattles, and toys containing chemicals called phthalates that are used to soften plastic. The report concludes on the basis of currently available data that children

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using these products are not exposed to phthalates at levels that might be harmful; the report, however, also identifies several areas where additional scientific research is necessary. In keeping with these findings, the CPSC decided not to ban these products, but it did successfully encourage a large number of manufacturers and retailers to discontinue their sale. We are working with CEQ on ways to support the CPSC's continuing research on phthalates. We also have drafted a letter for your signature to about 20 Congressmen concerned about this issue; among other things, the letter assures the Congressmen that the Administration will not attempt to discourage other nations from banning these products.

6. Political Reform -- Gore Commission: The Gore Commission is now on schedule to release its report on December 18. As we have discussed, the report will fall short of what you had hoped for: it will content itself with announcing a voluntary commitment by broadcasters to provide five minutes of free TV for political discourse between 5:00 p.m. and 11:35 p.m. in each of the last thirty days of a campaign. Although Norm Ornstein agrees with you that the report does not go as far as it should, he believes that he has pushed the Commission members as far as possible. Ornstein also told Paul Weinstein of our staff that the press and even the reform movement will treat the broadcasters' voluntary commitment of free TV time as a major victory; he said, for example, that Paul Taylor is pleased with the agreement. We believe you should issue a statement when the report is released, encouraging the broadcaters to implement their commitment in a timely manner and suggesting that we will take all available steps to enforce it (or another free TV time proposal) if they do not. We expect Senator McCain to hold hearings on the report early in the next Congress and to send much the same message.

7. Abortion -- New CDC Report: The Centers for Disease Control reported on Thursday that the number of legally induced abortions increased by 0.9 percent between 1995 through 1996, to a total of 1,221,585. This change in the number of abortions may have resulted simply from variations in reporting by state health departments. Alternatively, it may indicate that the number of legal abortions in the United States is stabilizing after a pronounced decline in the first half of this decade. As you may recall, between 1990 (the year in which the number of reported abortions was highest) and 1995, the number of legally induced abortions decreased by a full 15 percent. Even with the slight increase in the number of abortions in 1996, the national abortion rate did not change; at 20 per 1,000 women of reproductive age, it continues to be at its lowest point since 1975.

8. Crime -- COPS Program: The COPS Office will announce on Thursday about $77 million in grants to over 30 local law enforcement agencies through the COPS MORE (Making Officer Redeployment Effective) program. As you know, COPS MORE helps law enforcement agencies purchase equipment and hire support staff so that existing officers can be reassigned to community policing duty. These grants will assist in the redeployment of over 3,800 officers.

NLWJC - KAGAN

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OA/ID Number: 21748

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Dec. 11, 1998 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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12-12-98

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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

This is exactly what I meant by too much intrusion

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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. Our aim is to design a proposal that demands a serious commitment by states and school districts receiving ESEA funds to establish and enforce high standards for schools, teachers, and students. When you return from the Middle East, we will give you information on school reform efforts now going on around the country, and present you with specific recommendations for the ESEA and State of the Union.

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 and others are now discussing what should happen to the Goals (and the Panel itself) after that year. We will soon present you with options on this issue.

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 -- 1998 FBI Crime Statistics: The FBI will release on Sunday crime figures for the first six months of 1998. These data show a five percent decline in overall crime compared to the half-year figures of 1997, with violent crime down seven percent and property crime down five percent. In the category of violent crime, murder decreased eight percent, robbery decreased 11 percent, and rape and aggravated assault decreased five percent. In the category of property crime, larceny dropped five percent, motor vehicle theft dropped

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eight percent, burglary dropped three percent, and arson dropped 12 percent. Serious crime declined in every region of the country, with the Northeast experiencing the greatest decline (eight percent) followed by the West (six percent), the South (five percent), and the Midwest (one percent). Cities of all sizes reported decreases in serious crime, with the greatest declines reported by cities with populations between 50,000 and 99,000 (eight percent) and over one million (six percent) and the smallest decline reported by cities with populations under 10,000 (three percent). We will release a statement from you on Sunday to call attention to these new statistics.

9. Crime – COPS Retention: You asked at yesterday's budget meeting how a new COPS initiative would deal with communities' demand for money to retain police officers previously hired through the program. We plan to set aside $50 million for one-year waivers to assist economically-distressed communities (but only those communities) to meet the continuing costs of their hires. This approach will help genuinely strapped communities to keep their new police, while making clear to other communities that they must pick up the costs of these officers. Our experience with a similar (though looser) waiver program last year suggests that $50 million will be sufficient. As you may recall, Congress earmarked $100 million in COPS funding in FY 1998 to assist smaller jurisdictions to retain police officers hired under the program. We feared at the time that this program would invite all such jurisdictions to abjure their original funding commitments. In the end, however, very few of the eligible jurisdictions applied for this money and the Department of Justice made grants of only $13.4 million.

10. 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).

11. 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

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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 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.

12. 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.

13. 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.

14. 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.

15. 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 dóctors' 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.

16. 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.

NLWJC - KAGAN

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Dec. 18, 1998 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

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December 18, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Welfare Reform -- IRS Notice on Workfare and Taxes: The IRS this week issued a long-awaited notice clarifying that welfare recipients who participate in workfare programs do not need to pay income taxes or payroll (FICA) taxes. State and local governments welcomed this ruling because it allows them to run workfare programs without paying the employer's share of FICA taxes. (As you may recall, Governors Carper and Chiles were especially insistent that we issue this ruling.) At the same time, unions decided not to oppose the ruling vigorously, principally because it makes clear that it does not affect the application of the minimum wage or other worker protections to workfare participants.

2. Welfare Reform -- GAO Report on Access to Jobs: A GAO report issued last week on Access to Jobs -- the welfare-to-work transportation initiative you urged Congress to include in the highway bill -- applauds the Administration's early efforts to implement the program. GAO commends the Department of Transportation for coordinating Access to Jobs with other federal welfare-to-work initiatives. It also specifically praises joint guidance by the Secretaries of Labor, HHS, and Transportation, issued even before Congress approved the program, to help state and local officials use available funds to provide transportation for working welfare recipients. The same three departments are about to release an updated version of this guidance, reflecting Congress's enactment of the Access to Jobs program. In addition, we have worked with OMB to include a 100 percent increase in the program (from the $75 million appropriated last year to the $150 million authorized) in your FY 2000 budget request.

3. Education -- Scholarships for Teachers: In Thursday's budget meeting, you asked about our scholarship program for students who commit to teaching in high poverty areas. This program, authorized as part of the Higher Education Act last year, receives 10 percent of the appropriation for a broader Teacher Quality and Recruitment Program, which also includes grants to states to raise licensing standards and grants to partnerships between school districts and universities to improve teacher education. The appropriation for the entire program in FY 1999 was $75 million, which gave us $7.5 million for approximately 1,400 scholarships. We and OMB are currently exploring whether to propose an increase in the program for FY 2000, with a greater percentage (say, 50 percent) going to the scholarships.

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4. Drugs -- Study on Youth Drug Use: HHS released on Friday the 1998 Monitoring the Future study on drug use trends among 8th, 10th, and 12th grade students. The study found, for the second year in a row, a flattening of drug use rates generally, with significant decreases in some categories of use. In the good news department, the study shows: (1) declines among 8th graders in past-30-day use of inhalants (from 5.6 to 4.8 percent) and LSD (from 1.5 to 1.1 percent); (2) declines among 10th graders in past-year use of all illicit drugs (from 38.5 to 35 percent), marijuana (from 34.8 to 31.1 percent), and stimulants (from 12.1 to 10.7 percent), as well as in past-30-day use of marijuana (from 20.5 to 1.7 percent) and cigarettes (from 29.8 to 27.6 percent); (3) declines among 12th graders in daily use of LSD (from 0.2 to 0.1 percent) and cigarettes (from 24.6 to 22.4 percent); and (4) an end to the recent decline in perceived harmfulness of drugs in all grades and an increase in perceived harmfulness of marijuana and drinking among 8th graders. In the bad news department, the study shows: (1) that the use of drugs remains at unacceptably high levels, with for example 25.6 percent of 12th graders, 21.5 percent of 10th graders, and 12.1 percent of 8th graders using an illicit drug (typically marijuana) in the past 30 days; and (2) that cocaine use, while low overall, continues to rise slightly, with for example an increase in past-year use of crack among 8th graders from 1.7 to 2.1 percent.

5. Crime -- Juvenile Brady: You recently asked us how many states have passed laws prohibiting violent juveniles from owning firearms as adults. According to the most recent survey by the Justice Department, 22 states have passed some kind of prohibition on firearms possession by delinquents who have committed violent offenses. Of these states, four permanently prohibit the possession of firearms, six prohibit possession until a court or the Governor orders a restoration of rights, and the remainder prohibit possession for a set period of time (e.g., 10 years) following adjudication of the offense or release from a juvenile facility.

6. Health Care/Tobacco -- Meeting with Senator Kennedy: You are scheduled to meet with Senator Kennedy this week to discuss the FY2000 budget. Among other matters, he will raise the possibility of using tobacco receipts (either from an excise tax or from recoupment of state settlement funds) for a new Medicare prescription drug benefit. Such a benefit probably would cost between 5 and 15 billion dollars a year -- far too much for tobacco receipts to cover in the context of this year's budget. We do believe, however, that a prescription drug benefit is an essential component of any comprehensive reform of Medicare, and that you should indicate your desire to make progress on this issue during the coming year. We are currently considering a way for you to talk about the issue in the State of the Union (which we would like to discuss with you soon), but think it would be premature to raise the idea with Kennedy.

7. Tobacco -- Attorneys' Fees: An arbitration panel last week awarded $8.2 billion in legal fees to the attorneys representing Florida, Texas, and Mississippi in tobacco litigation. The industry will pay the fees to the attorneys over the next 20 or so years, over and above what it will pay the states. (The industry's annual payments for arbitral judgments are capped at $500 million per year.) The panel determined the fees by multiplying 10 percent of each

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state's settlement by a figure (between 1.9 and 3.5) representing the risks taken and work done by the state's attorneys. The panel used the largest multiplier to calculate fees for Mississippi's attorneys, because they brought the very first tobacco suits. Minnesota's attorneys settled earlier this year for the relative pittance of seven percent of the state's award. Attorneys for the other 46 states have a choice between seeking fees from an arbitration panel and accepting an offer of "liquidated fees" from the industry. Fees for most of these attorneys will be much smaller, reflecting the fact that they did less work and took less risk in bringing their cases.

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

December 18, 1998

MEMORANDUM FOR THE PRESIDENT

CC: JOHN PODESTA

FROM: GEORGE T. FRAMPTON, JR GTF Jr.

SUBJECT: CEQ WEEKLY REPORT

PROTECTING COMMUNITIES FROM TOXICS

Yucca Mountain

As expected, today the Department of Energy (DOE) released the viability assessment of Yucca Mountain as a nuclear waste repository. The study is a technical status report on both the scientific evaluation of the site, and the design and cost issues.

The Nevada delegation and Governor Miller have been briefed on the assessment by DOE. We expect the delegation to be disappointed that the site has not been disqualified. On the other hand, the assessment will illustrate that scientific uncertainty concerning the site still remains, and the Administration intends to reiterate the veto threat on last year's interim storage legislation.

RESOURCE STEWARDSHIP

CALFED

Today, Secretary Babbitt and Governor Pete Wilson are expected to release the latest proposed framework for resolving water conflicts in California. The "Revised CALFED Phase II Report" outlines a proposed framework for restoring the health of the San Francisco Bay-Delta, while assuring clean, adequate supplies of water for cities and farms in the years ahead. The report reflects important progress made toward consensus but falls short of the draft plan the Secretary and Governor had hoped to release.

We expect the key stakeholders -- environmentalists, urban and agricultural interests -- will express qualified support and remain committed to the process. Governor-Elect Gray Davis has been very supportive of the overall process. We hope to have the full draft plan ready in the spring and will continue to work with Davis toward that end.

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Headwaters Forest

Wednesday night was the deadline for agreement between the Federal government and Pacific Lumber Company (PALCO) on the final parameters of the Habitat Conservation Plan (HCP), but negotiations ended without a resolution. The Administration put on the table strong requirements for the HCP. Claiming that the proposed changes will put them out of business, PALCO opposed these new requirements, specifically two provisions aimed at protecting salmon by creating buffer zones along intermittent streams and laying out stipulations for roads that cross streams.

The ball is now in PALCO's court. We are tentatively planning to publish our final HCP for public comment. It will then be ready to sign in final form in late February. As you know, the appropriation for the deal expires on March 1, 1999, so Hurwitz will need to make a decision by then or lose the money.

Talisman Land Transfer

On Thursday, the federal government closed into escrow on the purchase of the 53,000 acre Talisman property for $133 million. This development brings us one step closer to completing the promise made by the Vice President last December to purchase the land as part of the Administration's Everglades restoration effort, but more work needs to be done.

Negotiations will continue on trading pieces of the purchased property for additional parcels of land south of the Talisman acreage which are valuable for water storage and filtration. Last week, the Administration and the State of Florida brokered a joint proposal to present to the sugar companies concerning such land swaps, but the negotiations stalled due to Governor Chiles' death. We expect to continue the talks with Governor McKay and the sugar companies before Christmas but prospects are uncertain and negotiations may have to continue under a new Bush Administration.

Homestead Air Force Base

Two environmental groups recently filed an appeal in the third District Court of Appeals in Florida to block the transfer of the Homestead Air Force Base to Miami-Dade County. Last summer the State approved plans to expand the airport for commercial purposes.

On Thursday, the court reversed the State's decision saying that it failed to assure protection of Biscayne Bay and two national parks. The ruling does not kill the project but forces Miami-Dade County to put its plans on hold until the federal government finishes the Supplemental Environmental Impact Statement (SEIS). We will continue to work with the State and County to expedite the SEIS process.

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THE WHITE HOUSE
WASHINGTON

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1-11-99

January 9, 1999

MEMORANDUM FOR THE PRESIDENT

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FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

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1. **Health Care -- Disability Package:** You are scheduled to participate in a bipartisan event on Wednesday to unveil the Administration's new work incentives initiative for individuals with disabilities. Your package, which costs $1.7 billion over five years, includes funds for: (1) the Jeffords-Kennedy Work Incentives Improvement Act, which would allow working people with disabilities to buy into Medicaid (at the states' option) and Medicare; (2) a new tax credit for work-related expenses of disability, such as transportation and personal assistance services; and (3) a program to help fund the development and dissemination of new assistive technologies for people with disabilities. Your proposal will receive strong support from the disability community. The package also should attract strong bipartisan interest in Congress, giving us an excellent chance of enacting Jeffords-Kennedy and the other components of the initiative this year.

2. **Health Care -- Medicare Managed Care:** As required by the Balanced Budget Act, HCFA will announce by Friday a plan to implement a risk adjustment payment mechanism for Medicare managed care plans. This payment mechanism is meant to ensure accurate reimbursement by increasing compensation for plans serving disproportionately sick patients and lowering compensation for plans serving disproportionately healthy beneficiaries. Because current data indicate that HMOs are attracting fairly healthy patients, the implementation of this new system would reduce payment rates to most Medicare managed care plans, in many cases by as much as 15 percent in 2000. Managed care providers are now warning that the system would drive many participating plans out of the Medicare program, adding to the problems caused by last year's HMO withdrawals. In light of this danger, we have decided to use our administrative authority to phase in the risk adjustment payment mechanism over a five- to six-year period; we are also in the process of developing additional policies (in the nature of both carrots and sticks) to minimize the likelihood of plan withdrawals. The delay in full implementation of the risk adjustment system will save the industry hundreds of millions, if not billions, of dollars. We expect, however, that the industry will petition Congress for further redress, up to and including repeal of the system.

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THE PRESIDENT HAS SEEN
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3. Health Care -- Medicare Commission: As the Medicare Commission nears its March 1 deadline, members are intensifying their efforts to come up with reform proposals and the press is paying greater attention to their progress. Most of the attention at last week's meeting focused on a "premium support" approach that Senator Breaux is pushing, but that most other Democrats on the Commission are now reluctant to embrace. "Premium support" is a term coined by Reischauer and Aaron to refer to models that have both a defined contribution and defined benefits. These models essentially guarantee a set of benefits, but limit government payment for those benefits in some way. The Commission's discussion of the premium support approach left many critical issues unresolved, and neither HCFA nor the CBO has yet scored these proposals. (HCFA hopes to complete its estimates within two weeks, while the CBO has declined to do any work for the Commission.) We took no position on the premium support ideas coming out of the meeting, noting that "the devil is in the details" and that we will be analyzing the ideas closely as the Commission gives them greater content. On a related issue, most Commission members now appear to agree that Medicare should include a prescription drug benefit, but have reached no consensus on its scope, design, management, or financing. (As you know, one critical question is whether all beneficiaries or only those in managed care should receive this benefit.) Finally, virtually all members now privately acknowledge (and Bruce Vladeck said publicly last week) that significant new revenues will be needed to extend the life of the Trust Fund.

4. Education -- Education Week Report: In its annual "Quality Counts" report, released last week, Education Week focused on how states are (or aren't) holding schools, educators, and students accountable for results -- and in so doing, provided strong support for our ESEA proposals. The report demonstrates that although states are beginning to adopt accountability measures, relatively few are using the full set of measures needed to ensure high-quality performance. According to the report, 36 states issue report cards for each school, but only 26 place them on the internet and only 13 send them directly to parents. Perhaps even worse, only 19 states publicly identify and provide assistance to low performing schools; of these, 18 have the ultimate power to take over, reconstitute, or close down failing public schools, but only three (New York, Oklahoma and Texas) actually have applied this sanction (to a total of 55 schools). Only 19 states provide rewards to successful schools, with only fourteen giving such schools additional money. And only five states have what the report considers a comprehensive system for holding schools accountable for results -- school report cards and ratings, monetary rewards for success, and graduated sanctions for failure, up to and including reconstitution or closure. Significantly, other studies have shown that two of these five states -- North Carolina and Texas -- can boast the largest overall gains in student achievement and the greatest success in closing the achievement gap between minority and majority students. As you know, our ESEA proposal essentially would require states to adopt and carry out this set of accountability measures, as well as a number of others focusing on ending social promotion and ensuring teacher quality.

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5. Crime -- 21st Century Policing Initiative: You are scheduled to participate in an event on Thursday to unveil the 21st Century Policing Initiative contained in the FY 2000 budget. This $1.275 initiative includes (1) $600 million to continue to hire and redeploy police officers; (2) $300 million for new crime-fighting technology, such as crime mapping systems; (3) $200 million to hire community prosecutors; and (4) $125 million for innovative community crime prevention programs. In addition, you can release new data from the National Crime Victimization Survey showing continued declines in crime in the first six months of 1998.

6. Crime -- Victims Assistance: The Vice President will announce next week the release of over $300 million from the Crime Victims Fund to provide assistance for victims. These funds help to support nearly 3,000 victims' service agencies nationwide, including domestic violence shelters, child abuse and sexual assault programs, and programs to assist survivors of homicide. Money in the Crime Victims Fund comes exclusively from fines paid by criminal offenders, collected by U.S. Attorneys, federal courts, and the Bureau of Prisons. All 50 states will receive funding, including: $43 million for California; $17 million for New York; $23 million for Texas; $15 million for Florida, $12 million for Illinois, and $3 million for Arkansas.

7. Crime -- Prisoners Report: The Justice Department will release a report on Sunday indicating that prisoners, and particularly violent offenders, are serving out more of their sentences. The Bureau of Justice Statistics report, *Truth in Sentencing in State Prisons*, indicates that by the end of 1998, 27 states and the District of Columbia required violent offenders to serve at least 85 percent of their prison sentences -- up from five states in 1993. An additional 13 states have adopted truth-in-sentencing laws requiring violent offenders to serve some substantial portion of their sentences before becoming eligible for release. As you know, the 1994 Crime Act provides additional prison construction funds to states that adopt the 85 percent standard, and the Justice Department has awarded over $1.3 billion to states through this incentive grants program. The average time served by released violent offenders (those convicted of murder, rape, robbery, or aggravated assault) increased from 43 months in 1993 to 49 months in 1997. In addition, the release rate among murderers was cut in half between 1990 and 1996 -- from 10 percent to five percent of all murderers.

8. Welfare -- Work Participation Data: We released two weeks ago the first work participation data under the welfare reform law, which was better than anyone had expected. All 36 states (plus the District of Columbia) subject to participation rates in FY 1997 met their target. The data showed that 28 percent of all adults on welfare participated in a direct work activity (employment, work experience, or community service) or another welfare-to-work activity (job search or vocational education). The data also showed that the percentage of welfare recipients in a direct work activity tripled since 1992.

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THE WHITE HOUSE
WASHINGTON

January 16, 1999

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Kagan
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Grijalva v. Shalala: HHS and the Justice Department have decided to seek Supreme Court review of a Ninth Circuit decision holding that a Medicare HMO's decision to deny benefits is tantamount to government action and that beneficiaries challenging that decision are therefore entitled to constitutional due process. The departments are concerned about the Ninth Circuit's decision not because it gives Medicare beneficiaries strong appeal rights (as you know, we recently have strengthened these rights through regulation), but because its equation of a Medicare HMO's decision with government action has far wider implications -- perhaps even subjecting the government to the HMO's liability for malpractice. Our position in this case could create a public relations problem, with some in the media and elsewhere accusing us of retreating from our commitment to patients' rights. We believe, however, that we can cope with this problem as long as the brief focuses on the "state action" issue, rather than on the adequacy (or lack thereof) of the HMO's appeals process.

2. Health Care -- Meeting with Congressman Dingell: Congressman Dingell has requested a meeting with senior White House staff to discuss the Medicare Commission and the Patients' Bill of Rights. We expect him to express serious concern about the direction of the Commission -- particularly about Senator Breaux's advocacy of a premium support program modeled on the FEHBP. Dingell fears that the proposal will result in higher premiums and/or copayments for lower-income Medicare beneficiaries, and he will urge us not to provide cover for a flawed proposal. On the Patients' Bill of Rights, we expect Dingell to tell us that compromise on the bill's enforcement provisions will eventually be necessary, but that negotiations now would be premature. Dingell intends to reintroduce the Ganske/Dingell bill as soon as Congress returns, and he will ask us to do all we can to keep the pressure on Congress to pass strong legislation.

3. Health Care/Crime -- Bioterrorism/Cyber-terrorism Initiative: You are currently scheduled to announce on Friday a new budget initiative to combat two of the greatest threats to the nation's security -- bioterrorism and cyber-terrorism. The budget initiative, which we and the NSC developed in conjunction with HHS and the Justice Department, responds to two directives you issued in May instructing the Administration to develop and implement new counter-terrorism strategies. The initiative increases funding for

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these counterterrorism activities by $1.2 billion. This funding increase will go toward: (1) new research and development of vaccines to protect against biological weapons; (2) a new public health surveillance system enabling doctors to recognize bioterrorist attacks as soon as possible; (3) new "computer intrusion detection networks," which will allow government computer systems to communicate with each other to contain and combat cyber attacks; and (4) a new Cyber Corps program, which will provide tuition assistance to college students studying computer science in return for a period of service safeguarding computers at agencies such as Social Security, FEMA, and FAA. These initiatives are strongly supported by virtually every national security expert in the country.

4. Crime -- National Instant Check System (NICS): The FBI released new data on Monday showing that in its first 41 days of operation, the NICS blocked 11,584 gun sales, most to convicted felons. Operation of the system also enabled the FBI to inform relevant state and federal law enforcement authorities of 1,541 prospective gun buyers with outstanding arrest warrants. The NICS conducted a total of over 1 million background checks for the 26 states and territories for which it does all gun checks and the 11 states for which it does long gun checks only. States performed an additional 462,298 checks, but the FBI has no information on how many of these sales were denied.

5. Crime -- Democratic Crime Bill: Senator Leahy will introduce a Senate Democratic Leadership crime bill on Tuesday entitled "The Safe Schools, Safe Streets and Secure Borders Act of 1999." The bill extends and increases funding for many programs authorized in the 1994 Crime Act, including the COPS Program, VAWA, and drug courts. The legislation incorporates a scaled-back version of the Democratic juvenile crime bill including provisions on the federal prosecution of juveniles as adults; grants for states to incarcerate violent youths; prevention programs for at-risk youth; and various Administration-supported firearms measures, including "juvenile Brady." In addition, the bill contains provisions on money laundering, terrorism, and international crime.

6. Abortion -- Clinic Safety: We are planning to leak sometime this week your new $4.5 million initiative to improve security for women's health clinics that provide abortions. As you know, violence against women's health clinics has escalated in recent years. Under your proposal, the Department of Justice would identify clinics at high risk of violence, assess what kind of security equipment they need, and actually provide this equipment. Such equipment could include closed circuit camera systems, improved lighting, motion detectors, alarm systems, or bullet-resistant windows. We have worked closely with the women's community on this initiative, and they are delighted at the results.

7. Welfare Reform -- Wisconsin Study: A major study of individuals leaving the welfare rolls in Wisconsin shows impressive employment results while also highlighting the challenges some people face as they leave welfare. The study is particularly important because it provides an early glimpse of how the least job-ready individuals are faring:

Wisconsin's caseload had already declined by nearly 70 percent at the time the surveyed individuals left the rolls.

A full 83 percent of those surveyed had worked for some period since leaving the rolls, and 62 percent were working at the time of the survey. Most were working full-time, with an average wage of $7.42 per hour. The 38 percent who were not working at the time of the survey gave a variety of reasons including an inability to find a job that paid enough, individual or family health problems, child care problems, or work performance issues. Most of those who were not working received another kind of cash benefit (e.g., SSI or Unemployment Insurance) and/or non-cash benefits (e.g., housing subsidies, Medicaid, or Food Stamps), and nearly 20 percent of them lived with someone else who was working.

The study found that 87 percent of those surveyed had some kind of health insurance. The study also indicated, however, that Food Stamps may not be getting to everyone who is eligible. (As noted in our next item, USDA is taking steps to ensure that states provide Food Stamps to eligible individuals, even if they are no longer on welfare). These findings confirm that people are moving from welfare to work at unprecedented rates, but that there is a continued need to monitor their progress and to invest in the services that will help the least job-ready families make a successful transition. As you know, our budget proposes these investments, including a renewal of the Welfare-to-Work program, an expansive child care initiative, and significant increases in funds for transportation services and housing vouchers.

8. Welfare Reform -- Food Stamp Review: As you may recall, both USDA and HHS began investigations in November of whether New York City is violating federal law by placing barriers in the way of people applying for Food Stamps and Medicaid. While HHS has not yet made any findings, USDA has documented a number of practices resulting in the improper delay (or termination) of Food Stamp benefits. The agency has shared its preliminary findings with the City and is expecting a response shortly. While this situation is being resolved, USDA is sending letters to all state commissioners to ensure that they understand the requirements of the Food Stamp law. We have asked HHS to send a similar letter about the Medicaid law.

9. Communities -- Better America Bonds: Since the announcement of the Administration's livable communities agenda, Members of Congress from both sides of the aisle have expressed significant interest in our proposals, particularly Better America Bonds (BABs). Senator Daschle has indicated that he would like to introduce a Democratic Leadership bill on BABs, and Congressman Shuster, who chairs the House Transportation and Infrastructure Committee, announced support for the proposal. In addition, a number of Republicans and Democrats have formed a Senate working group on smart growth. Staff from DPC, NEC, OVP, Legislative Affairs, and Treasury are continuing to work on building bipartisan support for these proposals.

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10. Education -- Accountability Proposals: We are submitting a separate memo to you this weekend on new accountability provisions we have developed at your request for inclusion in our ESEA reauthorization proposal.

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THE WHITE HOUSE

WASHINGTON

January 23, 1999

Copied
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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Medicare Commission: Senator Breaux released on Friday a draft proposal to reform Medicare by adopting a premium support program modeled on the FEHBP. Although the proposal contains some interesting and potentially constructive ideas, it has clear shortcomings: most notably, a weakening of Medicare's core benefit package; an increase in the eligibility age to 67, without any accompanying policy to guard against an increase in the uninsured population; and the lack of a prescription drug benefit. (Breaux has publicly said that he would like to see a prescription benefit, but his draft proposal does not include it.) This proposal has infuriated most Democrats, who perceive it as little better than the approach being advocated by Congressman Thomas. The Democrats also are upset with Breaux because he released the proposal without consulting them in the way he had promised. The Democrats' near-uncontrollable mistrust of Breaux places us in an awkward position. Democrats are suspicious (although wrongly) that we are sending positive signals about the Breaux proposal and that Laura Tyson and Stuart Altman will support it. At the same time, Breaux is anxious for us to help him develop his policy ideas and attract Democratic support for them. We will soon need to decide how to respond to these conflicting demands. The Commission is meeting on Tuesday and the tension between Breaux and the base Democrats may escalate into open confrontation at that meeting.

2. Health Care -- Patients' Bill of Rights: Congressman Dingell reintroduced his patients' rights legislation last week, but Congressman Ganske refused to cosponsor it, saying that he is developing an alternative to the bill's enforcement (i.e., liability) provisions. Other Republicans and some Blue Dog Democrats who co-sponsored the original Dingell-Ganske bill may follow Ganske's lead, in part because of a recent (and, to some, unsettling) $116 million judgment against Aetna Health Plans of California in state court. We are currently discussing with House and Senate staff a number of compromise proposals concerning the legislation's enforcement provisions.

3. Health Care -- Stem Cell Research: HHS issued a legal ruling last week that the Congressional ban on federal funding of human embryo research does not apply to stem cell research because stem cells do not have the capacity to develop into a human being. The scientific community and patients' advocates welcomed the ruling, noting that it will allow federal funding of research with the potential for curing diseases like diabetes and

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Alzheimer's. The only opposition to the announcement came from the National Conference of Catholic Bishops and other antiabortion activists, who fear that this research will create incentives for destroying embryos or fetuses (from which stem cells are derived). We believe that the rollout of this announcement went well and that the Administration's position on this issue advances medical research, while avoiding controversy to the extent possible.

4. Health Care -- Wisconsin's BadgerCare Program: HHS approved on Friday Wisconsin's BadgerCare program, which is a combined Medicaid waiver and CHIP plan that expands Medicaid coverage to families with incomes below 185 percent of the Federal poverty level. This administrative action resolved a longstanding dispute between HCFA and Governor Thompson. Wisconsin originally proposed to use its CHIP allotment (and federal matching dollars) to cover both children and adults. This approach conflicted with legal requirements restricting CHIP funding to children, and both Congressional Democrats and advocates vigorously opposed the proposal. Governor Thompson ultimately agreed to a Medicaid rather than CHIP waiver to implement his plan, in large part because HCFA promised that the State could roll back coverage if it finds that it has insufficient resources to maintain the expansion. (Thompson also agreed to the compromise because he wants to announce his BadgerCare program in his State of the State next week.) Congressmen Barrett and Kletchka, who defended our opposition to the State's initial proposal but pushed us to find an acceptable compromise, should welcome this resolution of the dispute. Wisconsin's program, when fully implemented, will provide health insurance coverage to over 23,000 children and 27,000 adults.

5. Tobacco -- Farmers Agreement: The four largest cigarette companies agreed Thursday to set up a $5.15 billion trust fund to assist tobacco growers facing an anticipated decline in demand for their product. The companies had agreed to meet with state officials to discuss the trust fund for farmers as part of the $206 billion state settlement last November. The funds will be distributed over 12 years, with companies contributing $380 million in the first year, $280 million in the second year, $400 million in the third year, $500 million in the fourth through tenth years; $440 million in the 11th year, and $150 million in the 12th year. Each state will receive a share of the fund equal to the amount of tobacco it grows. The eleven participating states are North Carolina, Ohio, South Carolina, Tennessee, Alabama, Florida, Georgia, Indiana, Kentucky, Virginia and West Virginia. USDA issued a statement congratulating state leaders for this positive step and reaffirming the Administration's commitment to protecting tobacco farmers and their communities. We communicated a similar message to leaders of the major tobacco farmer organizations. Although they are concerned that a federal lawsuit will further decrease demand for tobacco (see item below), they privately acknowledge that the threat of additional federal action aided them in negotiations.

6. Tobacco -- Federal Lawsuit: Your announcement that the Department of Justice is preparing to take the tobacco companies to court came as a welcome surprise to anti-tobacco

advocates and members of Congress. The Campaign for Tobacco-Free Kids and Senators Durbin and Kennedy made especially strong statements in support of the announcement. Most public officials from the tobacco states, however, expressed disagreement with the action, asserting that it would harm the region's economy. The announcement seemed to catch the tobacco companies themselves off-guard and caused about an eight percent dip in their stock prices. A joint statement by the companies called the announcement a "political gesture" and the continuation of "a witch hunt against a legal industry." We and Bruce Lindsey will meet with DOJ lawyers this week to discuss next steps. Perhaps the first order of business is to decide who should head up the Justice Department's new tobacco litigation task force (many people are suggesting bringing in an outsider with experience in handling litigation against the companies) and who should replace Frank Hunger as head of the Civil Division (to whom the head of the task force will report).

7. Education -- Ed-Flex: At the direction of the Republican Leadership, Chairmen Jeffords and Goodling have made plans to mark up Ed-Flex legislation next week. In the Senate, Democrats probably will oppose all legislative activity until impeachment proceedings are concluded. If a mark-up does occur, the Democrats will offer a number of unrelated amendments (including our class size proposal), but also will engage on the details of Ed-Flex and may well end up supporting the legislation. In the House, Goodling has expressed a desire to work on a bipartisan basis, but Congressman Clay and most other Democrats have shown little enthusiasm for any Ed-Flex proposal. As you recall, we supported a version of Ed-Flex last year, and cannot now oppose legislation meeting the standards we laid down at that time. We would prefer, however, to take up Ed-Flex legislation in the context of ESEA reauthorization, so as to consider all flexibility and accountability proposals at one time. We will communicate this preference to Democrats on the Hill, and at least try to ensure that Ed-Flex legislation does not tie our hands in the upcoming debate on the ESEA.

8. Welfare Reform -- Welfare-to-Work Event: You are scheduled to do a welfare-to-work event on Monday to highlight the successes of welfare reform while underscoring the need for continued efforts. You will release new data showing that the welfare rolls have decreased by 44 percent (from 14.1 million to just below 8 million) since you took office. You also will recognize the 10,000 businesses that have joined the Welfare to Work Partnership in the last two years (5,000 since May alone). Most important, you will announce a new set of budget initiatives to ensure that those remaining on the welfare rolls make a successful transition from welfare to work. You will call on Congress to extend the Welfare-to-Work initiative for another year, at a cost of $1 billion. Our reauthorization proposal places a new focus on fathers by requiring states and communities to use a minimum of $150 million to provide job placement ~~and retention assistance to low-income fathers who~~ sign personal responsibility contracts committing them to work and pay child support. The reauthorization proposal would direct remaining funds toward long-term welfare recipients with the greatest barriers to employment, such as limited English proficiency, substance abuse problems, or disabilities. You also will announce budget proposals for 75,000 welfare-to-work housing vouchers (compared to 50,000 last year), $150 million in welfare-to-work transportation funds

(compared to $75 million last year), and a one-year extension of the Welfare to Work and Work Opportunity Tax Credits.

9. Welfare Reform -- Legal Immigrant Benefits: The Vice President will announce on Monday the Administration's $1.3 billion budget proposal to restore health, disability, and/or nutritional assistance benefits to certain legal immigrants. This proposal builds on the progress we made in the Balanced Budget Act of 1997, which restored SSI and Medicaid benefits to 420,000 legal immigrants who were in this country before welfare reform became law (August 22, 1996), and the Agricultural Research Act of 1998, which provided Food Stamps to 225,000 legal immigrant children, senior citizens, and people with disabilities in this country before that date. The new budget proposal would (1) restore eligibility for SSI and Medicaid to legal immigrants who enter the country after August 22, 1996 if they have been in the country for five years and become disabled after entry; (2) provide food stamps to legal immigrants in the country on August 22, 1996 who turn 65 after that date; and (3) give states the option to provide health coverage through CHIP or Medicaid to legal immigrant children and pregnant legal immigrant women who enter the country after August 22, 1996. These proposals would provide SSI and Medicaid to 54,000 legal immigrants, food stamps to 15,000 legal immigrants, and maternal and child health care to 78,000 legal immigrants by 2004.

10. Immigration -- English Language/Civics Initiative: The Vice President also will announce on Monday an initiative in your FY 2000 budget to provide English language and civics instruction to recent immigrants. This $70 million competitive grant program, which is one part of your larger adult education proposal, will help states and communities provide about 150,000 immigrants with access to high-quality English-language instruction, linked to instruction in civics and life skills. The initiative will help meet the great demand for English and civics instruction in immigrant communities and demonstrate a commitment to integrating immigrants fully into the nation's social and civic life. Hispanic and other groups strongly support the initiative.

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THE PRESIDENT HAS SEEN

2-1-99

THE WHITE HOUSE

WASHINGTON

January 30, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Ed-Flex Legislation: The Republicans on the Senate Health, Education, Labor and Pensions Committee reported out an Ed-Flex bill last week by an 10-0 vote; Democrats on the Committee declined to attend the mark-up because of the pendency of impeachment proceedings. The bill, which Senator Lott listed last week as one of his top priorities, would allow states to waive certain federal education requirements so long as they have academic standards and assessments, school report cards, and a mechanism for intervening in failing schools. You supported a very similar bill last year, as did Senators Kennedy, Dodd, Harkin, and Reed. Although the Committee Democrats (and we) would prefer to address Ed-Flex this year as part of ESEA reauthorization, most expect to vote for the bill when it comes to the floor. (One exception is Senator Wellstone, who will do everything he can to obstruct the bill.) First, however, they will offer a number of amendments designed to place Republicans in a difficult position. At a meeting yesterday, they agreed that these amendments should (1) add to the Ed-Flex bill each of the accountability measures you called for in the State of the Union, including those involving social promotion and unqualified teachers, and (2) authorize your class size reduction initiative for a full seven years. We believe this amendment strategy places us in the best possible position to advance our broad education goals even as the Republicans try to score a quick victory on the issue of local control.

2. Health Care -- Medicare Commission: Democrats on the Medicare Commission, with the exception of Senator Kerrey, remain angry about Senator Breaux's draft proposal and his lack of responsiveness to their criticisms. Other Democrats also have begun to weigh in against the Breaux plan. After last week's Commission meeting, Senator Kennedy delivered a scorching critique of Breaux's premium support approach, as well as his proposals to increase the eligibility age to 67 and require copayments for home health services. We are now working with HHS, OMB, and NEC to develop options for your consideration on Medicare reform.

3. Crime -- National Instant Check System (NICS): A federal district court judge in the District of Columbia last week denied the NRA's motion for a preliminary injunction to block the FBI from retaining records on gun purchasers as part of the NICS. As you know,

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the FBI's policy of temporarily retaining certain records is intended to ensure the integrity and effectiveness of the NICS while protecting the privacy of gun purchasers.

4. Crime -- Gun Show Directive: In response to your November 6, 1998 directive, the Treasury and Justice Departments are ready to submit a joint report to you with their recommendations on gun shows. The report will be released as part of next week's radio address. The report finds that "felons -- and other prohibited persons who want to avoid background checks -- can buy firearms at gun shows and other public markets with ease, and later use the guns in drug crimes and crimes of violence, or pass them illegally to juveniles." This is because non-federally licensed firearms vendors (non-FFLs), who under current law are under no legal obligation to conduct a background check or keep records on their sales, sell between 25 and 50 percent of the guns sold at gun shows.

To close the gun show "loophole," Secretary Rubin and Attorney General Reno recommend: (1) broadly defining "gun shows" to cover not only traditional gun shows but also flea markets and other similar venues where firearms are sold; (2) requiring gun show promoters to register with ATF; (3) requiring the participation of a federally licensed firearms dealer (FFL) in all sales of firearms at gun shows, to ensure that all sales are accompanied by background checks; (4) requiring FFLs to report certain information (e.g., manufacturer, serial number) on firearms transferred at gun sales to the ATF's National Tracing Center and retain this information to assist in future firearms trace requests by law enforcement; (5) developing an educational campaign , in conjunction with the firearms industry, to encourage all firearms owners to ensure that firearms do not fall into the hands of prohibited persons such as criminals or juveniles.

The report also recommends committing more resources to combat illegal firearms sales at gun shows. During the radio address, you will announce that your FY 2000 budget includes $24 million in new funds to hire over 120 additional ATF agents to bolster firearms enforcement. The new agents will be used to support investigations at gun shows and other firearms investigations, as well as to expand the Youth Crime Gun Interdiction Initiative from 27 to 37 cities. The budget also includes an additional $5 million for U.S. Attorneys to increase firearms prosecutions.

5. Welfare Reform/Community Empowerment -- Implementation of FY 1999 Initiatives: To complement your announcement last week of welfare-to-work initiatives in the FY 2000 budget, three agencies simultaneously kicked off grant competitions for FY 1999 welfare-to-work funding. The Department of Labor announced the availability of $240 million in FY 1999 Welfare-to-Work competitive grants, with priority for projects focusing on non-custodial parents or long-term welfare recipients with disabilities, substance abuse problems, limited English proficiency, or histories domestic violence. (This is the third round of competitive grants under the Welfare-to-Work program.) HUD announced the first competition for 50,000 new welfare-to-work housing vouchers, which are available to housing authorities that collaborate with their welfare and workforce partners to assist welfare

recipients to get or keep a job. And HHS announced the first grant competition under the Individual Development Account (IDA) demonstration program you signed into law in October. (At a microenterprise event currently scheduled for February 5th, you will announce that your new budget includes $20 million for IDAs, which doubles the FY 99 funding level.)

6. Welfare Reform -- New York City Food Stamp and Medicaid Case: A federal district court judge in New York City issued an injunction last week directing Mayor Giuliani's administration to allow "all persons applying for food stamps, Medicaid and cash assistance . . . to apply for such benefits on the first day that they visit a Job Center" and to revise its training and other procedures to ensure appropriate enforcement of the injunction. The judge considered as part of the record underlying his decision the Department of Agriculture's finding (which we reported to you last week) that the City was violating federal food stamp law by not accepting applications on the first visit.

7. Children and Families -- FY 2000 Budget Initiatives: The Vice President and First Lady hosted a series of events last week to announce new budget initiatives relating to children and families. First, the Vice President announced that your FY 2000 budget will include a $607 million increase in Head Start (the largest increase ever, if enacted) to serve 42,000 additional children. Second, the First Lady announced that your budget will include a new initiative costing $300 million over five years to provide enhanced support to children who age out of foster care (at 18 years old) without an adoptive parent or other permanent relationship; the funds will provide, among other things, Medicaid coverage and vocational training. Third, the First Lady announced that your budget will include $67 million in new FY 2000 dollars for childhood asthma research, surveillance, and management. Fourth, the First Lady announced that the budget will include $40 million to help freestanding children's hospitals finance graduate medical education. Fifth, the Vice President and First Lady met with women's and pro-choice advocates to announce that your FY 2000 budget will include an historic $25 million increase for Title X family planning services, as well as $25 million dollars for the United Nations Population Fund (the UNFPA).

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
2-7-99

February 6, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Medicare: Your speech to the AARP last week effectively highlighted the Medicare issue, and the four principles you released there comforted the Democratic base without alienating Senator Breaux. Although most Democrats remain very skeptical of Breaux's ideas, Breaux asserts that the Commission's recommendations -- due on March 1 -- will meet your principles. Meantime, the Republicans are keeping very quiet about the Medicare issue. They are fearful of a debate that directly pits Medicare against tax cuts for use of the surplus. This, of course, is precisely the debate we want to have, and your advisors agree that we should frame the issue in this way at every possible opportunity.

2. Health Care -- Jeffords-Kennedy Bill: The Senate Finance Committee held a hearing Thursday on the Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act, which you included in your budget. The bill now has 40 co-sponsors in the Senate, including about a dozen Republicans. At the hearing, Senator Kennedy expressed appreciation for your support of the legislation and for your other disability initiatives (particularly, the employment tax credit, assistive technology funding, and long-term care initiative). Former Senator Dole, who also testified, made a strong appeal to Republicans, urging them to reject characterizations of the bill as an entitlement expansion and to view it instead as "good government." Governor Thompson's Secretary of Health supported Dole's remarks. The bill is now slated for mark-up in the Finance Committee in the early spring. In the House, work on the bill is far less advanced, but we think that Representatives Nancy Johnson and Ben Cardin may soon introduce it.

3. Health Care -- Shalala v. Grijalva: We are sending you a separate memo this weekend on whether to ask the Supreme Court to review the Ninth Circuit's decision in Shalala v. Grijalva that Medicare HMOs are state actors and therefore subject to constitutional due process requirements.

4. Tobacco -- Medicaid Recoupment: Senators Hutchison and Graham introduced a bill last week to prevent the federal government from recouping any state tobacco settlement funds. Twenty-seven other Senators co-sponsored the bill, including five other Democrats (Senators Leahy, Torricelli, Murray, Lincoln and Bayh). A similar bill introduced by Congressman Bilirakis a few weeks ago now has 31 co-sponsors, including a number of

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Democrats from the tobacco states. We have expressed strong opposition to these bills because they give up the federal share of the states' tobacco settlement without any commitment by the states to use the funds to prevent youth smoking, protect tobacco farmers, improve public health, or assist children. We are working with allies on the Hill and in the public health community to stem support for the bills, principally by promoting an alternative approach that would waive the federal claim to settlement funds in exchange for the states' agreeing to use the federal portion of these funds on a list of shared priorities. Senators Harkin and Chafee are working together on a bill of this kind, and Senator Kennedy is working on another.

5. Education -- New NAEP Reading Scores: The Vice President and Secretary Riley will announce next week new results from the National Assessment of Educational Progress, showing small but statistically significant gains in reading in the 4th, 8th, and 12th grades since 1994. (We will also put out a statement from you on the day of the announcement.) Scores are up for African-American students in the 4th and 8th grades and for Hispanic students in the 12th grade. The report also shows that 8th and 12th grade students are reading more pages per day and that fewer students at each grade level are watching six hours or more of television per day.

6. Service -- AmeriCorps Event: You are scheduled to participate in an event on Wednesday to (1) mark the milestone of AmeriCorps' 100,000th member; (2) announce a $133 million increase in your FY 2000 budget to support 69,000 AmeriCorps members next year and to put the program on a path to reach 100,000 members each year by 2002; and (3) launch AmeriCorps' Call To Service Campaign -- its first-ever national campaign to recruit new members. The event, involving over 100 current and past AmeriCorps members, will take place at the University of Maryland in College Park. The University has a long history of service and involvement with the AmeriCorps program, and the State requires high school students to perform community service as a requirement of graduation.

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THE WHITE HOUSE

WASHINGTON

February 12, 1999

THE PRESIDENT HAS SEEN
2-16-99

Copied:
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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Record Verdict: A jury in San Francisco awarded a former smoker $1.5 million in compensatory damages and $50 million in punitive damages in her lawsuit against Philip Morris Co., the largest award ever in a suit filed by an individual smoker. The verdict sent tobacco stocks reeling, and stunned tobacco analysts who considered this a relatively weak case. This award could open the floodgates to similar claims against tobacco companies and may increase the pressure on the tobacco industry to settle the federal claims being brought by the Justice Department.

2. Crime -- NY Gun Verdict: On Thursday, a jury in the Federal District Court in Brooklyn found 9 gun manufacturers collectively liable for shootings with illegally obtained handguns due to their negligent marketing and distribution practices. The case, Hamilton v. Accu-Tek, represents the first time a jury has found gun makers liable on a theory of negligent distribution. The suit was brought on behalf of 6 homicide victims and a severely wounded teenager, all of whom were shot with illegally obtained handguns. The plaintiffs argued that gun manufacturers oversupply the market in southern states with weak gun laws, enabling traffickers to move guns up the "iron pipeline" to New York. Even though the plaintiffs could not prove which manufacturers' guns were used in any of the specific incidents, they argued that the defendants marketed and distributed handguns so negligently that they contributed to the illegal gun trafficking that ultimately resulted in the shootings. Of the more than 25 gun manufacturers named as defendants, the jury found 15 negligent but only 9 liable for any of the shootings. However, the jury awarded damages only to one plaintiff -- the surviving teen -- in the amount of $3.95 million, of which he is expected to collect about $500,000. The Justice Department is currently reviewing the details of this decision, and we intend to meet with them soon to discuss its implications on similar lawsuits recently filed by New Orleans, Chicago, and other cities.

3. Health Care -- Ganske HMO Bill: On Wednesday, Rep. Ganske and 10 other Republicans introduced a new version of the Patients Bill of Rights, which denies access to punitive damages for individuals suing plans for actions that result in harm. Although there were other modest changes to the underlying bill, the legislation effectively retains the core protections that Rep. Dingell has been advocating. Ganske and Dingell are contemplating a

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joint press conference after the recess to highlight the similarities of the two bills and to underscore their belief that a compromise is easily within reach that can attract far more than the 218 votes necessary in the House. In the Senate, however, any bill will have a much lower threshold of protections. Our strategy should be to expedite House action in order to influence the Senate bill.

4. Health Care -- Medicare Prescription Drug Benefit: Chris Jennings reports that an internal committee of the Pharmaceutical Research and Manufacturers Association (PhRMA) will recommend that the association endorse the development of a Medicare prescription drug benefit that would be administered privately. This recommendation apparently will be forwarded to PhRMA's Board of Directors this week, and they may endorse the proposal as early as Thursday of next week. If true, such an endorsement will increase momentum for the inclusion of a prescription drug benefit in any Medicare Commission recommendation. On Wednesday, Rep. Allen and 65 Democratic cosponsors introduced legislation that allows pharmacists to provide prescription drugs to Medicare beneficiaries at Federal supply schedule prices, creating a system similar to the one used by the Veterans Administration. Chris believes that despite the fact that the drug industry can defensibly label this as something very close to price controls, the bill will provide pressure to move forward with a more realistic Medicare drug benefit. Chris is also hearing that some Republicans, like Senator Roth, are also interested in a Medicare drug benefit for all beneficiaries.

5. Children and Families -- FMLA Verdict: Kevin Knussman, a Maryland state trooper who was denied the right to take 12 weeks of paternity leave, won a $375,000 jury verdict against the state of Maryland. You met Knussman in August 1995, and the First Lady wrote about his story in *It Takes A Village*. A state trooper for 18 years, Mr. Knussman needed to take 12 weeks of family leave when his first daughter was born in 1994, but his employer allowed him only 2 weeks because he was a man. The jury found that this conduct violated the FMLA and constituted unlawful sex discrimination under Title VII. Maryland is expected to appeal.

6. Welfare Reform -- Elaine Kinslow: You recently asked about a news story noting that Elaine Kinslow, the welfare-to-work success story from Indianapolis you saluted in last year's State of the Union, had to change jobs when her employer lost its government transportation grant. We have been in communication with that company, Pathfinder Transportation Service, many times over the past year. As you may recall, Pathfinder ran a van service for welfare recipients going to work, but lost its contract when the state decided not to use state funds for this purpose and wrongly contended that federal rules prevented the use of TANF funds. To correct this misunderstanding, we worked with HHS, Labor, and DOT to issue official joint guidance last spring explaining how TANF and other federal resources can be used to address transportation challenges for people moving from welfare to work, and made sure Pathfinder as well as the right Indiana state officials received copies. You sent a letter to every governor stressing the importance of investing TANF savings in transportation, child care, and other services. Despite this information, Indiana decided not to

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2-16-99

continue the contract with Pathfinder. However, Pathfinder does receive funds from local employers and job placement agencies, and is part of an Indianapolis consortium applying for a federal Access to Jobs grant that DOT will consider this spring.

7. Welfare Reform -- Washington State: A recent survey of individuals leaving welfare in Washington shows high rates of employment and earnings, even as caseloads continue to decline. Most people left welfare for employment (67%), with the next most common reasons being increased income through child support or SSI (9%), and conflict with program requirements (8%). Seventy-one percent of those who left the rolls between April and August 1998 were still working when they were surveyed in the Fall of 1998, at an average wage of over $8 an hour. Washington systematically contacts people once they've gone to work to help them find opportunities to increase their skills through short-term community college courses or other training and to find better jobs. The state also is investing TANF savings in extensive supports for working families, and recently reallocated TANF funds to increase reimbursement for child care providers who accept infants or provide care during non-standard hours.

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THE WHITE HOUSE

WASHINGTON

February 20, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Ed-Flex Bill: Senator Lott intends to bring the Ed-Flex bill to the floor within the next two weeks to secure a quick victory on education for the Republicans. (You will hear a lot about this bill from the governors when you meet with them on Monday; your briefing materials for the NGA roundtable include talking points on Ed-Flex, as well as on education accountability and tobacco recoupment.) Hill Democrats are generally unenthusiastic about Ed-Flex, although most -- especially in the Senate -- have resigned themselves to voting for it. Their -- and our -- goals for the Ed-Flex debate are (1) to strengthen the bill's accountability provisions, and (2) to put the Republicans to a tough vote on class size reduction. We are working with Senator Kennedy on an accountability provision that will require states to assess the impact of education waivers and to change or discontinue those that are not working; we hope to get bipartisan support, including from the bill's sponsors, for this provision. At the same time, we are working with Kennedy and other Senate Democrats on an amendment to authorize our class size reduction initiative for seven years. If we can attract enough Republican votes to pass this amendment, we can convert an intended Republican victory into a huge win for our own education agenda. And even if we fail in this objective, we can use the amendment to emphasize the difference between the two parties when it comes to supporting needed school improvements.

2. Health -- Children's Health Insurance Outreach Event: You and the First Lady are currently scheduled to participate in an event on Tuesday to highlight new initiatives designed to identify and enroll the over 5 million children who are eligible for but not yet enrolled in CHIP or Medicaid. You will unveil a new national toll-free number (1-877 KIDS NOW) for children's health outreach; a major media campaign, which includes the airing of PSA's on NBC, Univision, and Black Entertainment Television and radio advertisements in the 47 states with CHIP programs; a number of private sector commitments, such as Safeway's agreement to print the new 1-800 number on all its grocery bags; and the next generation of efforts by your Federal Interagency Task Force on Children's Health Outreach. Governors Carper and Leavitt, the chair and vice chair of the NGA, will join you at this event.

3. Health -- Jeffords-Kennedy Bill: The Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act continues to gain bipartisan support in the Senate, and the Labor

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and Human Resources Committee plans to mark up the bill on March 4. The bill is also attracting bipartisan interest in the House, although it is still unclear who will emerge there as the lead sponsors. Given the broad support for this legislation, your advisors agree that you should urge prompt passage of the bill when you meet with the Congressional leadership this week.

4. Health -- Stem Cell Research: Secretary Shalala will testify next week about her Department's legal ruling that the ban on federal funding of human embryo research does not apply to stem cell research. The Secretary has received two harsh letters on this subject from pro-life members of Congress -- the first from 70 House members and the second from seven Senators (Ashcroft, Brownback, Enzi, Helms, Kyl, Nickles, and Smith). The House letter characterizes the HHS legal opinion as "a carefully worded effort to justify transgressing th[e] law" and charges that the definition of an "embryo" used by HHS (cells that can develop into a human being if implanted in the womb) is encouraging researchers to engineer lethal defects in embryos to avoid the congressional ban. The disease and patient advocacy community strongly supports our interpretation of the law. Senator Spector and Congressman Porter support the result -- federal funding of stem cell research -- but have doubts as to whether current law allows it. They have expressed interest in developing new legislation that would explicitly authorize federal funding of stem cell research subject to certain safeguards. Secretary Shalala will testify that no new legislation is necessary, but we are drafting appropriate statutory language in case we later need it.

5. Health -- Medicare Commission: Senator Breaux released on Thursday a preliminary CBO analysis of his proposal to adopt a premium support model for Medicare. Although the CBO admitted that it lacked "specifics on many aspects of [the] proposal," it praised Breaux's general approach, saying it would foster competition, increase choice, and reduce costs. Breaux will trumpet this analysis in the coming week, as the Democrats on the Commission meet on Tuesday and the full Commission meets on Wednesday. The other Democrats (except for Senator Kerrey) will continue to raise concerns about the Breaux proposal and to insist on a plan that uses surplus funds, guarantees a defined benefit package, and provides a good prescription drug benefit. As you know, the Commission is scheduled to report on March 1, but Senator Breaux raised the possibility last week of extending the deadline.

6. Crime -- Gun Tracing Initiative: The Treasury Department will release on Sunday its second report on the Youth Crime Gun Interdiction Initiative (YCGII) now underway in 27 cities, as well as announce the extension of this initiative to ten more cities. As you know, this initiative is designed to fight gun trafficking by collecting and analyzing information about guns used in crimes ("crime guns") and then recovered by law enforcement officers. (In addition to using this information for law enforcement purposes, some of the cities filing lawsuits against gun manufacturers and dealers have relied on ATF's gun tracing data.) The new report finds that: (1) about eight of ten crime guns recovered and submitted to ATF for tracing were handguns; (2) over 11 percent were recovered from juveniles, and almost a third (32.4 percent) were recovered from 18-24 year olds; and (3) between 25 and 36 percent of the firearms

recovered from juveniles and between 32 and 49 percent of the guns recovered from 18-24 year olds were bought legally less than three years before their recovery, indicating a significant and rapid diversion of legally purchased guns to an illegal market involving children and youth. Your new budget will enable Treasury to extend its gun tracing program to New Orleans, LA; Oakland, CA; San Francisco, CA; Dallas, TX; Tampa, FL; Charlotte-Mecklenberg, NC; Louisville, KY; Portland, OR; Omaha, NE; and Denver, CO.

7. Welfare Reform -- Urban Caseload Trends: A Brookings study released last week on welfare trends in the nation's 30 largest cities shows that caseloads are declining rapidly in these cities, although the rate of decline in some cities lags behind the overall rate of decline in their states. Welfare rolls in the 30 largest cities declined by 35 percent between 1994 and 1998, while caseloads declined by 44 percent in their respective states. As a result of these different rates of decline, the share of state caseloads attributable to these 30 cities grew from 45 to 53 percent. Not all the states involved in the study, however, experienced this greater concentration of welfare recipients: nearly one-third saw no change in concentration and one-quarter saw declining concentration. Cities with the fastest caseload decline (over 50 percent) included Milwaukee, Jacksonville, Denver, and Portland, while cities with the slowest caseload decline (between 18 and 26 percent) included Los Angeles, El Paso, Philadelphia, and New York. Not surprisingly, slower rates of caseload decline were closely correlated with higher levels of poverty. The Brookings report recommends additional welfare-to-work funding for the cities and highlights our Welfare-to-Work program as an important source of these funds.

8. Children and Families -- Foster Care: Congressman Cardin, the ranking Democrat on the House Ways and Means Subcommittee on Human Resources, introduced legislation last week to provide additional support to the nearly 20,000 young people each year who "age out" of the foster care system. As you know, your FY 2000 budget provides nearly $300 million over five years in enhanced support for these young people. The Cardin legislation differs somewhat from our proposal and will likely cost more, but our goals are similar and we will work closely with Cardin over the coming months. The Chair of the Subcommittee, Nancy Johnson, shares an interest in this issue and plans to hold a hearing on March 9.

9. Consumer Protection -- Child Car Seats: You are tentatively scheduled to use next week's radio address to announce a final rule on child safety seats in cars and light trucks. (You announced the proposed rule in February 1997.) The rule will ensure that by 2002, all new child safety seats will be equipped with three standard attachments -- one on top and two at the base -- and all new cars and light trucks will be equipped with standard anchors in the back seat linking to these attachments. The Department of Transportation estimates that this rule will prevent as many as fifty child deaths and 18,000 child injuries each year.

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OA/ID Number: 21748

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Mar. 1, 99- DPC Weekly Report

THE PRESIDENT HAS SEEN
3-2-99

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THE WHITE HOUSE

WASHINGTON

March 1, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Prescription Drug Benefit: Senator Breaux is talking with Laura Tyson and Stuart Altman about incorporating a prescription drug benefit into his Medicare proposal, but they remain far from reaching any agreement. Laura and Stuart are demanding that the benefit be available to all Medicare beneficiaries, whereas Senator Breaux is limiting the benefit to beneficiaries in private health plans plus (perhaps) low-income beneficiaries in the fee-for-service program. Laura and Stuart have pointed out that Breaux's approach would fail to provide millions of beneficiaries in rural and other areas that will not attract private health plans with any access to a drug benefit; the two also believe that effective price competition between the fee-for-service program and private plans can occur only if they offer the same benefits. In response to Breaux's request, Laura and Stuart are developing their own drug benefit proposal; we expect the plan to offer an optional benefit with a 50 percent subsidy of the premium (as compared to the normal 75 percent subsidy), a $300-500 deductible, and a 25 percent copayment. You should be aware that your comments last week about prescription drug benefits made many Democrats fearful that you would endorse the Breaux approach to this issue. (You seemed to indicate that not all beneficiaries needed to have access to this benefit.) In response to questions, we construed your remarks as meaning only that the benefit should be optional, so that beneficiaries who already have good drug coverage could decline it.

2. Crime -- Assault Weapons Report: The Justice Department released on Monday a report from the National Institute of Justice on the impact of the 1994 assault weapons ban. The report's findings are limited because of a short study period, but are generally quite encouraging. The study estimates that murder rates declined by 6.7 to 10 percent in the year following the ban's enactment after controlling for other factors, such as pre-existing state assault weapons bans, juvenile handgun bans, California's three-strikes law, and New York's quality-of-life policing. The study also indicates that criminal use of assault weapons decreased by 20 percent in the first year after the ban (as compared with 11 percent for all guns), as reflected in declining law enforcement requests for ATF traces. Finally, the report notes that no police officers died as a result of assault weapons in the year after the ban, while such weapons were involved in 16 percent of all killings of police the year before. The report notes, however, that such police killings are extremely rare to begin with and that it is difficult to draw firm conclusions about this data.

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THE PRESIDENT HAS SEEN
3-2-99

3. Crime -- Diallo Shooting: You asked last week about the recent shooting of Amadou Diallo. Four white officers of the New York City Police Department shot Diallo, an immigrant from Guinea, in front of his apartment building in Harlem. A total of 41 shots were fired, and Diallo died at the scene. The officers did not find a weapon on or near Diallo. The four officers were part of a specialized street crime unit reportedly searching for a serial rapist. The Department of Justice's Civil Rights and Criminal Divisions, the FBI, and the U.S. Attorney for the Southern District of New York are all working closely with the Bronx District Attorney's Office on the investigation; in addition, the Community Relations Service has conducted conciliation services in the neighborhood. The Department is also now considering whether to expand an ongoing investigation of whether the New York Police Department has engaged in a "pattern or practice" of police misconduct; the U.S. Attorney for the Eastern District of New York is leading this inquiry, and the City is cooperating with it. Finally, we are working with the Justice Department to develop a set of policy initiatives addressing this issue, mostly involving police recruiting and training, for inclusion in the crime bill we will unveil later this month. We are attaching an op-ed by Bill Bratton, which appeared in the New York Times this weekend, offering a similar set of proposals.

4. Education -- NAEP Reading Scores: The National Center for Education Statistics will release on Thursday a report showing state-by-state reading scores on NAEP between 1994 and 1998. As you recall, the Vice President and Secretary Riley recently announced the national scores from this report, which showed small but statistically significant gains in reading among 4th, 8th, and 12th graders. The state-by-state data is still being compiled, but the Education Department expects that most states will show improvements during this four-year period. Secretary Riley will hold a press conference in Washington, D.C. to highlight the results, and the Vice President will highlight New York and Connecticut scores in an event in New York City.

5. Education -- Report on Title I: The Department of Education released on Monday a Congressionally mandated report on the Title I program. The report found that academic achievement in high-poverty schools has improved, largely as a result of reforms made in the 1994 ESEA reauthorization: for example, math scores for fourth graders in the highest-poverty schools have improved by almost one grade level, and reading scores for those students have also improved significantly. The report found, however, that a substantial gap between high-poverty schools and other schools remains: the percentage of high-poverty 4th grade students who met the basic performance level was only about half the national rate on NAEP reading tests and two-thirds the national rate on NAEP math tests. We released a statement from you welcoming the positive results, but urging stepped-up efforts to improve these schools, in particular by passing your Education Accountability Act and class size initiative.

6. Welfare -- Working Families in Poverty: The research group Child Trends issued a report on Thursday on working poor families. The report, based on 1996 census data, found that children of working parents were seven times less likely to be poor than children of non-working parents. Only 9 percent of children whose parents work were poor, compared to 63 percent of children with non-working parents. The report also found, however, that work does

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not guarantee an escape from poverty: the study found that fully 35 percent of poor children have working parents. In making this calculation, the report used the official measure of poverty, which does not include as income the Earned Income Tax Credit or non-cash supports such as Food Stamps. Many analysts have pointed out how EITC and Food Stamps provide families with resources to move above the poverty line. The CEA has reported that the EITC lifted 4.3 million people out of poverty in 1997 and that over half the decline in child poverty between 1993 and 1997 resulted from changes in the EITC and other taxes. The Center on Budget and Policy Priorities has calculated that a family of four can reach the $17,100 poverty line through a full-time minimum wage job ($9,800), the EITC ($3,700), and Food Stamps ($3,600).

7. Community Empowerment -- Yankee Stadium: As you requested, we contacted Congressman Rangel about his interest in preserving Yankee Stadium and keeping the Yankees in the Bronx. Rangel appears to want help in identifying funds to improve transportation access (both highway and rail links) to the stadium and promote commercial development in the surrounding area. He is not asking for funds to help rehabilitate the stadium. We will discuss with OMB, NEC, and HUD how we can best address this request.

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FG006-21 296149SS

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Mar. 6, 99 - DPC Weekly Report

THE PRESIDENT HAS SEEN
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THE WHITE HOUSE

WASHINGTON

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March 6, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- Medicaid Recoupment: The Senate Appropriations Committee decided Thursday to amend the supplemental appropriations bill by adding Senator Hutchison's legislation to waive all federal claims to tobacco settlement funds received by the states. Before the markup, Senator Roth objected to the Appropriations Committee taking up the Hutchison bill, noting that this action would "bypass the jurisdiction of the Finance Committee" and that the bill "has enormous ramifications for the Medicaid program and should be thoughtfully considered through the committee process." He noted that the amendment was not paid for and urged the committee, if it felt compelled to act, to prevent recoupment only in 1999 or 2000 to give the Finance Committee time to act. Senator Stevens apparently asked Hutchison to withdraw her amendment in deference to Roth's objection, but she refused to do so. In the event, the amendment passed by voice vote, with only Senators Harkin, Durbin, and Specter speaking against it. The committee rejected an alternative amendment proposed by Harkin to waive federal claims in exchange for a commitment by the states to dedicate 25 percent of the settlement funds to tobacco control programs.

For some time now, we have been working with Senator Daschle and others to develop an alternative to the Hutchison bill -- essentially a menu of permissible state uses -- that could attract significant support; we have found, however, that many Senators, including a fair number of Democrats, are under great pressure from state officials to resist <u>any</u> restrictions on use of the money. As a freestanding piece of legislation, the Hutchison bill now has 40 co-sponsors, including nine Democrats (although some of the Democrats say they would be willing to accept an alternative along the lines we have suggested if it gave the states sufficient flexibility over spending). One possible approach to the current situation is to urge the NGA to negotiate an alternative bill with us right now for inclusion on the supplemental; although the NGA believes it has a very strong hand in Congress, it might accept this offer both because it wants immediate use of the money and because it fears a presidential veto. This approach, however, could anger some anti-tobacco Democrats (especially in the House), who still hold out the hope that we can use the recoupment issue as a vehicle for broader tobacco legislation. We are continuing to discuss options with John, Larry, and Jack and diverse people on the Hill (of course, all this is complicated by the <u>other</u> issues raised by the supplemental) and hope to have a recommendation for you shortly.

Need HC President

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2. Tobacco -- New Evidence on Tobacco Use: Two new studies show that cigarette sales declined sharply in Alaska and Oregon after the states increased tobacco taxes. Alaska tripled its tax from $.29 to $1.00 a pack in October 1997, raising the retail price of cigarettes by 39 percent. A study conducted by the state found that tobacco sales declined 17 percent the next year, without any apparent upsurge in smuggling or crime. Oregon raised its tax by $.30 per pack in February 1997, increasing cigarette prices by 16 percent; it also devoted 10 percent of the proceeds to tobacco prevention programs. A study conducted by the CDC and Oregon Health Division found that tobacco sales fell 11.3 percent as a result. The study noted that this decline was far larger than expected given the size of the price increase, and attributed the additional drop to expanded prevention activities. Most studies have found that every 10 percent increase in price reduces overall smoking by about 4 percent (while reducing youth smoking by about 7 percent) -- essentially the effect found in Alaska. According to this model, the 16 percent price increase in Oregon should have resulted in a 6.3 percent decline in consumption -- far less than the 11.3 percent decline actually achieved. The difference, according to the study, resulted from the state's expenditure of $8.5 million a year to fund community-based tobacco-use prevention coalitions in every county, a statewide public awareness and education campaign, comprehensive school-based programs, tribal tobacco-use prevention programs, multicultural outreach and education, and a quitters' help line providing smoking cessation support. These findings bolster the rationale for ensuring that states use at least part of their settlement money on tobacco prevention.

These sound like the voice of the tobacco lobby

3. Education -- Ed-Flex Legislation: As you know, the Senate will vote Monday afternoon on a cloture petition filed by Senator Lott to bring the Ed-Flex debate to an end and cut off consideration of the Kennedy-Murray class size amendment. Before the class size issue came to the fore, Democrats succeeded in strengthening the accountability provisions of the bill and providing additional protections for very high-poverty schools. The last (and most) significant issue is class size. (Although Democrats have offered other amendments, including some on dropout prevention and afterschool programs, Senator Daschle is trying hard to focus the message and debate on class size, lest Democrats appear simply obstructionist.) Secretary Riley and Senators Daschle, Kennedy, and Murray held a press conference Friday to urge the Republican Leadership to allow an up-or-down vote on a class size amendment; we released a statement from you at that event, and your radio address this weekend will serve to amplify this message. Secretary Riley and Bruce have met several times with the major education groups, which are now working hard to put pressure on Republicans. The Vice President probably will make a statement prior to the cloture vote on Monday, either at the White House or in a meeting on the Hill that Daschle, Kennedy, and Murray are holding with education groups.

4. Education -- Individuals with Disabilities Education Act (IDEA): We and Secretary Riley agreed to postpone issuance of the Education Department's new IDEA regulation until this coming Friday to give us more time to conduct outreach to Governors and other state officials. Bruce and the Secretary will participate in a conference call with Governors Carper, Leavitt, and Dean (and possibly others) this Tuesday. The postponement also should prevent any dovetailing of the regulation with the current Ed-Flex debate. Even without the regulation as a

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catalyst, Republicans may second-degree Democratic amendments (including on class size) with proposals to increase support to the states for special education programs.

In a decision that may further exacerbate the simmering IDEA controversy, the Supreme court held 7-2 last week that the statute requires school districts to provide children with any health services necessary for the children to attend school, as long as the services need not be administered by a doctor. The case involved a quadriplegic student who needs assistance during the day to clear his tracheotomy tube and maintain his ventilator. The Justice Department filed an amicus brief on the side of the student, setting out the Education Department's longstanding interpretation of the statute. The costs of this decision to local school districts may not be exorbitant: only a couple of thousand students across the country need the kind of "high-end" health services involved in this case; fewer than 20,000 need any kind of health services covered by this decision; and Medicaid appropriately covers many of these students and services. The decision, however, may fuel growing public concerns about the costs of complying with IDEA. At the same time, it may intensify worries among Congressional authorizers that states are inappropriately tapping into Medicaid (e.g., for non-health services) to pay for special education programs. At a meeting at the White House yesterday, HHS and the Education Department agreed to release a joint letter explaining the scope of the decision and noting the potential for -- but also the limits of -- Medicaid funding.

Good!

5. Health Care -- Regulation on Over-the-Counter Drugs: The Vice President will join Secretary Shalala and FDA Commissioner Henney on Thursday to unveil a new FDA regulation requiring that labels on over-the-counter drug products have a standardized format and large print, which will assist consumers to understand product warnings and comply with dosage guidance. Both consumer advocates and physician and other provider groups will praise this regulation, and even product manufacturers will acknowledge its usefulness. Studies indicate that people often have difficulty determining the correct dosage of over-the-counter medications, and that many of the elderly, who use significantly more over-the-counter drugs than others, have trouble reading the small type on product labels. This regulation will be an effective step toward preventing the thousands of hospitalizations each year caused by misuse of over-the-counter medications.

6. Health Care -- Medicare Commission: Senators Kennedy and Rockefeller and Congressmen Dingell and McDermott were pleased with the meeting on the Medicare Commission that you had with them on Thursday -- particularly with your understanding of the shortcomings of the Breaux plan and your commitment to inform them of any alternative Administration proposal. As you no doubt could tell from the meeting, base Democrats will express strong opposition to virtually anything that comes out of the Commission.

Laura Tyson and Stuart Altman held another meeting on Friday with Senator Breaux, Congressman Thomas, and a number of other Republicans to discuss compromise options. Because it now seems impossible to reach agreement on any detailed plan, Breaux and Thomas tried to convince Stuart and Laura to vote for a report that suggests agreement on a set of general

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propositions. Laura and Stuart rejected this approach for fear that Republicans would draft flawed legislation, ostensibly based on the report, and portray Laura and Stuart as having endorsed it. But Laura and Stuart are considering two other options. The first option is to vote for the Commission report (thus giving the Commission the 11 votes necessary to issue it), but insist on detailing in the report their objections to the Commission's proposal and their recommendations for making it acceptable. The second option is to vote against the Commission report, but issue a public statement (because Commission rules do not allow for minority views) that explains why they chose to vote against the proposal and outlines the approach to Medicare reform that they believe is desirable. Laura (and to some extent Stuart) are leaning toward the first option; they believe this option is more likely to provide momentum for Medicare reform, which they see as their first priority. Both Laura and Stuart understand, however, that the press will focus on the Commission's ability to report out premium support and other controversial reforms, and will overlook or minimize their detailed objections. For this reason, they have made no final decisions and wish to discuss these options further next week.

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7. Crime -- Community Prosecutors: Deputy Attorney General Holder plans to use his morning press availability on Thursday to highlight the community prosecutors portion of your 21st Century crime bill, which we plan to send up to the Hill later this month. As you know, your FY 2000 budget includes $1 billion over the next five years for this proposed new program to hire and train community prosecutors. As the former U.S. Attorney for the District of Columbia, Holder helped to launch one of the first successful community prosecution programs, and he is personally committed to building public and congressional support for this initiative. On a related note, in testimony before the House Committee on Government Reform on Wednesday, Mayor Giuliani expressed support for community prosecution programs.

we must get ahead of this soon

8. Crime -- Police Brutality: We and Chuck Ruff are sending you a separate memo this weekend detailing a proposed course of action and set of policy initiatives to address the issue of police misconduct. As you may have seen in Saturday's newspapers, the U.S. Commission on Civil Rights voted 3-2 to investigate police practices and police-community relations in New York and other, as yet unspecified cities.

9. Crime -- VAWA Decision: As you may also have seen in the paper today, the en banc Court of Appeals for the Fourth Circuit invalidated the part of the Violence Against Women Act that permits victims of rape and domestic violence to sue their attackers for violating their civil rights. The Court held that neither the Commerce Clause nor the Fourteenth Amendment gave Congress the authority to pass the law: in the Court's view, "such a statute . . . simply cannot be reconciled with the principles of limited Federal Government upon which this nation is founded." The ruling means that in Virginia, Maryland, West Virginia, and the Carolinas, victims of rape and domestic violence will be able to sue their attackers only under state tort laws and in state courts. We and Chuck will talk with the Justice Department about filing a cert petition to seek Supreme Court review.

THE PRESIDENT HAS SEEN
3-7-99

10. Welfare Reform -- Cuts in TANF Block Grant: As you know, the Senate Appropriations Committee last week proposed paying for part of the emergency supplemental by cutting $350 million in TANF block grant funding in FY 1999. (Of course, there are also numerous other objectionable offsets in the bill.) Although the bill would restore the cut in later years, this provision would establish a precedent of raiding TANF to pay for other measures. The governors will oppose the cut strongly, claiming it breaks Congress's commitment in 1996 to provide five years of full block grant funding. Some in Congress will defend the cut by pointing to unobligated balances in the TANF program. State data compiled by HHS (but not yet released) show that in FY 1998, states spent or obligated 84 percent of the $16.5 billion TANF block grant, leaving $2.7 billion or 16 percent unobligated. There is considerable state variation -- 19 states have obligated all their FY 98 funds, while 12 states account for three-quarters of the unobligated balances. We will provide you with a more complete report on these trends in a separate memo. For now, we note only that unobligated balances may result from sensible decisions by states to put off allocation of some TANF funds until they fully implement their welfare reform programs and/or they begin to experience an economic downturn. We are fearful that agreeing to cuts in TANF will undercut welfare-to-work efforts just as work requirements increase and the caseloads become more concentrated with the hardest-to-employ recipients.

not sure exp. w. right of state portion of tobacco

11. Immigration -- Report on Declining Use of Public Benefits: The Urban Institute will issue a report on Monday showing that between 1994 and 1997, use of public benefits by noncitizen families declined more than use of such benefits by citizen families. The study found that receipt of cash benefits (AFDC/TANF, SSI, and state-funded general assistance) by noncitizens declined 35 percent, while use by citizens declined only 15 percent. Similarly, the study found that use of Medicaid and Food Stamps declined 22 and 30 percent, respectively, among noncitizens, but only 7 and 21 percent among citizens. The report concludes that because most legal immigrants were still eligible for federal and/or state benefits through 1997, the difference in take-up rates was due to the welfare law's "chilling effect" -- i.e., misunderstandings about new eligibility rules and/or fear that receipt of benefits would adversely affect immigration status. We have been working closely with the Department of Justice and HHS on these issues, and we expect to issue guidance this month on the use by noncitizens of public benefits. The guidance will include a resolution of the "public charge" issue -- i.e., the question of when the receipt of public benefits renders a noncitizen a "public charge," so as to affect his or her ability to reenter the country -- that we expect immigrant advocates to greet warmly. In addition, of course, we will continue to press for our budget proposals to restore additional health, nutrition, and disability benefits to vulnerable legal immigrants.

12. Civil Rights -- Report on Paired Testing: The Urban Institute also issued a report last week on the usefulness of paired testing to combat discriminatory practices. As you know, "paired testing" programs use two individuals similar in all relevant characteristics except racial or ethnic background to check for discrimination. Paired testing is now used primarily in the housing area, and your budget includes $7.5 million to expand HUD's current testing program. The Urban Institute report recommends extending the use of paired testing in other settings, such as the workplace. The EEOC conducted a pilot project two years ago on paired testing in the

employment context, but is still in the process of evaluating the data. When Republicans objected to the pilot project during last year's appropriations battles, the EEOC agreed not to do any testing this year -- which it was not planning to do anyway, given the unfinished evaluation -- in exchange for significantly increased funding for its general activities. We expect to face this issue again in this year's appropriations bill.

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FG006-21 296860SS

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Mar. 13, 99 - DPC Weekly Report

THE PRESIDENT HAS SEEN
3-15-99

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THE WHITE HOUSE

WASHINGTON

March 13, 1999

Agreed on Strategy in Mtg

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Ed-Flex/Class Size/Special Education: Both the Senate and the House approved Ed-Flex legislation last week, the former by a 98-1 vote (with Senator Wellstone the lone dissenter) and the latter by a 330-90 vote. The House bill is clean, because the Rules Committee held all amendments on class size, special education, and other issues to be non-germane. The Senate bill, however, includes a provision to permit school districts to fund special education services out of the funds appropriated last year (and any future funds) to hire teachers and reduce class size. This provision, which attracted the votes of every Republican and six Democrats (all from rural states without class size problems), essentially trumped the Murray-Kennedy amendment to provide a six-year authorization for our class size program, which went down on a party-line vote. Because we saw the special education provision as a politically clever way to gut your class size initiative, we counseled the Democrats against entering into a time agreement that would allow it to come to a vote. Senator Kennedy, however, insisted on making a deal with the Republicans in order to get a vote on his amendment, and Senator Daschle went along for fear of appearing to obstruct the Ed-Flex legislation.

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After the Senate vote, we issued a statement from you reiterating your support for ed-flex, but sharply criticizing the Republican measure to undermine class size reduction. In addition, Secretary Riley urged Senators Jeffords, Frist, and Wyden to remove this provision from the bill lest it kill Ed-Flex legislation. (Bruce repeated this message to Governor Carper, although it is not clear how much influence the governors will have in the conference committee discussions.) Meanwhile, Senators Daschle, Kennedy, and Murray are trying to get at least 34 Senators to sign a letter calling for a veto if the conference fails to remove the Republican special ed/class size provsion. We will talk with John and Larry again on Monday about whether and when to issue a verto statement on the Senate bill in its current form.

The debate in the Senate made clear that we and the Hill Democrats are vulnerable on the special education issue. With more and more local and state officials demanding that the federal government live up to its "commitment" to fund 40 percent of mandated special education services -- a commitment which is really no more than a statutory *cap* on federal funding -- we will face over and over again the argument that we should fully fund special education before beginning any new education initiatives, such as class size or school construction. We are exploring whether we can persuade members of Congress to set aside state tobacco settlement

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funds for special education in exchange for waiving the federal claim to this money. (Of course, Governors would respond to this proposal by saying that we are using *their* money to make good on *our* promise to provide special education funding.) We are also discussing with OMB whether we have other ways to pay for more special education spending, but as you know our options with respect to any non-defense discretionary spending increases are unpleasant and limited.

2. Education -- Charter School Conference: The Education Department will hold its second national charter school conference next week. Secretary Riley will address the conference, and you will make remarks by videotape. The Department will release guidance at the conference regarding the eligibility of schools for federal start-up funds. The guidance notes that funds cannot go to for-profit organizations directly holding charters, but can go to to non-profit charter school boards that contract out management services to for-profit firms. Similarly, the guidance states that although private schools converted directly into charter schools are not eligible for funds, private schools may become eligible if they shut down and then reopen as public charter schools open to all students, without any preference for those previously enrolled in the private school. Finally, the guidance states that to receive funding, any charter school that has more applicants than spaces must use a lottery, except that (1) the school can impose minimum eligibility requirements for the lottery so long as they are consistent with the federal charter school law and all civil rights laws and are "reasonably necessary" to achieve the educational mission of the school, and (2) the school can exempt from the lottery students attending the school at the time it became a charter (assuming the school was public, not private), siblings of students already attending the school, and a limited number of children of the charter school's founders. The Department is now working on additional guidance that will address issues relating to civil rights and religion; we will work closely with the department on this next round of guidance.

3. Health Care -- Medicare Commission: The Medicare Commission is expected to take a final vote Tuesday, although Senator Breaux has not yet distributed paper so no one knows exactly what the members will be voting on. The report probably will include a general endorsement of a premium support policy, an increase in the eligibility age to 67 (without any policy to ensure that this step does not increase the number of uninsured), a limited prescription drug benefit, and vague language about the need for additional revenues for the Medicare program. Laura Tyson and Stuart Altman are still struggling over whether to support the report while commenting on the aspects they believe to be flawed. Laura sent a draft document to Breaux on Thursday that she implied she could accept; the document essentially adopted the perspective of Breaux and the Republicans, but framed their proposals in very broad terms and outlined her own and Altman's criticisms. Breaux apparently liked this draft, but Congressman Thomas rejected it on the ground that it had too few specifics. The base Democrats remain opposed to a reform proposal along the lines the Commission is considering.

4. Health Care -- Patients' Bill of Rights: The Senate Labor Committee has scheduled a markup next week of the Republican Leadership version of the Patients' Bill of Rights. This bill is flawed in several respects: it includes no adequate mechanism to enforce the patient

protections; it fails to set out the standards and criteria that reviewers in the independent appeals process should use to judge the appropriateness of an HMO's medical decision; and it applies only to self-insured plans, thus relegating the 80 million Americans enrolled in insured plans to state law protections. We will meet with Senator Kennedy's staff on Monday to discuss an amendment strategy.

Be careful

5. Health Care -- HCFA Proposal on Medicare Home Health Surveys: The Washington Post reported last week on a proposal by HCFA to require home health providers to collect data from patients about their physical and mental health and other characteristics, such as their living arrangements. HCFA argues that this data is necessary to (1) develop performance reports for each provider in an effort to improve home health quality, and (2) make the risk adjustment calculations contemplated by the new prospective payment system for home health agencies. HCFA also states that they have numerous safeguards in place to prevent dissemination or use of this data for nonauthorized purposes. We are now reviewing the HCFA proposal to determine if it is consistent with our broader policy on the privacy of medical records.

6. Health Care -- Amicus Brief in Disabilities Case: The Department of Justice will file an amicus brief in the Supreme Court Monday that supports the position of disability advocates in a case involving the right to receive care in "integrated" (i.e., community-based) settings. Two mentally retarded Medicaid enrollees brought suit against the State of Georgia, arguing that their placement in an institution violated the ADA requirement to provide services in the "most integrated setting." The State argued that its placement decision was appropriate under a provision of the statute that allows states to disregard this requirement in cases where compliance would cause excessive expense or fundamentally alter the state program. The Justice Department's brief adopts a relatively narrow interpretaion of this provision, although not so narrow as that urged by the disabilities community. We believe this filing puts us in approximately the right position. The number of states signing on to Georgia's brief has dropped from 20 to 12 in the last few weeks, as a result of growing pressure from the disabilities community.

7. Health Care -- Address to Firefighters on Bioterrorism: In an address to the International Association of Firefighters on Monday, you will announce actions to involve firefighters and other emergency response personnel in the Administration's plans to combat bioterrorism and chemical weapons attacks. These actions include: investing an additional $11 million in FY99 to establish rapid medical response teams trained to respond to a biological or chemical weapons emergency; awarding $21 million in grants to help communities train emergency personnel, including firefighters, to respond to bioterrorist attacks; and providing $73.5 million in grants to communities to purchase communications and protective equipment for emergency response personnel handling biological and chemical attacks.

8. Health Care -- Nursing Homes Announcement: The Vice President is tentatively scheduled to meet on Tuesday with advocates for the elderly and representatives of the nursing

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home industry to discuss the challenges of improving the quality of patient care. At this meeting, the Vice President will unveil new efforts to improve nursing home quality including: new authority for the Department of Justice to impose criminal penalties on nursing homes that have committed repeated and egregious violations of law; new civil monetary penalties of up to $10,000 for other serious violations; and a new $2.5 million educational campaign to prevent elder abuse and neglect in nursing homes. The Vice President also will highlight the proposals in your FY 2000 budget to implement and enforce standards for nursing homes, including a new investment of over $100 million dollars dedicated to monitoring and improving nursing home quality. This event is designed to preempt the release of reports by the GAO and HHS Inspector General criticizing the Administration's enforcement record, which the Senate Aging Committee intends to release next week.

9. Crime -- Directive on Firearms Enforcement: We are preparing a directive for you to sign, possibly before your press conference on Friday, instructing Secretary Rubin and Attorney General Reno to develop a national strategy to strengthen the enforcement and prosecution of federal firearms laws. As you know, the NRA repeatedly has called for the extension of Richmond, Virginia's Project Exile, under which the U.S. Attorney prosecutes all firearms offenses in federal court. Senator Hatch may also propose a Project Exile-type initiative in his crime bill (see below). Your proposed directive will incorporate aspects of Project Exile, but will be broader in scope. It will provide for the timely prosecution of gun criminals at both the federal and the state level; increased efforts to trace crime guns, identify illegal gun markets, and target gun "hot spots"; and coordinated law enforcement efforts to ensure that gun dealers comply with applicable city, state, and federal laws. We could release this directive in conjunction with a new Justice Department report, *Promising Strategies to Reduce Gun Violence,* which details more than 50 examples of local strategies and partnerships that are reducing gun violence across the country. These include: comprehensive violence reduction programs that focus on guns; efforts to deter illegal gun possession through consensual searches and the aggressive seizure of firearms; targeted enforcement in gun "hot spots"; increased surveillance of probationers; school-based prevention programs; and special youth gun courts.

10. Crime -- Prison and Jail Population: The Justice Department will release on Sunday its mid-1998 report on prison and jail inmates. The report shows that a total of 1.8 million persons -- or one out of every 150 U.S. residents -- were incarcerated in the nation's prisons and jails. The prison population (totaling 1.27 million) increased 4.8 percent from the previous year, a fair bit less than the average annual increase of 6.9 percent since 1990. States with the largest increases in prison population were: ND (19.5 percent), MT (18.3 percent), and HI (13.6 percent). States with the largest decreases were: the District of Columbia (10.9 percent), ID (3.6 percent), and WY (3 percent). The jail population (totaling 592,000) increased 4.5 percent from the previous year, slightly less than the average annual growth rate of 4.9 percent since 1990. Local jails were filled to 97 percent of capacity, the same as last year and lower than in 1990, when they operated at 4 percent over capacity.

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11. Crime -- Hatch Crime Bill: We learned last week that Senator Hatch may introduce a crime bill as early as next week. Reports on the bill are sketchy, but it may include: (1) a version of the COPS program, but with stricter accountability provisions; (2) an authorization for the Local Law Enforcement Block Grant; (3) an expansion of the DeWine/Leahy law enforcement technology grants program; (4) the juvenile crime bill Hatch pushed last year; (5) an expansion of Project Exile to prosecute more gun crimes in federal courts; (6) a ban on the sale of alcohol over the Internet; (7) a reauthorization of the Violence Against Women Act; and (8) a sense of the Senate resolution on the rights of crime victims. You are tentatively scheduled to unveil your 21st Century Crime Bill on March 31.

Do we want to unveil?

Drugs -- Medical Marijuana: At ONDCP's request, the Institute of Medicine (IOM) will release a study Wednesday on the medicinal use of marijuana. The study finds that although cannabinoid drugs (primarily THC) have potential therapeutic value for controlling pain and nausea and stimulating appetite, smoked marijuana is a crude THC delivery system that also delivers harmful substances. In particular, the report notes that marijuana smoke is an important risk factor in respiratory disease. (The report does *not* say marijuana acts as a gateway drug or that its medicinal use would increase use among the general population.) Because of the health risks associated with smoking, the report concludes that smoked marijuana generally should not be recommended for medicinal use. The report, however, makes two important exceptions. First, the report approves the use of limited clinical trials of smoked medical marijuana in order to develop a nonsmoked cannabinoid delivery system. Second, the report approves the short-term use (less than six months) of smoked marijuana under medical supervision for patients with debilitating symptoms (chronic pain, vomiting) who have documentation that all other approved medications have failed to provide relief.

Children and Families -- Child Care: The House Ways and Means Subcommittee on Human Resources will hold a hearing on child care next week -- the first hearing on the issue since we introduced our child care initiative last year. Administration officials will lead off the hearing testimony. Prior to the hearing, Congressman Cardin, the Subcommittee's ranking Democrat, will introduce a child care bill based largely on the Administration's proposals. In the Senate, a group of mostly moderate Republicans, including Senators Chafee, Snowe, and Hatch, will reintroduce their child care bill from last year, which overlaps with ours to a significant extent.

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DPC Weekly Report (Mar 15 - Mar 19, 1999)

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THE WHITE HOUSE

WASHINGTON

March 20, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco – Recoupment Issue: The Senate rejected, by a vote of 71-29, a Specter-Harkin amendment to the supplemental appropriations bill that would have allowed the states to retain all tobacco settlement funds in exchange for a commitment to use 20 percent of the funds to combat teen smoking and 30 percent to expand public health programs and/or assist tobacco farmers. The vote leaves intact a provision in the supplemental (offered by Senator Hutchison in committee) that would give up the federal share of the tobacco settlement without any commitment by the states. Those opposing the Specter-Harkin amendment included a number of normally anti-tobacco Democrats (such as Conrad, Leahy, and Kerry) who decided not to buck their governors on this issue. Senator Daschle is attempting to determine whether a watered-down version of the amendment (either requiring only the 20 percent set-aside for tobacco prevention programs or providing simply that the states spend 50 percent of the funds on some combination of tobacco prevention, farmer assistance, education, public health, or children) would garner greater Democratic support. (Note that seven Republicans voted for Specter-Harkin, so the amendment would have passed had all Democrats supported it.) Neither Daschle nor we, however, are very hopeful that he can find a formula to bring Democrats back on board. Our best hope now is that our demand for a clean bill will convince the conference committee to strip the recoupment provision from the supplemental, and that the governors, having lost this opportunity to resolve the issue, will decide to negotiate with us rather than await the next potential vehicle.

2. Health Care -- Patients' Bill of Rights: The Senate Labor Committee reported out patients' rights legislation on Thursday by a party-line vote. The legislation applies only to patients in self-insured plans, thus relegating the 80 million Americans in insured plans to state law protections; it omits crucial patient protections, such as access to specialists; it essentially allows HMOs to define what services count as medically necessary in the independent appeals process; and it lacks any adequate enforcement mechanism. Although some Republican Senators (particularly Chafee and Specter) may support some strengthening amendments on the floor, the odds of significantly improving the bill in the Senate are slight. (There is also a question about whether Senator Lott will bring the bill to the floor in the absence of a very constraining time agreement.) The House should pass a stronger bill (though probably not as strong as the Dingell version), setting up the possibility of some middle-ground compromise in conference if the legislation gets that far.

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3. Health Care -- Medicare: We are currently preparing options for your consideration on Medicare reform, so that you can put out your own plan as soon as possible. We will not be able to evaluate some questions fully until after March 30, when the Social Security/ Medicare trustees are scheduled to issue their annual report. We expect this report to push out the exhaustion date of the Medicare trust fund by a number of years (perhaps to 2012 or even later). Because these new numbers will make it easier to reach the goal of ensuring solvency until 2020 -- enabling the Republicans to claim the excess funds for tax cuts -- all your advisors agree that you should stop making reference to the year 2020 in articulating the goals of Medicare reform. But because we may want to tap into some of these excess funds ourselves -- in our case, for a more generous prescription drug benefit -- we also do not advise that you insist on adding 10 or 12 years to whatever the trustees announce as the new exhaustion date. For now, we all agree that you should simply demand that we dedicate 15 percent of the surplus ($686 billion over 15 years) to Medicare. This formulation will allow us some latitude on the question whether all this money should go toward extending solvency or some could go to a drug benefit.

4. Health Care -- Nursing Home Quality: The Senate Aging Committee, chaired by Senator Grassley, released a GAO report last week -- and will release another next week -- criticizing HCFA's enforcement of nursing home quality standards. The reports state that HCFA often declines to investigate serious complaints and takes insufficient corrective action when it does find violations. The reports especially castigate HCFA for failing to enforce quality standards against repeat offenders. Although a nursing home quality initiative you unveiled last year is addressing some of these problems, we believe additional steps are necessary. We instructed HCFA last week to ensure investigations of serious complaints (i.e., those alleging harm to residents) within 10 working days, increase the minimum fine for facilities violating quality standards, and make it easier to impose larger fines. We are also working on a set of more far-reaching changes for inclusion in the new crime bill you will announce on April 1. The most important part of this package is a provision to give the Department of Justice new authority to impose criminal and civil penalties on individuals, facilities, chains, or management companies that engage in a pattern of conduct resulting in physical or mental harm to nursing home residents. Enactment of this provision will ensure that HCFA is not the sole federal entity with specific authority to bring enforcement actions against irresponsible nursing home operators.

5. Health Care -- Nursing Home Resident Protection Act: You are tentatively scheduled to have a signing ceremony next week for a bill to protect Medicaid patients in nursing homes that decide to withdraw from the Medicaid program. Under the legislation, these nursing homes can refuse additional Medicaid patients, but cannot evict current Medicaid patients.

6. Health Care -- Medicaid Guidance: At our request, HCFA will release on

Monday new guidance to states to ensure that individuals eligible for Medicaid -- especially children -- are enrolled as soon as they ask to apply. As you know, some state or local governments appear to be imposing waiting periods before issuing applications for Medicaid or determining eligibility for the program. This guidance makes clear that these delays violate the law and that welfare reform efforts (including diversion programs) cannot reduce access to the Medicaid program. We believe that advocates will applaud the guidance, while states will not seriously object to it.

7. Health Care -- Antibiotics in Animal Feed: You recently asked about a report indicating that feeding antibiotics to livestock may increase the prevalence of antibiotic-resistant bacteria and thereby decrease our ability to cure infections in people. The FDA has become concerned about this problem and is planning to issue a draft regulation requiring manufacturers to test their antibiotic feed additives at regular intervals to see if they foster the growth of resistant bacteria. If the products are found to do so, the FDA will curtail their distribution or remove them from the market. The drug and agriculture industries will object to the draft regulation, arguing that antibiotic feed additives are necessary to produce affordable meat and poultry and are not dangerous to the people who consume these products. Public health advocates probably will say that the regulation does not go far enough, because it does not immediately eliminate or severely restrict the use of antibiotics in animal feed. The FDA should issue the draft regulation within a few weeks, with a formal NPRM several months away.

8. Health Care -- Stem Cell Research: The next issue of *Science* will include a letter from 73 prominent scientists, including 67 Nobel Prize winners, supporting NIH's plans to fund stem cell research. This letter, which makes clear the scientific and medical potential of stem cell research, should help us to defeat legislation proposed by pro-life members of Congress to prohibit NIH from funding such experiments.

9. Education -- Ed-Flex/Class Size/Special Education: The conference committee on the Ed-Flex bill is expected to get under way after the two-week congressional recess. When the House appoints conferees next week, Congressman Clay will offer a motion instructing House conferees to "insist that funds appropriated . . . for class size reduction" be used only for that purpose and that "additional funding should be appropriated" for special education. We have heard from several sources that Lott, Frist, Hastert, and Goodling all have said that they intend to take the class size/special ed provision out of the Ed-Flex bill in conference. We are not taking this outcome for granted, however, and we are continuing to work with the education groups to maintain pressure for deleting this provision.

10. Education -- University of California Admissions Policy: The University of California Board of Regents yesterday approved, by a vote of 13 to 1, a plan to guarantee a place in one of the university system's eight undergraduate campuses for the top four percent of the students in each of the state's high schools. Although Governor Davis proposed this action as a way to increase diversity in the wake of the state's affirmative action prohibition,

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it is not expected to have a dramatic effect on the racial composition of the university system. The plan will add about 3,600 students of all racial backgrounds to the current pool of eligible applicants, increasing the eligibility rate for African-Americans from 2.8 to 3.6 percent, for Hispanics from 3.8 to 4.7 percent, for whites from 12.7 to 14.4 percent, and for Asian Americans from 30 to 31.5 percent. The plan was based on a policy adopted in Texas that guarantees admission to the top 10 percent of every graduating class.

11. Welfare Reform -- TANF Rule: HHS, OMB, and we have reached consensus on the major issues in the final welfare regulation and expect to be able to release it in mid-April. While continuing to hold states generally accountable for work requirements, time limits, and maintenance of effort provisions, we have responded to their (and the advocates') pleas for additional flexibility. In particular, the final rule will allow states to use TANF funds to provide child care, transportation, job retention services, and other supports to non-welfare working families without triggering time limits or other TANF requirements. While many states have wanted to use TANF funds for these purposes to ensure that families coming off the rolls do not go back on, they have hesitated to do so for fear that such assistance would count toward the federal five-year time limit. The rule alleviates this fear by defining such supports for working families as "non-assistance," which is not subject to TANF requirements. The rule also treats work subsidies given to employers as "non-assistance," which we think will encourage more states to use them. (In 1997, only 1 percent of working welfare recipients were in subsidized jobs.) We expect a generally positive reaction to the regulation and are exploring appropriate announcement opportunities.

12. Welfare Reform -- Cuts in TANF Funds Restored: The Senate passed an amendment offered by Senator Stevens on Thursday to eliminate from the supplemental appropriations bill the $350 million cut in TANF funds. As you know, our SAP opposed the TANF cut and Governors lobbied hard against it. Stevens substituted a change to HUD's Section 8 housing program which OMB assures us has no adverse programmatic impact: although the provision defers spending from FY 1999 to FY 2000, so many housing contracts straddle both years that this provision is little more than a change in accounting.

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THE WHITE HOUSE

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March 27, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Ed-Flex Legislation: As a result of activity last week, we are now in a very strong position to ensure that the Republican amendment undermining your class size initiative is dropped from Ed-Flex legislation. Over 200 House members voted in favor of a motion to instruct conferees to drop this provision, and at least 35 Senators have signed a letter (not yet released) recommending that you veto the Ed-Flex bill if this provision remains in it. We are working with OMB on a letter to the Ed-Flex conference committee to convey a veto threat on the class size issue and express support for the strongest possible accountability provisions. As you know, we made good progress in both the House and the Senate on accountability; now our challenge is to combine these somewhat different accountability provisions to ensure that waivers are tied to gains in student achievement.

2. Education -- Charter Schools and Desegregation: We are working with the Education and Justice Departments on issues relating to the relationship between charter schools and desegregation orders. An op-ed by Clint Bolick in the Wall Street Journal this week attacked Bill Lann Lee for "waging a war" against charter schools because of his efforts to prevent proposed charter schools from changing the racial balance called for in existing desegregation orders. The op-ed made special reference to actions the Department has taken in Louisiana to block the creation of new charter schools and /or to insist that the schools or school boards involved take new steps to ensure continued racial balance in the community. The issues involved in these cases are very tricky. The Justice Department notes that new charter schools can undermine hard-won desegregation orders that ensure racial balance in school systems. Charter school advocates, on the other hand, argue that a rigid enforcement strategy in this area will prevent many communities -- including predominantly minority communities -- from gaining the benefits of charter schools. (The proposed charter schools involved in the Louisiana cases, for example, are in largely minority communities; Justice is fearful that these schools either will siphon white students from other schools in the system or will lead minority parents to take their children out of more integrated schools in the system to enroll them in the new charters.) The Education Department is now in the process of developing draft guidance on these issues.

3. Education -- Social Promotion Policy: We are attempting, though not with any great success, to make the civil rights community comfortable with your no-social-promotion policy. As currently drafted, your proposal would insist that states have plans to prevent social promotion

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by requiring students to meet performance standards (as measured by multiple indicators, including a valid test) at three key transition points and providing qualified teachers and intensive support and intervention services for children in danger of failing. In a speech last week, Hugh Price called for postponing any no-social-promotion policies until states could prove that they are providing equal educational opportunities to all students. Wade Henderson and several other civil rights leaders expressed similar views to us yesterday, complaining in particular that our rhetoric on social promotion lends itself to being appropriated and misused by people who share none of our interest in giving children the tools they need to meet high standards. We are continuing to explore ways of responding to the civil rights community's concern on this issue, including by incorporating measures that the National Council of La Raza proposed to strengthen Governor Bush's social promotion legislation. These ideas focus principally on staging the various timetables in the bill and insisting on independent assessments of the adequacy of support and intervention services. We are not terribly hopeful, however, that these ideas will convince the civil rights community to support this aspect of our ESEA proposal (they strongly support the other accountability measures in the bill), and at some point futile attempts to win this support may become counterproductive.

4. Education -- Detroit School Reform: Governor Engler is expected to sign a bill today to give Mayor Archer authority to oust the existing locally-elected school board and replace it with a new "reform board" made up of six of the Mayor's appointees plus the State Superintendent -- effectively giving Archer the same kind of power over the Detroit school system that Mayor Daley has in Chicago. The reform board will run the city's schools for five years, after which Detroit residents will vote on whether to keep it. Earlier versions of the proposal would have given effective control of the board to Engler rather than Archer, provoking general outrage among Detroit residents. Even as enacted, the bill remains controversial, although Archer strongly supports it.

5. Children and Families -- Child Care: The Senate last week passed an amendment to the Republican budget resolution increasing mandatory funding for the child care block grant by $5 billion over five years and $10 billion over ten years, with a corresponding decrease in any proposed tax cut. This action represents a significant step forward for your proposal to boost child care subsidies for low-income families (funded in your budget at $7.5 billion over five years). The amendment, pushed hard by Senator Dodd with the help of Senator Jeffords, also includes a non-binding provision stating that tax relief for child care (through, for example, expansion of the Child and Dependent Care Tax Credit), should benefit all working families (presumably by making the credit refundable) as well as assist stay-at-home parents who care for an infant. Twelve Republicans -- Senators Abraham, Campbell, Chafee, Collins, Dewine, Frist, Hatch, Jeffords, Roberts, Snowe, Specter, and Warner -- voted with all Democrats to pass the amendment. The challenge now will be to ensure that the conference committee on the budget resolution retains this provision. We are looking for ways for you, the Vice President, and/or the First Lady to highlight this issue as the conference committee begins to meet.

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6. Health Care -- Medicare Reform: We and the NEC are developing options for the new Medicare plan that you recently promised, taking into account both new projections on solvency and political demands from Democrats in the House and Senate. As you know, we expect the Medicare trustees to project on Tuesday that the fund will remain solvent beyond 2008 (perhaps until 2015 or so) as a result of increased revenues and curbed spending. These new projections will diminish the urgency of using the surplus to extend solvency; they also will make legislators in both parties reluctant to support additional provider cuts, as providers will argue that they already have made a major contribution to the health of the trust fund. (An AARP letter issued yesterday praised the Republican budget proposal for, among other things, not proposing such cuts.) Without significant provider cuts as offsets and with the near-term solvency of the program apparently assured, proponents of a generous prescription drug benefit will gravitate toward using more and more of the surplus for this purpose. One of the questions we will have to answer in developing our new Medicare plan is whether (and, if so, by how much) we want to fund a drug benefit through the surplus.

More generally, we were reminded this week that we will have to navigate some treacherous political shoals in putting together a plan. While Senator Daschle made it clear that Senate Democrats need a credible plan as soon as possible, Congressmen Gephardt, Dingell, Stark, and McDermott made it equally clear that they have no use for an alternative plan and wished we had not agreed to do one. We will be pushed from the Senate side to include serious reforms in our plans, while being pushed from the House side to abjure such reform proposals. The challenge will be to balance the need to offer credible reforms with the need to keep base Democrats on board our proposal.

7. Health Care -- Organ Donation: Organ donation rates increased by six percent last year -- a big improvement from the one percent increases we saw in the previous two years. The jump is attributable in part to our new regulation on the issue; it is also attributable to recent media attention given to public figures needing organ transplants, such as retired NFL football star Walter Payton. The organ donation advocacy community would like you to highlight this issue sometime soon. If you are interested, we could put together an event at which you could announce a $5 million grant program to increase organ donations, as well as some major private-sector commitments from the AFL-CIO, UAW, Aetna Health Plans, and Kaiser Permanente.

8. Health Care -- Physical Restraints in Institutional Settings: In the wake of a new legislative proposal, we are preparing administrative action to prevent the inappropriate use of physical restraints in institutional settings. Senators Lieberman and Dodd announced on Thursday that they will introduce a Freedom From Restraint Act to prohibit hospitals and mental health facilities participating in the Medicare or Medicaid program from using physical restraints on patients except when necessary to ensure the physical safety of the patient or other patients and upon the written order of a physician. Dodd and Lieberman began working on this legislation after reports last fall that several mentally ill children in psychiatric institutions in Connecticut died as a result of the improper use of restraints by facility staff. Similar abuses have occurred in other parts of the nation. While expressing support for the Dodd-Lieberman bill, we are also

directing HHS to expedite a regulation that will go a long way toward achieving the statute's objective. The regulation will prevent the improper use of physical restraints in all facilities covered by the Dodd-Lieberman bill except hospices and residential care facilities for children. (Applying protections in these excepted facilities does require new statutory authority.) If you are interested, you can announce release of this regulation when it becomes final in the summer.

9. Tobacco -- Medicaid Recoupment: As you know, the conference committee on the supplemental bill will include a battle over Senator Hutchison's provision to waive all federal claims to tobacco settlement money. Assuming the whole bill does not simply die, House conferees will be inclined to keep this rider off the bill, while Senate conferees will point to the overwhelming vote in the Senate and insist on its inclusion. We can expect the Governors to weigh in heavily with the House leadership and conferees during the recess. Public health advocates are going to attempt to use the recess to urge elimination of the Hutchison provision, but we doubt they will be particularly effectual. In the meantime, Congressmen Waxman, Dingell, Rangel, and John Lewis introduced a bill last week requiring the expenditure of 25 percent of tobacco settlement funds on tobacco control and farmers (with a portion of this money going to a federal fund for a national education campaign and prevention efforts targeted at minority smokers) and another 25 percent on other public health activities. The bill also would require tobacco product manufacturers to purchase a set amount of domestically grown tobacco each year. Our best hope on this issue is still to get the Hutchison provision stripped from the supplemental and then to go back to the governors and persuade them that in the absence of any other obvious vehicle for this provision, their best interest lies in reaching an agreement.

10. Tobacco -- Florida Teen Smoking: Cigarette smoking in Florida declined in every grade since the state began its anti-smoking campaign last year, according to a study released last week. The state-sponsored survey found cigarette use declined 19 percent among middle school students and 8 percent among high schoolers. Florida spent $71 million of its tobacco settlement dollars on this campaign last year (about 13 percent of the total), one-third on a counteradvertising campaign and the rest on community and school based programs. Nine out of ten youth surveyed were aware of the state's counteradvertisements, which the CDC has made available to other states. Notwithstanding the program's success, funding for it will go down next year: the Governor's budget requested $61.5 million for the program, but the Republican House appropriated no funds and the Democratic Senate included $50 million.

11. Welfare Reform -- Urban Caseloads: You recently asked us whether we could do more to strengthen welfare-to-work efforts in cities with relatively small caseload declines. Two new initiatives will help to do so. First, the Department of Labor just launched a two-year technical assistance initiative to help ten large cities (Boston, Houston, Detroit, Philadelphia, Chicago, Los Angeles, New York, Seattle, New Orleans, and Minneapolis) to develop strategies to move hard-to-employ welfare recipients into good jobs; the initiative will promote close coordination between the welfare and workforce systems and emphasize job retention and advancement. Second, the Welfare to Work Partnership is starting a targeted effort in 30 cities

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with high poverty rates and large concentrations of welfare recipients, including Atlanta, Baltimore, Chicago, Los Angeles, Miami, New Orleans, New York, Philadelphia, and Washington, D.C. The Partnership will hold a major convention in Chicago this summer for delegations from these cities, and Eli would very much like you to participate.

You also asked whether the slower rate of caseload decline in some cities is related to unemployment. In general, cities with slower rates of caseload decline did have higher unemployment rates. For example, El Paso, Los Angeles, New York, and Philadelphia had the slowest caseload declines and three of the four had central city unemployment rates above 7 percent -- compared to the national average of 4.5 percent -- when the caseload decline was measured. (The fourth city, Philadelphia, had an unemployment rate of 5.9 percent.) The correlation, however, is by no means perfect; for example, Baltimore and Cleveland also had high unemployment, but significantly larger caseload declines.

12. Welfare Reform -- Economist Article: We thought you might like to see the attached Economist article highlighting the Welfare to Work Partnership's success and chronicling the progress of welfare reform.

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NLWJC - KAGAN

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FG006-21 299538SS

FOIA Number: Kagan

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April 3, 1999 - DPC Weekly Report

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
4-5-99

April 3, 1999

MEMORANDUM FOR THE PRESIDENT

'99 APR 3 AM11:11

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Democratic Patients' Bill of Rights Event: You are scheduled to join Democratic members of Congress in Philadelphia on Friday to highlight the need for strong, enforceable patients' bill of rights legislation -- and to contrast the proposal we favor with the weak version of the bill reported out of the Senate Labor Committee just before recess. At the event, you can announce an Internet-based petition, which is intended to attract over one million signatories, in support of a strong, enforceable patients' rights bill. You also can announce the OPM "call letter" that takes the final step in requiring all participating FEHBP insurers to come into full compliance with the patients' bill of rights.

2. Health Care -- Medicare Annual Cap on Rehabilitative Services: You recently asked about the $1500 annual cap on Medicare payments for outpatient physical therapy and other rehabilitative services. This cap was included in the Balanced Budget Act at Congressman Thomas's insistence; we had opposed it for fear that it would have an adverse impact on chronically ill beneficiaries. Providers and advocates are now arguing that the cap has had just such an impact, pointing to a recent study showing that almost 13 percent of Medicare beneficiaries incur significant out-of-pocket expenditures as a result of the cap. Senator Grassley has proposed legislation that would allow Medicare beneficiaries to exceed the cap if they have an illness that clearly requires additional services. This proposal, however, may prove very costly; we are scoring it now as well as reviewing alternatives.

3. Health Care -- Medicare Toll-Free Line: HHS instituted on Thursday a new nationwide toll-free telephone line, 1-800 MEDICARE, to help Medicare beneficiaries learn about the new health care options available to them under Medicare+Choice. Callers can talk to a customer service representative in English or Spanish to get information about the Medicare program generally and/or about particular Medicare health plans in a community.

4. Tobacco -- Medicaid Recoupment: We met this week with the major public health groups to discuss ways to build support for our proposal to ensure that a portion of the tobacco settlement funds goes to prevent youth smoking. We urged them to develop a political and communications plan focused on the effectiveness of such programs and the refusal of many states to use settlement money for this purpose. To use just a few examples: the Oklahoma legislature is considering using the money to eliminate highway tolls; Louisiana's governor has

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proposed paying off state debt and funding gene therapy research with the funds; and Rhode Island's governor has proposed using the first installment to balance the budget (which has set off a fierce debate in the legislature). In addition, many states purporting to spend the tobacco funds on public health or tobacco use prevention are merely supplanting current spending, effectively freeing these funds for other uses. The public health community so far has been utterly ineffectual on this issue, but we hope participants in the meeting emerged with a better understanding of the political situation we face and some more effective strategies for dealing with it.

5. Tobacco -- Oregon Verdict: A jury in Oregon last week ordered Philip Morris to pay $81 million in damages (including $79.5 million in punitives) to the family of a man who died of lung cancer after smoking for 40 years. The verdict was the largest ever against a tobacco company, exceeding the $51.5 million verdict awarded by a California jury against Philip Morris earlier this year. Shares of tobacco companies fell sharply this week as a result of the verdict.

This may give an opening to confront the lobby. Must be careful in words

6. Welfare -- Child Support Computer Systems: You recently asked about an HHS policy denying federal reimbursement to states that entered into contracts for child support and child welfare computer systems without first receiving federal approval. HHS has applied this policy strictly, refusing federal payments even when the federal government clearly would have approved the contracts. In the past, HHS has denied federal funds to California, Hawaii, Kansas, Nevada, and Pennsylvania on these grounds. In recently reviewing this policy, however, HHS officials discovered that it is in conflict with the department's current policy on Medicaid computer systems -- even though the two policies are interpretations of the same regulation. When it comes to Medicaid computer contracts, HHS provides reimbursement even in the absence of prior approval if the contract meets departmental requirements and the state institutes controls to ensure that it will seek advance approval in the future. HHS officials are now trying to reconcile the two policies; they probably will decide to adopt an agency-wide policy similar to the policy that now is applied in the Medicaid program.

Good decision

7. Welfare -- Food Assistance: You recently asked what we could do to ensure that families obtain needed food assistance, in light of some reports that more working families are seeking help from private food banks. We are working to address these issues on two fronts: first, to ensure that states follow the current food stamp law by providing assistance to all eligible individuals who seek assistance; and second, to develop and implement new initiatives to make the food stamp program more accessible to working families.

We have taken numerous steps in recent months to ensure that states follow the food stamp law. USDA has launched a number of investigations of state and local practices, including an inquiry in New York City which found that local welfare offices were not allowing individuals to apply for food stamps on their first visit to the office. (USDA issued a formal warning to New York that it would impose penalties if the city were to continue these practices; around the same time, a federal district court judge issued an injunction prohibiting the practices and requiring the

THE PRESIDENT HAS SEEN
4-5-99

city to submit a corrective action plan to the court.) USDA also has issued formal guidelines to all states reminding them of their obligations under the law.

In addition to these enforcement actions, we are working with USDA and others to develop and implement efforts to make food stamps more available to eligible families. Historically, individuals with earned income who are eligible for food stamps have been only about half as likely to seek them as individuals receiving cash assistance. In part, this is because individuals with earnings are eligible for far less in food stamps and may decide the amount is not worth it. In part, it is because individuals need to report earnings to the food stamp office, and working people often find it hard to get to the office during open hours.

We are currently working with USDA and OMB to devise administrative proposals to help address these and other potential barriers, and we hope to provide you with a set of recommendations soon. Our biggest problem will be cost: the most effective administrative proposals are likely to cost several hundred million dollars, and OMB's policy is to insist on equivalent offsets from the relevant department. In addition, we will be working to enact the proposals in this year's budget to increase funds for food stamp outreach (the budget proposes a 50 percent federal match for media campaigns and other outreach activities) and to expand the class of legal immigrants entitled to receive this benefit.

8. Education -- Workforce Investment Act Rule: OMB and DPC have almost completed work on the Department of Labor's interim final rule to implement the Workforce Investment Act, which you signed last August to reform the nation's job training system. The rule will assist states and communities to develop a network of One-Stop Career Centers (at least 2,500 upon full implementation) to provide a wide range of employment services to both job seekers and employers. The rule also will implement the Act's provisions on Individual Training Accounts, which will give individuals access to quality job training programs of their choice. Consistent with the goal of consolidating and streamlining job training programs, the new regulation is approximately half the length of the rule it replaces. The department consulted broadly with state and local governments, key Congressional committees, and other stakeholders in developing the rule, and we expect it to get a good reception.

9. Drunk Driving -- .08 BAC Studies: The Department of Transportation released two independent studies last week on the effect of lowering the illegal blood alcohol concentration (BAC) from .10 percent to .08 percent. One study estimated that .08 BAC laws resulted in 275 fewer fatalities in the 16 states that had these laws in ~~1997 and that an additional 590~~ lives could have been saved if all 50 states had .08 laws. A second, 11-state study found that .08 BAC laws were associated with significant reductions in alcohol-related fatalities in five of the states studied (VT, KS, NC, FL, NM), with two other states (VA and CA) registering reductions following the adoption of both a .08 BAC law and an administrative license revocation (ALR) law (under which police immediately suspend the license of a drunk driver) and the remaining four states (UT, OR, ME, NH) showing no statistically significant changes. The GAO is planning to release in June a review of these and other existing studies on .08 BAC laws, as required by the transportation

bill you signed last year. We expect that the GAO will criticize earlier NHTSA studies, but confirm the soundness of the new studies and conclude that .08 BAC laws can be effective in reducing alcohol-related deaths, especially in combination with ALR laws.

NLWJC - KAGAN

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THE WHITE HOUSE

WASHINGTON

April 9, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Ed-Flex: Hill staff met during the recess to hammer out differences between the Senate and House bills. On Monday, Secretary Riley will send conferees a letter threatening a veto over the Senate Republican provision to weaken class size. On Tuesday, Senate Democrats will release a letter with at least 35 signatures supporting that veto threat. We expect a quick conference and rapid action in both houses if the bill is acceptable.

2. Education -- ESEA: Despite extensive consultation with us, civil rights groups continue to oppose an ESEA bill that includes the Administration's position on social promotions. We and the Education Department have held a series of meetings with civil rights advocates including Hugh Price, Wade Henderson, Bill Taylor, and others in an unsuccessful effort to find a compromise. Education has suggested that we consider making one of several possible concessions, such as phasing in the requirement to end social promotions over a longer period -- but even that will not be enough to win the groups' support. Another option would be to split off the social promotion provisions in a separate bill. Senator Kennedy sympathizes with our predicament but would like to avoid a war with the civil rights community. We have asked his staff to take part in our continuing meetings with the groups, in the hope that we can at least secure Senator Kennedy's support, even if we fail to win over the civil rights community. You are tentatively scheduled to announce the ESEA bill on April 28.

3. Education -- 1994 ESEA Report: On Friday, the Department of Education released a congressionally mandated report evaluating the effectiveness of programs included in the 1994 ESEA reauthorization. The report submits that states have made progress in the development of academic standards, but that more accountability in federal education programs is needed -- along the lines of what you have called for in ESEA.

4. Education -- California Class Size Waiver: Last week Vice President Gore announced approval of a waiver sought by Gov. Davis to permit California school districts to use federal class size funding to reduce class size and improve teacher quality in any grade. The decision was based on California's progress in reducing class size in the early grades to 20 and the lack of additional school facilities and qualified teachers needed to accommodate smaller classes in those grades. Governor Davis will encourage California districts to use this funding

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to reduce class size in 10th grade reading and math classes to help prepare students for a new high school exit exam that he signed into law.

5. Health Care -- Update on Aetna's Affordable Choice: On May 5, the Aetna Insurance Company is scheduled to hold an event to unveil a low-cost health plan option targeted to small businesses and their employees who cannot afford traditional health insurance. The plan is much less expensive than traditional insurance options because it limits its health coverage to capped, front-end benefits that provide front loaded coverage for hospital stays -- $750 a day for the first three days, $350 for days four through 10, and declining to $100 a day after 10 days -- and up to eight physician's visits with a $50 copayment. The plan allows enrollees to access a price discount on prescription drugs, which Aetna has extracted from the pharmaceutical industry in its negotiations on behalf of its other health plans. Past attempts to provide affordable, bare-bones coverage for this population have proven unsuccessful, primarily because employers and employees have not been attracted to coverage designed only to protect against catastrophic expenses. The Aetna plan takes the opposite approach. Even though these plans would not qualify as traditional insurance and are designed to avoid state mandated benefits, the Aetna plan will be endorsed by the NFIB and possibly the Chamber of Commerce. We are informed that a number of members of Congress (e.g. Representative Thomas and Senators Frist and Breaux) will endorse this offering and participate in the event. Eli Segal is also very supportive. Although the plan might help expand coverage somewhat, our traditional base Democrats, many provider groups, and consumer advocates are unlikely to be impressed with this coverage option. They will argue that the coverage provided is virtually meaningless, provides a false sense of security (since the average hospital cost per day is over $1000 and the average length of stay is 7 days) and that the Kennedy-Kassenbaum insurance reforms you signed into law would not apply to this product.

6. Health Care -- Medicare Prescription Drug Update: Next ~~week, Senator Kennedy~~ and Senator Rockefeller are tentatively scheduled to introduce legislation to provide for a Medicare prescription drug benefit. As currently designed, in return for a $10 to $20 premium -- which would be added to the Medicare Part B premiums that provides for physician and other services -- beneficiaries would be reimbursed for 80 percent of drug costs after they paid a $100 deductible. As currently designed, this benefit would be capped at $1200 -- meaning that beneficiaries would not get any coverage after they had received $1200 worth of prescription drugs -- and is projected to cost between $50 and $75 billion over 5 years ($110 billion to $140 billion over 10 years). ~~The proposal, which is at the low end of the more modestly, front loaded~~ benefits that we have been developing for your consideration, would require beneficiaries to pay catastrophic expenses out of pocket. Most health policy experts would be critical of the capped, front-loaded benefit because it leaves the sickest patients most vulnerable to excessive drug costs. However, this benefit is somewhat more generous than currently available in Medigap plans (particularly when one takes into account the lower premium) and the front-loaded nature of the program might be more popular than a back-end coverage policy. Because Senator Kennedy is introducing this legislation, it is more likely to be accepted as a substantial benefit than if we had produced the same package. Interestingly, Senators Moynihan, Gramm, and Bryant are in the process of developing a similar plan. While it clearly might be better strategically for Senator Moynihan to unveil his plan first, it is unlikely that he will be ready to

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do so within the next two weeks. It is even less likely that Senator Kennedy can be convinced to delay the introduction of his bill until after Senator Moynihan introduces his. Notably, the Senate advocates of a drug benefit are unwilling -- if not completely unable -- to propose traditional Medicare provider and/or beneficiary savings that are significant enough to pay for the benefit. As a consequence, both Senator Kennedy and Senator Moynihan are likely to highlight the desirability of tobacco taxes and/or some use of the surplus to help finance their proposal. We are in the process of developing a number of options for your consideration, which we hope to review with you in short order.

7. Tobacco -- Medicare Lawsuit: This week the Justice Department entered into an agreement with the law firm of Robins, Kaplan, Miller & Ciresi, from Minneapolis to serve as consultants on the federal tobacco litigation. This firm represented the State of Minnesota and Blue Cross-Blue Shield in their lawsuit against the tobacco industry. The agreement is for the firm to advise and assist the Department's litigation team on a reduced-rate billing basis of $75 per hour through June 30, 1999. The contract does not contemplate payment of any contingency fee related to potential recoveries. Jim Cramer, a leading Wall Street analyst, wrote that the hire shows "Justice means business."

8. Tobacco --Kick Butts Day: The fourth annual Kick Butts Day is scheduled for April 14. The Vice President will participate in an event in Akron, Ohio where he will release a new HHS report on kids and tobacco. The report indicates that Marlboro (Philip Morris), Newport (Lorillard), and Camel (RJR/Nabisco) are the cigarette brands used most among teens who are current smokers. The dominant brand is Marlboro, which is preferred by about 60 percent of youth smokers and is as popular among girls as among boys.

9. Community Empowerment -- Low Income Housing Tax Credit: Shortly after coming back from recess, Senators Graham and Mack of Florida plan to introduce legislation to expand the Low Income Housing Tax Credit (LIHTC). Their bill will be very closely modeled on your proposal. In the House, Representative Nancy Johnson's bipartisan LIHTC bill has amassed 70 cosponsors.

10. Welfare -- GW Study on Diversion Policies: We expect George Washington University will issue the second of its reports funded by HHS which provides an inventory of state approaches and examines practices in five cities -- Atlanta, Annapolis, Kansas City, Missoula, and Cincinnati. The study finds that the most common form of diversion requires applicants for welfare to participate in a job search before they can receive cash assistance, and that the diversion payments offered by nearly half the states to help families meet short-term needs in lieu of welfare are being used on a limited basis. The study also notes that diversion has the potential to reduce initial access to Medicaid, especially as families bypass welfare entirely or go to work so quickly that they may not qualify for Medicaid under most states' current eligibility criteria. The study highlights the importance of our Medicaid outreach efforts and our initiatives to encourage states to take advantage of the flexibility they have under current law to expand Medicaid eligibility for low-income working families. HHS plans to award research

funds to several states or large counties to track what happens to families who are diverted from the caseload, including the extent to which they continue to participate in Medicaid and other programs to support working families.

11. Crime -- 1996 Correctional Population: On Friday, the Justice Department's Bureau of Justice Statistics released a report showing that an estimated 5.5 million adults were under some form of criminal justice supervision in 1996 -- comprising about 2.5 percent of all adults, up from 1.6 percent in 1985. Of the total 5.5 million adults: 510,000 were in jail; 3.2 million were on probation; 1.1 million were in state or federal prison; 704,700 adults were on parole; and 2,747 adults were held in military confinement. Between 1986 and 1996, the average annual rate increase for the jail population was 6.5 percent; for prisons, 8.4 percent; parolees, 8 percent; and for the probation population, 4.2 percent. Of the 1.6 million adults in local jail or prison, 821,900 were white, and 773,900 were black. Of the 3.9 million adults on probation or parole, 2.5 million were white and 1.3 million were black.

12. Crime -- Police Misconduct: Next week, the Attorney General is planning to give a speech at the National Press Club to discuss issues of police misconduct. As you know, she has convened meetings with leaders from the civil rights and law enforcement communities in response to your radio address last month. In addition, the Customs Service this week announced an independent commission to review its passenger processing policies and procedures. In recent months, there have been an increasing number of passenger complaints regarding the treatment they received during a Customs search, and there have been several lawsuits filed by passengers alleging personal searches based on racial profiling.

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OA/ID Number: 21748

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DPC Weekly Report - April 17, 1999

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THE WHITE HOUSE

WASHINGTON

April 17, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education -- Ed-Flex: In response to your veto threat, House and Senate conferees agreed Thursday to drop the Senate amendment that would have gutted the class size program, and will report out an Ed-Flex bill that you can happily sign. The conferees also agreed to strong accountability provisions to help make sure states that make use of this new flexibility get results. On Monday, Secretary Riley had sent conferees a letter threatening a veto over the Senate Republican provisions to weaken class size. Thirty-six Senate Democrats signed a letter in support of the veto. The final bill should reach your desk in the next few weeks.

2. Education -- ESEA: On Monday, we will meet with civil rights leaders and Sen. Kennedy's staff in our continuing effort to reach agreement on the social promotion provisions of ESEA. Bill Taylor is reviewing our language and drafting a counterproposal for the civil rights community. Once we see it, we will send you a separate memo on whether we can get the community -- or at least Sen. Kennedy -- to accept a compromise consistent with what you said in the State of the Union.

3. Education -- National Teacher of the Year: On Monday, you are scheduled to announce the National Teacher of the Year in a ceremony in Presidential Hall. Your remarks will focus on the importance of high-quality teachers and challenging young Americans to become teachers. After your remarks, you will present Andrew Baumgartner with the 1999 National Teacher of the Year award. Baumgartner, an ex-Marine, has taught for 22 years and is currently teaching kindergarten in Augusta, Georgia.

4. Education -- Class-Size Study: On April 29, Senator Patty Murray plans to announce the most recent findings of Project STAR -- the Tennessee study that has tracked the performance of students who were in smaller classes in grades K-3 in the mid-1980's. So far, the findings show that: students who were in smaller classes go on to take college entrance exams slightly more frequently than their peers in larger classes, and the gap in college entrance test-taking between poor and minority children and other children was substantially reduced. Researchers found no difference in ACT and SAT scores for students in smaller classes, although that could be due to the fact that a greater percentage of them were taking the tests. Senator Murray has suggested a White House event to release of the study, but we are waiting to see if stronger

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additional data becomes available from the researchers comparing the performance of students in smaller vs. larger classes on high school graduation rates, completion rates of advanced placement and other challenging courses, and grade-point averages.

5. Children and Families -- Child Care: The final budget resolution passed by Congress this week includes $6 billion for child care -- $3 billion over 10 years in new subsidy funding and $3 billion over 10 years in enhanced child care tax relief. Although half the original amount sought by Senators Dodd and Jeffords, this action provides a real opening to achieve important pieces of your child care initiative this year. The Senate voted 66-33 in support of a Dodd-Jeffords motion to instruct conferees to include the funding increase. We will now turn our attention to working with the Senate Finance Committee, which has jurisdiction over child care subsidy and tax issues; four Republicans on the Committee voted for the Dodd-Jeffords measure (Jeffords, Hatch, Chafee, and Grassley).

6. Crime -- Prison Drug Treatment: As you know, as a result of the Administration's efforts, the FY 99 omnibus spending bill contained a provision to allow states to use up to 10 percent of their prison construction funds for drug testing, intervention, and treatment for prisoners and parolees. We were recently informed that half of the states have requested to use the full 10 percent of their construction grants to fund such activities. The Justice Department plans to issue a report on this soon.

7. Health Care -- Medicare Update: Starting next week, the Senate Finance Committee will hold a series of Medicare hearings. Senator Breaux and Rep. Thomas want you to unveil your legislative proposal first before they produce their own bill. In our meetings with Congressional offices over the last week, we are hearing (1) growing discomfort with the Breaux-Thomas recommendations; (2) the desire to develop a meaningful prescription drug benefit; (3) a great interest in the status of your Medicare reform package; and (4) increasing concerns about the imposition of additional provider payment reductions as we implement the 1997 BBA. Base Democrats are very concerned about the type of structural changes and programmatic savings we are developing for your consideration. While most are quite interested in a drug benefit, they are concerned about our possible approaches to modernize the program, make it more competitive, and achieve savings to help offset the cost of the drug benefit. In the wake of the good news by the Medicare Trustees about the new 2015 trust fund exhaustion date, members of Congress are more receptive than ever to provider concerns about reimbursement rates. To the extent that providers are successful in convincing the Congress to moderate these savings, it will become more difficult to find significant offsets that credibly go very far towards defraying the cost of the drug benefit.

8. Health Care -- Shortcomings of HCFA Oversight of HMOs: You recently asked our response to a recent GAO report that criticized HCFA for not assuring that HMOs are distributing accurate information about benefits, cost sharing, and appeals rights to Medicare beneficiaries. The report suggested that the lack of such information made it impossible for beneficiaries to challenge HMOs that have not provided contractually obligated benefits. In

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4-19-99

response to this report and our inquiries, HCFA has acknowledged shortcomings in this area. At our urging, HCFA has agreed to ensure that HMOs participating in the next Medicare open enrollment period will be required to provide information about their benefits and cost sharing requirements in a standardized format. This will ensure that HCFA can quickly and accurately evaluate the content of brochures and other marketing material. In addition, Medicare HMOs will be required to provide information about appeal rights and disenrollment in a standardized format in order to ensure that Medicare beneficiaries are informed about their right to appeal decisions denying care or payment for services. We have informed HHS (along with OPM and other affected agencies) that implementation of the Patients Bill of Rights must be carried out as smoothly and aggressively as possible and serve as a model for the private sector. The New York Times editorial criticizing HCFA on this matter did acknowledge that, even with its implementation problems, Medicare provides much greater protections to beneficiaries than the private sector.

9. Health Care -- Jeffords-Kennedy Update: Senator Helms added his name as a cosponsor to the Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act this week. This leaves Senator Nickles as the primary barrier to bringing this measure to the full Senate for a vote. Although Senator Nickles is pressuring Senator Lott not to bring this bill to the floor, there is a bipartisan movement in the Senate to permit a vote in the upcoming weeks. There is similar momentum on the House side as the Commerce Committee is hoping to finalize a full committee markup later this month or early in May. This legislation represents the highest legislative priority of the disability community and they hope to help us deliver you a bill for signature by June.

10. Health Care -- Patients Bill of Rights Update: In the wake of your event promoting the Patients Bill of Rights last Friday and the positive New York Times editorial that the event inspired, moderate Republicans such as Senator Chafee have indicated interest ~~in developing a strategy to pass a compromise proposal~~. These Republicans want to see this issue resolved prior to the 2000 elections. Unfortunately, the Senate Leadership, particularly Senator Nickles, have been able to seriously delay any progress on this issue within the Senate Finance Committee. In the House, Republicans such as Reps. Ganske and Norwood are reaching out to Rep. Dingell to determine if they can agree on a compromise measure that can attract well over 218 votes. Because these members are concerned about the lack of progress in the House on this issue, they may well be open to pursuing a discharge petition strategy in order to bypass a prolonged and unproductive committee process.

11. Health Care -- CHIP Update: This week, the Washington Post reported that the CHIP program had enrolled 850,000 children to date, which they portrayed as a disappointing start to the program. On Tuesday, the First Lady will announce that in the first full year of program operation, the CHIP program has actually enrolled one million children. Your recent launching of the national toll-free number and a major public awareness campaign should help accelerate enrollment.

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12. Tobacco -- Billboards: As part of the state tobacco settlement, tobacco companies agreed to remove their outdoor and transit advertising by next Friday -- although the settlement does not prohibit smaller signs that are placed inside or outside retail establishments or billboards at adult-only events. The companies also agreed to keep paying for the space after taking down their billboards until their leases expire so that states and tobacco-prevention groups can display anti-tobacco ads. Preliminary estimates from HHS conclude that the value of this anti-tobacco advertising could be as high as $100 million. To support efforts to replace tobacco industry billboards with tobacco-prevention messages, CDC, FDA, and the National Cancer Institute (NCI) have been working together to provide technical assistance and the bulk printing of a select set of billboards. Thirty-nine states are expected to put up tobacco-prevention billboards, with 26 using the CDC/FDA selected ads and the remaining 13 states choosing to do their own. April 23rd coincides with the NATO summit, which may prohibit White House involvement, but we are hoping Secretary Shalala can do an event, perhaps in Boston.

13. Welfare -- Illegitimacy Bonus Rule: This week HHS published a final regulation defining how it will distribute $100 million a year in bonuses to states that reduce the percentage of children born out of wedlock. Up to five states and three territories may qualify for bonuses of up to $25 million each. This bonus was included in the 1996 welfare reform law. The statute makes clear that bonuses will go only to states that simultaneously reduce both out of wedlock births and abortions. Nationwide trends are moving in the right direction -- preliminary 1997 data show that the out-of-wedlock birth rate has declined for three years in a row after rising for 20 years, although the percentage of births to unmarried women, on which the bonus will be based, has remained at just over 32 percent in recent years after decades of increases.

14. Welfare -- Legal Immigrants Benefits: This week, Sen. Moynihan and Rep. Levin introduced a bill to restore health, disability and nutrition benefits to certain legal immigrants. The bill includes our $1.3 billion proposal to restore SSI and Medicaid to immigrants arriving after 1996 who become disabled, furnish food stamps to those in the U.S. by 1996 once they become elderly, and provide states the option to provide Medicaid or CHIP to children and pregnant women who arrive after 1996. The Moynihan-Levin bill's food stamp and SSI restorations are more expansive than ours (the bill does not contain any offsets), but its Medicaid/CHIP proposals are identical. We are currently completing the legislative language for our proposal and will begin seeking bipartisan sponsors shortly.

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April 23, 99 - DPC Weekly Report

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April 23, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Crime -- School Safety Legislation: On Monday, you are scheduled to announce the details of our legislation to reauthorize the Safe and Drug-Free Schools program. This proposal will include a number of changes you have already called for: formally authorizing $12 million a year for our FEMA-like emergency response teams; requiring participating schools to adopt comprehensive school safety plans; and reforming the overall program to require competitive funding at both the state and federal level. In addition, it is likely to include the following new proposals: increased funding for more mental health counselors; allowing schools to use federal funds to teach gun violence education and safety; and strengthening the current zero-tolerance policy -- which mandates expulsion, but nothing else -- to require schools to report students who bring a gun to school to law enforcement, and to provide mandatory counseling before returning them to the classroom. If we can find the funds, we will also recommend that you expand funds for character education programs and alternative placements for disruptive youth.

2. Crime -- Gun Legislation: On Tuesday, you are scheduled to announce the details of comprehensive youth gun crime legislation. As you know, the bill will make permanent the Brady waiting period, close the gun show loophole, ban violent juveniles from owning guns for life, require that gun dealers provide child safety locks with every gun sold, and hold adults criminally responsible for allowing kids easy access to firearms. In addition, we are considering the following new proposals: requiring Brady background checks for the purchase of all explosives; requiring gun dealers to keep records of used gun sales, so that these weapons can also be traced; increasing the number of cities engaged in comprehensive gun tracing from 37 to 75; banning the importation of large capacity clips manufactured before passage of the assault weapons ban; and generally banning the juvenile possession of all long guns, with certain exceptions.

(Like a lot of them, but we need to discuss. Have DS draft form.)

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3. Education -- Ed-Flex: On Wednesday, Congress passed the Ed-Flex bill by a vote of 368-57 in the House and 98-1 in the Senate. In addition to strengthening the accountability provisions and dropping the Senate IDEA/class size amendment, conferees agreed to include a rural fix that we and Senate Democrats had sought for the class size program, to provide more flexibility for communities that don't qualify for enough money to hire a full teacher. You are tentatively scheduled to sign the Ed-Flex bill on Thursday, April 29.

4. Education -- Social Promotion: We made considerable progress this week in our negotiations with civil rights leaders on the social promotion provisions of ESEA, but some organizations are still pressing for more changes and we are not yet confident that we can nail down the community's support. The compromise includes language suggested by the Leadership Conference to highlight and describe in more detail the need for early identification, intervention, and other efforts designed to minimize the number of students retained in grade, but it maintains our bottom-line requirement that students meet challenging standards at three key transition points in order to move up and graduate. Senator Kennedy will likely support our compromise, even if the civil rights community ultimately does not. You are currently scheduled to introduce ESEA the first week of May.

5. Education -- Teacher Pay and Teacher Quality: At your request, we have asked NEA and AFT to prepare an analysis of what states are doing on teacher pay, and what they could do now that so many states have surpluses. Meanwhile, a panel of 52 governors, educators, and researchers -- including William Bennett and Governors Engler and Ridge -- have just issued an on-line manifesto that includes proposals to give school principals more authority to recruit and hire teachers who do not meet traditional licensure standards and to fire teachers whose students perform poorly on assessments. This manifesto is highly critical of federal and state approaches to teacher quality that focus on improving teaching colleges and toughening licensure standards.

6. Health Care -- New CBO Cost Estimate on Patients Bill of Rights: On Friday, CBO is scheduled to release its latest estimates on the cost impact of the Daschle-Kennedy-Dingell Patients Bill of Rights, as well as the Republican legislation that passed out of the Labor Committee on a party line vote three weeks ago. CBO previously estimated that the Democratic proposal would raise premiums by approximately 4 percent increase in 10 years about $7 a month overall and only $2 a month for the employee. Recently, CBO had indicated that it would increase its projection to 6 percent, largely because of the new estimates surrounding the bill's medical necessity and liability provisions. Democratic leadership staff met with CBO Director Crippen, who agreed to lower the new estimate to below 5 percent if certain relatively non-substantive modifications to the legislation were made. Nonetheless, Senate Republicans will use any increase as evidence that these protections are too expensive and would lead to an increase in the number of uninsured. We are coordinating with the Democrats to portray the new CBO numbers as further proof that these protections are affordable.

7. Health Care -- Medicare Update: On Tuesday, Senators Kennedy and Rockefeller and Congressmen Dingell, Stark, and Waxman held a press conference to announce the general outlines of the Medicare prescription drug coverage act of 1999. Because of concerns that their original benefit design was too modest, they modified and significantly expanded their benefit to provide for a $200 deductible with a 80% coverage up to $1500 of incurred drug costs. If beneficiaries exceed $3000 of incurred drug costs, the new benefit will provide 100% coverage of any costs over that amount. Lastly, their proposal provides for Medicaid wrap-around coverage for those beneficiaries at or below 135% FPL (somewhat similar to the Breaux-Thomas Medicaid provision). Clearly, this legislation will be significantly more expensive than anything we are currently contemplating, as might be expected since Senator Kennedy is not restricted by having to lay out specific offsets.

8. Tobacco -- Recoupment: We are working with public health groups and others to try to draw attention to the failure of many states to devote tobacco settlement dollars to preventing youth smoking. Public health advocates are preparing a report on state action to date, which they may release as soon as next week. On Tuesday, ABC reported some of the worst examples: Rhode Island has a proposal to use the tobacco money to cut the car tax; New York, to retire state debt; Michigan, to provide college scholarships; Oklahoma, to fund teacher retirement; Louisiana, to improve sewer systems; and Los Angeles, to upgrade sidewalks. In the meantime, the Florida legislature is planning to cut the state's much praised program -- which helped cut smoking among middle school students by 19 percent last year -- so deeply that Governor Bush has come to its defense. In the meantime, we are urging appropriators to drop the Senate supplemental provision letting states keep all settlement funds without funding anti-smoking programs, and meeting with the NGA and other state proponents (including Senator Graham) to see if they would support an acceptable compromise.

9. Welfare -- Teen Pregnancy Prevention Events: On April 29, the Vice President will release encouraging new data showing that teen birth rates continue to decline in every state, and that the national rate has declined for the 6th year in a row, by a total of 16 percent since 1991. On April 28, the First Lady and Secretary Shalala will host a White House reception to honor individuals and groups selected by the National Campaign to Prevent Teen Pregnancy. In addition, the Campaign will release several publications highlighting the important role that peer influence plays in teen pregnancy, including recent research findings and practical advice from teens to their parents and to other teens.

10. Immigration -- Public Charge Issue. In the next few weeks, the Department of Justice (DOJ) will promulgate a proposed regulation to define "public charge" -- for purposes of exclusion, adjustment of status and deportation -- as an immigrant who is likely to become primarily dependent on government for subsistence, as demonstrated by either the receipt of: (1) public cash assistance for income maintenance or (2) institutionalization for long-term care at government expense. In addition, the proposed regulation will clarify that immigrants

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who receive Medicaid, Children Health Insurance Program (CHIP), and a variety of other benefits will not be considered a public charge. Recent studies and anecdotal evidence indicate that legal immigrants and even U.S. citizen children who are eligible to receive federal public benefits such as Medicaid and CHIP have not applied for these benefits for fear that they will be penalized under immigration laws. California CHIP outreach efforts have been significantly undermined because of the public charge issue. This proposed regulation has been long-awaited and will be well received. We are looking for an opportunity for you or the Vice President to announce the proposed regulation, perhaps in California.

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DPC Weekly Report (April 30, 1999)

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THE WHITE HOUSE

WASHINGTON

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5-4-99

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April 30, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Bicameral Meeting of Democrats on Medicare Reform: Congressman Gephardt and Senator Daschle hosted a meeting on Wednesday between House Democrats (e.g., Dingell, Rangel, Stark, Waxman, Pomeroy) and moderate Senate Democrats (e.g., Breaux, Conrad, Graham, Lieberman) to discuss Medicare reform. The Senate Democrats insisted on the need for a viable reform proposal; the House Democrats objected on both political and policy grounds to most of the Senators' ideas. Although the meeting was somewhat confrontational in nature, it concluded with an agreement to work with each other and the Administration to evaluate a number of competitive models and determine whether any consensus is possible. We are encouraged by this development, but will have to find a way to ensure that participating in these discussions does not limit your own options and/or risk problematic leaks.

2. Health Care -- Report on Importance of Medicare to Women: The Vice President will join the Older Women's League (OWL) on Monday to release a new report showing that women disproportionately depend on the Medicare program. The report will show that three-fifths of the Medicare population at age 65 -- and two-thirds of the Medicare population at age 85 -- are women. The report also will document how much money older women spend on health care (27 percent of their income by age 85), how many chronic illnesses they face (three of four have two or more chronic conditions), and how much they rely on prescription drugs (eight of ten take prescription medications regularly, with most of the costs paid out-of-pocket). At the event, OWL will indicate its support for the approach the Administration is taking to address the challenges facing the Medicare program. In particular, the group will endorse your proposal to dedicate part of the surplus to Medicare, your commitment to provide prescription drug coverage, and your opposition to increasing the eligibility age in the absence of a policy to prevent this change from leading to a larger uninsured population.

3. Health Care -- Asthma Initiatives: The First Lady will visit Draper Elementary School in Washington, D.C. on Tuesday to announce a new legislative proposal to fight childhood asthma and to help launch a new asthma screening program run by the American College of Allergy, Asthma, and Immunology. The nationwide screening program will identify children with asthma and educate their parents about appropriate treatment. The

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legislation will authorize a new $68 million initiative to: (1) invest in research to determine the causes of asthma and to develop ways of reducing children's exposure to asthma triggers; (2) assist states and providers to implement effective disease management strategies -- including school-based programs that teach children how to manage their asthma -- to reduce asthma-related hospitalizations, emergency room visits, and deaths; and (3) conduct a new public information campaign to reduce children's exposure to asthma triggers.

4. Health Care -- CHIP Program: The Senate Finance Committee held a very positive hearing on Thursday to discuss the progress that HCFA has made in implementing the Children's Health Insurance Program (CHIP). Senator Roth opened the hearing by saying that the members were there to "focus on a success story." In her testimony, Nancy Ann Min DeParle noted that CHIP enrolled almost 1 million children in its first year and is on target to enroll 2.5 million children by the year 2000 -- a large step toward our goal of covering an additional 5 million children through both Medicaid and CHIP. She also said that the new toll-free number for children's health outreach (1-877-KIDS NOW), which you and the First Lady launched in February, already has received over 40,000 calls from parents interested in learning about free or low-cost health insurance options for their children. Witnesses from the Center for Budget and Policy Priorities and state Medicaid departments also praised the Administration for its implementation of the program and its record of initiating and supporting outreach efforts

5. Drugs -- Arrestee Drug Use: The Department of Justice's National Institute of Justice released on Thursday a report on drug use among arrestees in 1998. The study found that marijuana was the most commonly found drug in tests of male arrestees, with use particularly high among young male arrestees (aged 15 to 20): more than half of such youths tested positive for marijuana. Cocaine remained the most commonly found drug among female arrestees; although cocaine use declined slightly among male arrestees nationwide, in more than half of the sites surveyed for the study, more than one-third of adult male arrestees still tested positive for cocaine. High rates of methamphetamine use remained largely confined to Western cities, with over 20 percent of both male and female arrestees testing positive for this drug in San Diego, Las Vegas, Spokane, Sacramento, and Salt Lake City. Finally, opiate use remained stable nationwide, with nearly 70 percent of confirmed heroin users also testing positive for cocaine. While opiate use remained very low among juvenile arrestees nationwide, heroin use among these youth increased significantly in New Orleans, Philadelphia, and St. Louis.

6. Tobacco -- FDA Rule: As you know, the U.S. Supreme Court agreed last week to review the decision of the U.S. Court of Appeals for the Fourth Circuit striking down the FDA's tobacco rule. The Court is expected to hear arguments this fall and decide the case sometime prior to the summer of 2000. Options available to the Court include (1) agreeing with the Fourth Circuit that the FDA has no statutory authority to regulate tobacco products or advertising; (2) agreeing with the district court that the FDA has statutory authority to regulate tobacco products, but not the advertising for those products; or (3) holding that the

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FDA has statutory authority both to regulate tobacco products and tobacco advertising. If the Court finds that the FDA has statutory authority to regulate tobacco advertising, litigation will continue in the lower courts regarding whether the advertising restrictions imposed by the FDA are consistent with the First Amendment. (No court has yet ruled on this issue, and the Supreme Court is very unlikely to address it.) While the Supreme Court considers the case, the only part of the rule that will be in effect is the requirement that retailers check photo identification of any tobacco purchaser who appears to be under the age of 27. Interestingly, however, we may begin to see some voluntary decisions to refuse tobacco advertisements: the New York Times last week became the first major newspaper to announce that it would no longer run such advertisements.

7. Tobacco -- Recoupment Issue: The Campaign for Tobacco Free Kids and the American Heart Association issued a report on Thursday highlighting how few states are investing tobacco settlement funds in programs to prevent youth smoking. The report found that only nine states -- California, Florida, Maryland, Massachusetts, Montana, Oregon, Virginia, Washington -- are currently using funds for this purpose. Although other states could choose to join these nine in the future, the report found that at least 25 states are not now considering any proposal to use settlement funds to reduce youth smoking. We issued a statement expressing disappointment that so few states are devoting settlement funds to youth tobacco prevention programs, and reiterating our refusal to waive federal claims to the funds without a commitment from the states to support such programs.

8. Education - Class-Size Study: Secretary Riley joined Senator Patty Murray and various education leaders on Thursday to announce the most recent findings of Project STAR -- the Tennessee study that has tracked the performance through high school and beyond of a group of students taught in small classes (with 15 to 18 students) in grades K-3. The study's findings show that these students had higher grade-point averages in high school, better graduation rates from high school, and a higher probability of attending college.

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May 7, 1999 - DPC Weekly Report

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May 7, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

You should say something positive about this

1. Education -- Achieve Math Test: Achieve, Inc. -- a nonprofit group focused on education reform -- announced Monday that it will create a new challenging 8th grade math test to improve the performance of U.S. middle school students in mathematics. Ten states -- Illinois, Indiana, Maryland, Massachusetts, Michigan, New Hampshire, North Carolina, Vermont, Washington, and Wisconsin -- already have agreed to give the test, and more states are expected to sign up in the future. The result, of course, will be exactly what you proposed (and Congress rejected): a voluntary national test in eighth grade math that will measure student performance against world-class standards. Achieve also intends to train teachers and provide lesson materials in participating states to prepare students for the test.

2. Education -- Charter Schools: The Department of Education released on Friday its annual charter school report, which showed continued growth of the charter school movement. (We released an accompanying statement from you praising this progress.) The report found that the number of charter schools grew by more than 50 percent in 1998 -- to about 1,100 schools in 34 states and the District of Columbia, serving a total of about 160,000 students. The report also found that charter schools tend to serve a diverse group of students and that they often have many more applicants than they can accommodate. According to the report, the primary obstacle to charter school formation remains lack of start-up funding. This finding underscores the importance of your proposed 30 percent increase in funding for this purpose in the FY 2000 budget. It also highlights the need for a new rule, proposed last week, to ensure that new charter schools receive the federal funding for which they are eligible within five months of opening. This regulation implements provisions of the Charter School Expansion Act, which you signed last year.

3. Health Care -- Families USA Report on Medicaid Enrollment: Families USA will release a study on Thursday stating that welfare reform is primarily responsible for the recent decline in Medicaid enrollment. The study asserts that 675,000 low-income people became uninsured as a result of welfare reform, that the majority of these people were children under 19, and that the number of uninsured people is likely to increase further as welfare reform is fully implemented. Although HHS has not seen the full study, experts in the department believe that the methodology used is problematic. They think that the study ascribes to welfare reform increases in the uninsured population actually attributable to (1) the decline of small firms that

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offer any health insurance coverage, (2) the decrease in contributions by employers to health insurance costs (which makes health insurance less affordable), and (3) the decline in the number of people with sufficiently little income to qualify for Medicaid. Although HHS will make these points in response to the study, we expect a spate of negative press stories. We will reiterate your longstanding and strong commitment to health coverage for this population (including your insistence on maintaining the Medicaid entitlement during the debate on welfare reform), and emphasize that your proposals have given states vastly increased options to cover working families under Medicaid as well as to insure children under the new CHIP program.

4. Crime -- Federal Gun Prosecutions: You recently asked about the NRA's claim that the number of federal firearms prosecutions has decreased in this Administration. It is true that the Bush Administration brought a higher total number of gun cases in federal court. For the most part, however, these prosecutions involved minor offenses. The number of federal prosecutions of serious gun offenders (persons serving sentences of over 5 years) is up by nearly 30 percent in this Administration. In addition, better federal coordination with state and local law enforcement has contributed to a 25 percent increase in the number of criminals sent to prison for state and federal weapons offenses since you became President.

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THE WHITE HOUSE

WASHINGTON

May 21, 1999

THE PRESIDENT HAS SEEN
5-24-99

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Education – Coverdell/Torrecelli Bill: The Senate Finance Committee approved legislation that would allow parents to save up to $2,000 a year in Education IRAs, and withdraw the money tax-free for costs of elementary and secondary education including private school tuition, fees, books and computers. The Education IRAs currently are capped at $500 annually and are available only for higher education expenses. This bill, sponsored by Senators Coverdell and Torrecelli, is almost identical to the one you vetoed last year. Secretaries Rubin and Riley sent a joint letter to the Hill opposing the bill and saying that if it passed, they would recommend that you veto it again. Their letter explained that this proposal would provide little benefit to lower- and middle-income families, and that the money would be better spent on much-needed school construction. Senator Conrad attempted to substitute your school construction proposal for this expansion of Education IRAs, but the Finance Committee defeated the amendment and then approved the bill with three Democrats voting for it.

2. Health Care -- Privacy Legislation: Senator Jeffords' Labor Committee is scheduled to begin marking up medical records privacy legislation on Tuesday. The Committee's efforts are largely a result of your pledge in the State of the Union to implement privacy protections by regulation (in accordance with the Kennedy-Kassebaum law) if Congress fails to pass privacy legislation by August of this year. Numerous difficult issues -- including federal preemption of state law, law enforcement access to records, and research community access to records -- could stand in the way of Congress enacting legislation by your deadline. The best way to push legislation forward is probably to include a strong preemption provision in the bill; the insurance industry and business community would stop fighting even a strong federal privacy bill if it relieved them of the obligation to comply with a host of differing state privacy protections. We will be able to review the Chairman's mark on Monday; if it is sufficiently strong, we may ask Secretary Shalala to release a supportive letter to encourage continued progress.

3. Health Care -- Africa Report: *USA Today* will publish a major story on the AIDS crisis in Africa this week. The story will note that in sub-Saharan Africa, 10 million people have died from the disease (83 percent of all AIDS deaths to date), and more than 11,000 new people become HIV+ every day . The article will document Sandy Thurman's

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recent trip to Africa and indicate that you will soon receive a detailed report from her documenting the problem and providing policy recommendations. We are currently considering unveiling this report in conjunction with the dedication of a new NIH building, named for Senator Dale Bumpers, that will house research to develop an AIDS vaccine.

4. Health Care -- Patients' Bill of Rights: Congressman Gephardt is planning to ask Marion Berry to introduce a resolution next week to begin the process for a discharge petition for the Patients' Bill of Rights. Gephardt believes that this action will highlight the Republican leadership's attempt to bury this issue, and he has asked us to issue a statement supporting the resolution. We are considering suggesting to Gephardt that he wait until after the Memorial Day recess to introduce the resolution. No Republicans will support a resolution introduced this week, whereas a few might consider breaking party ranks if the Leadership has not made a commitment on patients' rights legislation by the end of the recess.

agree

5. Health Care -- Ornish Demonstration: We informed Dean Ornish that the Health Care Financing Administration will set up a Medicare demonstration for his nutrition/lifestyle program, pending final (and expected) OMB approval. The demonstration will include only beneficiaries who have heart disease, which will allow the best measurement of the program's cost effectiveness. The only remaining issue concerns the reimbursement rate for the program. HHS and OMB probably will want to review all private market contracts to determine an appropriate rate. Nancy Ann Min DeParle believes, however, that this task can be done in short order and that the demonstration should be up and running by the end of the summer.

Good - the Dean Ornish demonstration

6. Health Care -- Market-Oriented Medicare Demonstration Projects: HCFA is facing massive resistance from insurers and providers as it attempts to use the demonstration authority it received in 1997 to institute competitive bidding practices for managed care, durable medical equipment, and other specified health care services. We set up demonstrations in Florida, Arizona, and Kansas, but the same industry representatives and members of Congress who generally criticize Medicare's inefficiencies have attempted to block each of these programs. (In a couple of cases, the providers have taken HCFA to court to stop the reforms.) Health policy analysts generally have validated our efforts. The Wall Street Journal recently quoted Ira Loss, a leading equities researcher, as saying that Medicare providers are "interested in the free market only if it means that the government is getting away from bothering them. But when it comes to the government actually forcing them to compete for business, they are unhappy about it." This development makes clear the difficulty we will have in enacting the nationwide competitive purchasing mechanisms that are likely to be in our Medicare reform proposal.

7. Tobacco -- International Tobacco Control Efforts: Secretary Shalala

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pledged last week, at a meeting of the World Health Assembly in Geneva, that the U.S. would support the World Health Organization's plans to hold a framework convention on tobacco control. This convention will establish a multilateral framework to reduce tobacco use worldwide. The framework is expected to take several years to develop and ratify and may be followed by negotiated protocols which would address specific obligations. The State Department has authorized HHS to lead the negotiating team for the framework convention, which will include representatives from the State Department and other interested agencies. We will conduct an interagency process to coordinate these efforts.

8. Welfare – Transportation Grants: The Vice President released last week the first round of grants funded under your Access to Jobs initiative, which was enacted as part of last year's transportation bill. A total of $71 million will go to 179 urban, suburban, and rural communities in 42 states to help welfare recipients and other low-income workers get to where the jobs are. The Indianapolis Public Transit agency received a $500,000 grant on behalf of a consortium of transportation providers including the organization that employed Elaine Kinslow, the welfare-to-work success story you praised in last year's State of the Union.

9. Welfare – Linking Welfare-to-Work and Census 2000: Also last week, the Department of Labor announced the availability of $20 million in Welfare-to-Work funds for a competitive project to employ welfare recipients as Census 2000 enumerators and to connect these individuals with permanent jobs once the census work ends. This collaborative effort between Labor and Commerce builds on the Census Bureau's success in hiring over 4,700 welfare recipients. The new initiative will provide approximately 10,000 welfare recipients with well-paying, flexible temporary employment near their homes, while helping to improve the census count in low-income neighborhoods. We plan to explore announcement opportunities when a grantee is selected this summer.

Good

9. Immigration – NACARA Regulations and Public Charge Guidance: The Department of Justice issued a proposed rule Thursday establishing a "presumption of extreme hardship" for the up to 500,000 immigrants from El Salvador and Guatemala granted some relief by NACARA. This rule substantially diminishes the inequities created by NACARA and elicited high praise from the immigrant community. One advocate was quoted on the front page of the Los Angeles Times as saying that the rule is "a landmark in the struggle for Central American immigrants in this country" and a "tremendous victory that will make the process more fair and humane." Predictably, however, Congressman Lamar Smith attacked the regulation and made clear he would try to overturn it in Congress. Following on the heels of the NACARA regulation, the Vice President will announce this week in Texas new guidance on the "public charge" issue, which will make clear that immigrants who receive Medicaid, CHIP, and a variety of other services will not incur any immigration penalties.

Good

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10. Crime -- Gun Control Strategy: We will give you a separate memo early this week outlining an aggressive strategy for administration officials and Democratic Members of Congress to press for quick passage of our gun control proposals. The meeting you held yesterday with House Members produced a terrific front-page (second lead) article in today's New York Times, headlined "House Democrats Press Early Vote on Firearms Bill" and perfectly conveying our intended message.

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May 28, 1999

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Reed
Kagan
Podesta

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Health Care -- Patients Bill of Rights Discharge Petition: Congressman Dingell filed a resolution Thursday to begin the process for a discharge petition to bring patients' rights legislation to the House floor. Although Congressmen Norwood and Ganske did not cosponsor the resolution, they were happy with Dingell's decision to file it because they think it may put pressure on the Republican leadership to move a bill through committee. Also at the end of last week, Senators Lott and Daschle began negotiations on a time agreement to bring patients' rights legislation to the floor of the Senate.

2. Health Care -- Jeffords-Kennedy Legislation: The Senate leadership agreed Thursday to schedule a floor vote on the Jeffords-Kennedy Work Incentives Improvement Act immediately after the recess. We believe you should highlight the importance of the bill and its progress through the Congress when you deliver the President's Award of the Committee on Employment of People With Disabilities at an event on Friday.

3. Disabilities -- Employment of People with Disabilities in the Federal Workforce: We have worked with the Vice President's office to prepare two executive actions to help increase the employment of people with disabilities in the federal workforce. The first is a directive from OMB to all federal agencies to implement an employment plan for people with disabilities . This directive will ensure that agencies (1) recruit people with disabilities for positions at all levels; (2) establish policies to provide reasonable accommodations for applicants and employees with disabilities; (3) provide people with disabilities with opportunities for training and advancement; and (4) collect data on the percentage of adults with disabilities in the federal workforce. The second action is an executive order, to be followed by regulations, to change the civil service rules to eliminate existing disparities between people with psychiatric disabilities and people with other disabilities. We are discussing making these announcements at next week's disabilities award event (see above) or at the upcoming White House mental health conference.

4. Welfare Reform -- GAO Study on Welfare Outcomes: The Ways and Means Human Resources Subcommittee held a hearing Thursday to publicize a GAO study on the results of welfare reform legislation. The study concluded that welfare reform has dramatically increased the number of people moving from welfare to work. Summarizing

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seven state studies of welfare recipients who have left the rolls (most of which we have reported to you previously), the GAO determined that between 61 percent (Tennessee) and 71 percent (Washington) of former recipients were working at the time of follow-up and between 63 percent (Maryland) and 85 percent (Indiana, South Carolina, Washington, and Wisconsin) had worked at some point since leaving welfare. Clay Shaw summarized the findings by saying that welfare reform was "the most successful piece of legislation in this half century." Some other participants at the hearing expressed greater caution, noting in particular that many of the jobs for welfare recipients paid low wages and offered little opportunity for advancement. We will provide you soon with a comprehensive review of the GAO report as well as the other information presented by the panelists.

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DPC Weekly Report (June 4, 1999)

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THE WHITE HOUSE

WASHINGTON

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June 4, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Crime/Guns -- House Republican Bill: Congressmen Hyde and McCollum are still working on the juvenile justice bill to be marked up in the House Judiciary Committee this week. McCollum's existing bill, which has bipartisan support and is likely to form the basis of the new bill, is very different from the one passed in the House two years ago. Most significantly, it preserves the "core mandates" intended to protect juveniles in state custody, and conditions juvenile justice funds only on states' adoption of graduated sanctions schemes for juvenile offenders (as the just-passed Senate bill and our proposal do), rather than on the adoption of laws subjecting juveniles to prosecution as adults (as the old House bill did). We are hopeful that these aspects of the McCollum bill will remain unchanged, but conservatives no doubt will try to reinsert some of the old House bill's provisions. The $500 million program that the current McCollum bill sets up is essentially a block grant that states can use for a wide variety of purposes, including graduated sanctions programs, juvenile drug and gun courts, and new prosecutors, probation officers, and juvenile judges. We are working with Congressman Conyers on a strategy to beat back objectionable Republican amendments; we also may try, as we did successfully in the Senate, to establish a set-aside of some of the funds authorized in the legislation for prevention activities.

Hyde and McCollum are now adding gun provisions to this bill, but the exact content and scope of these provisions remain uncertain. It is possible that Hyde and McCollum will add the measures recently passed in the Senate (background ~~checks at gun~~ shows, juvenile Brady, child safety locks, and a juvenile ban on assault weapons) *plus* additional provisions to raise the age for ~~handgun purchases~~ (but not for handgun possession, as in our proposal) from 18 to 21; similarly raise the age for long gun purchases; require background checks for explosives purchases; prohibit the dissemination of ~~bombmaking instructions on the~~ Internet; increase penalties for gun traffickers and individuals who transfer guns to juveniles; and require mandatory sentences for juveniles who use guns to hurt others on school property. Hyde and McCollum may try, however, to water down the measures passed in the Senate -- particularly the gun show provision -- and to keep other provisions to a minimum in order to ensure broad Republican support. They also plan to include a contentious IDEA provision, passed in the Senate over the vigorous objection of Senator Harkin, to allow school officials to discipline disabled

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children in the same manner as they can discipline other students for bringing guns to schools. We are working with Congressman Gephardt's office to maximize Democratic support for a set of strong gun provisions.

2. Crime -- Gun Free-Schools Report: The Education Department is planning to release within a few weeks the Gun-Free Schools Act report for the 1997-98 school year. The report will show that about 3,000 students were expelled for bringing a gun to school during the year -- only half the number expelled in the previous year. The Department believes that some school districts, particularly in California, are underenforcing the Act, and is putting together a plan to work with states and school districts on enforcement issues.

3. Crime -- Study on Citizen Perceptions of Police: The Department of Justice's Bureau of Justice Statistics released on Thursday the results of a survey on police protection conducted in 12 cities: Chicago, Kansas City, Knoxville, Los Angeles, Madison, New York, San Diego, Savannah, Spokane, Springfield, Tucson, and Washington, DC. The study found widespread support for local police: 85 percent of the residents surveyed said that they were satisfied with the police who served their neighborhoods, and only three percent reported that they were very dissatisfied. Although white residents were more likely than black residents to be satisfied with local police, both reported high levels of satisfaction: 90 percent for white residents, and 76 percent for black residents. In each of the 12 cities, residents who had been victims of violent crime and those who were fearful of crime in their neighborhoods reported less satisfaction with the police. About 30 percent of the residents of each city had some contact with the police within the past 12 months. In addition, a large percentage of respondents were familiar with community policing, with 54 percent reporting that police officers practiced community policing in their neighborhoods and 60 percent indicating that police had worked with neighborhood residents within the last year on crime prevention and safety issues.

4. Education -- D.C. College Access Act: The House recently passed the D.C. College Access Act to provide greater higher education opportunities to D.C. residents, but at a cost greatly in excess of the Administration's similar proposal. Under the House-passed bill, the federal government would pay the difference between in-state and out-of-state tuition for any qualified D.C. undergraduate attending a public college or university in any of the 50 states. The bill also would provide grants of up to $3,000 annually to D.C. residents who choose to attend a private college or university in D.C., Maryland, or Virginia. Initial projections indicate that this bill would cost two or three times as much as the $17 million proposal included in your FY 2000 Budget. The Administration's proposal, now incorporated in legislation introduced by Senator Jeffords, would limit subsidies to D.C. residents with family incomes of less than $50,000 who attend college or university in D.C., Maryland, or Virginia; the subsidy would be the difference between in-state and out-of-state tuition for students attending

public colleges and universities and up to $2,000 annually for students attending private institutions. Secretary Riley sent a letter to the Senate noting the Administration's support for the intent of the House-passed bill, but expressing reservations about the design of the subsidy and urging adoption of Senator Jeffords' alternative proposal.

5. **Tobacco -- Treasury Ruling on Smoking Cessation:** The Treasury Department is ready to issue a tax ruling that the cost of smoking cessation products prescribed by physicians is a medical expense for purposes of income tax treatment. (Current tax law allows taxpayers to deduct medical expenses, including drugs prescribed by physicians, to the extent they exceed 7.5 percent of income). The ruling uses new evidence on the addictiveness and harmfulness of smoking to reverse an opinion issued in 1979 prohibiting taxpayers from deducting the cost of these products.

6. **Health Care -- Arkansas' 1915(b) Waiver Proposal:** You recently asked about Arkansas' 1915(b) waiver proposal to use a managed care delivery system to provide intensive case management services to children with special mental health needs. As you know, Arkansas believes that this demonstration will ensure that these children receive inpatient, outpatient, and rehabilitation services in a coordinated and cost-effective fashion. HCFA has now concluded that the Arkansas proposal meets the necessary standards for managed care demonstrations (including requirements that enrollees have a choice of providers, access to specialists, and an effective complaint and appeals process) and expects to approve the waiver by the middle of this month.

7. **Health Care -- Dissemination of Contaminated Polio Vaccine:** You recently asked for an evaluation of Walter Kyle's contention that the distribution of contaminated polio vaccine by the FDA between 1955 and 1963 and again in 1977 is responsible for the spread of a variety of viruses that cause cancer and immune depressive diseases, such as HIV. Mr. Kyle is correct that the FDA released several batches of polio vaccine between 1955 and 1963 that were contaminated with a simian virus called SV40. Researchers at the FDA and NIH have concluded, however, that exposure to these vaccines is not associated with a significantly increased rate of cancer or other disease. The FDA also has concluded, after testing numerous lots of polio vaccine from 1977 and surrounding years, that no additional distribution of contaminated vaccine took place in these years. The vast majority of the scientific community stands behind FDA's findings on this issue. Given these findings, medical ethicists at the Centers for Disease Control do not believe there is any need to discuss the chance that polio vaccine is contaminated by simian viruses before obtaining parents' consent to vaccination.

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THE DPC WEEKLY REPORT

WILL BE FORWARDED (Attached)

THE PRESIDENT HAS SEEN
6-15-99

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THE WHITE HOUSE

WASHINGTON

June 14, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

'99 JUN 14 PM12:27

SUBJECT: DPC Weekly Report

1. Guns -- Crime Gun Report on Youths Age 18-20: At a Monday event with the U.S. Conference of Mayors, the Vice President will release a report by the Treasury and Justice Departments on gun crime by 18-20 year olds. The report shows that this age group leads all others in using guns to commit both homicides and non-lethal crimes, such as assault, rape, and robbery. The homicide findings are particularly striking. In 1997, 18 year olds ranked first, 19 year olds ranked second, and 20 year olds ranked third among all age cohorts in committing gun homicides; together, youths in this age group committed a full 24 percent of all gun homicides. The report also finds that crime guns recovered and traced by law enforcement officials were more likely to have been possessed by 19 year olds than by any other age cohort. Most of the crime guns recovered from these youth were handguns, with an especially large number of semiautomatic pistols. The report concludes from these findings that the high rate of crime in the 18-20 age group is linked to excessively easy access to firearms.

2. Guns -- Brady Report: You will release early this week a Bureau of Justice Statistics (BJS) report showing that Brady has stopped over 400,000 prohibited users from buying guns. The report shows that between March 1994 and November 1998, Brady background checks stopped 312,000 prohibited purchasers -- including 207,000 individuals with felony convictions or indictments -- from buying handguns. The report also shows that since November 1998, when the National Instant Criminal Background Check System (NICS) went into effect, the FBI has blocked another 45,400 gun sales (both long guns and handguns) and states probably have blocked at least the same number (though the state number is an estimate based on the total number of checks they have done). We hope that release of this report, especially in combination with the youth crime gun report discussed above, will give a boost to our gun proposals when they come to the House floor later this week.

3. Crime -- COPS: The Senate Appropriations Committee last week reported out a Commerce Justice State bill that would zero out the COPS program (though the bill would fund, through a different office, the part of our new COPS proposal that focuses on law enforcement technology). Administration officials called attention to the elimination of the COPS program at the meeting of the U.S. Conference of Mayors last weekend. As you

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know, the Mayors are strong proponents of the program.

4. Welfare – Two Parent Participation: As you may recall, we announced in December that all 39 states needing to report work participation rates for FY 1997 met the 25 percent work rate required for all families, but that about half these states missed the 75 percent rate required for two-parent families. HHS now has sent letters to the non-complying states notifying them of the amount of penalty incurred and advising them that they may either accept the penalty or submit a corrective action plan showing how they will achieve the work rate target by a future date. For every state except California, the penalties, if imposed, will be very small (ranging from $224 in Alabama to $223,000 in Washington) because the amount of the penalty is adjusted for the share of the state's caseload consisting of two-parent families and for the amount by which the state missed the participation rate target. The penalty for California could be $4.5 million -- a large amount, but still less than one percent of the state's 1997 TANF grant -- because the state has a high proportion of two-parent cases and missed the target by a large amount. While we expect a few states to accept minimal penalties, most probably will submit corrective action plans. We expect to have participation rates for FY 1998 later this summer.

5. Welfare – Civil Rights Guidance: We and the counsel's office are currently reviewing the final version of civil rights guidance to be sent to state welfare agencies and other interested parties. This guidance -- intended for use by welfare caseworkers and other staff -- explains the civil rights laws that apply to federally funded programs and to the workplace, using clear language and numerous practical examples. As you know, civil rights laws apply to TANF programs as they do to any other federally assisted programs, and they apply to employees on TANF just as they do to any other employees. This guidance, prepared by HHS with assistance from the Departments of Justice, Labor, Education, and Agriculture, will be distributed shortly.

6. Education – Troops to Teachers: The defense authorization bill passed by the Senate includes a provision to continue the Troops to Teachers program, but the provision differs from your ESEA proposal in a few important ways. Most important, the defense bill does not include your proposal to extend the Troops to Teachers model to other mid-career professionals interested in teaching high-need subjects in high-poverty schools. We are currently working with OMB to draft a SAP for conferees noting how we would change the provision. In addition, Congressmen Roemer and Davis plan to introduce our Troops to Teachers proposal this week as a freestanding bill.

7. Education -- Republican Teacher Empowerment Act/Class Size: House Republicans have introduced a teacher quality bill that in many ways resembles the teacher quality provisions in your ESEA proposal, but attempts to eliminate or undermine two of your signature programs. The Republican bill, like your proposal, focuses on supporting sustained, high-quality professional development and improving alternative routes to teacher certification. The bill, however, turns your class size initiative into little more than an

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THE PRESIDENT HAS SEEN
6-15-99

allowable use of funding by allowing districts to opt out of class size reduction activities for a wide variety of reasons (e.g., lack of facilities or qualified teachers). Equally problematic, the bill appears to preclude federal funding for the National Board for Teacher Certification. We currently expect committee mark-up of this bill before the end of the month. DPC and Department of Education staff will meet with congressional staff this week to try to work out differences on the bill. We will stress that we will oppose the bill unless it continues the class size program and authorizes funding for the National Board.

8. Education – Social Promotion in Los Angeles: Officials of the L.A. Unified School District unveiled a $71 million initiative on Monday to end social promotion and launch intervention programs for students having difficulty meeting education standards. The District will use the Stanford 9 test and teachers' assessments to determine whether students in grades 2,3,4,5, and 8 meet standards in reading, language arts, and math. The District will provide students in danger of failing with special summer school, after school, and weekend classes. The community has responded very positively to the program, with parents overwhelmingly in favor of the effort and 7,000 teachers applying to provide the special instruction.

9. Education – School Uniforms: You recently requested an update on the number of school districts adopting school uniform policies. The Department of Education has not collected new data on this practice since July 1998. At that time, the Department estimated that 3 percent of all public schools had mandatory school uniform policies -- including schools in New York City, Dade County (Miami), San Antonio, Houston, Chicago, Boston, and Albuquerque. We know that other school districts have adopted mandatory uniform policies since the Department's last report, and Massachusetts is now considering putting the policy into effect on a statewide basis. The Department of Education is currently updating our data; we should have a new report for you within three months.

10. Health Care -- Testimony on BBA's Provider Payment Provisions: The CBO, GAO, and Medicare Payment Advisory Commission testified before the Senate Finance Committee on Thursday about the effects of the Balanced Budget Act on health care providers. All three entities said there is little evidence that the BBA is causing significant access or quality problems, and all three counseled against any move to repeal or significantly modify the law. They attributed most of the decline in the Medicare baseline to success in curbing fraud and abuse, an excellent economy with low inflation, and some payment cycle issues that are short term in nature. The single provision of the BBA they all criticized is the physical therapy cap, which we also would like to eliminate. This testimony may take off some of the pressure to enact significant BBA giveback provisions, but given

THE PRESIDENT HAS SEEN
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the significant lobbying efforts of providers, we should not expect it to arrest the move toward changing BBA provisions on teaching and rural hospitals, nursing homes, and other matters. For this reason, we believe that our own Medicare reform proposal must signal some willingness to moderate any excessive burdens on providers' ability to ensure affordable quality care to Medicare beneficiaries.

11. Health Care -- Privacy Legislation: The Senate Labor Committee is scheduled to mark up health care privacy legislation on Tuesday. Two critical issues have not yet been resolved. First, both the standard of liability and the enforcement mechanism are in hot dispute. The Chairman's mark could allow suit only if a violation is willful and intentional (a very hard standard to meet), and could limit non-economic damages to $50,000 and eliminate punitive awards entirely. All Democrats on the Committee would view these provisions as unacceptably undermining privacy protections. Second, provisions in the bill for protecting minors' privacy have become a concern of both the pro-choice and the pro-life communities because of the potential for these provisions to affect teenagers' ability to get abortions without parental approval. Both sides claim they want to maintain the status quo, but both sides also say the current language does not achieve that end. Senator Jeffords is attempting to work out a compromise on this issue. If he succeeds, he will go forward with the mark-up despite the absence of consensus on the liability and enforcement issues; if he fails, he probably will postpone the mark-up.

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THE WHITE HOUSE
WASHINGTON

5-15-97

May 15, 1997

MR. PRESIDENT:

The attached memo concerns the issue of whether to allow the Secret Service Uniformed Division to unionize. Rahm, Bruce and Elena wanted you to see the memo tonight because you will see Gil Gallegos, President of the Fraternal Order of Police, tomorrow at the Peace Officers Memorial event -- Gallegos is very concerned about this issue.

As you know, this has been a sharply contested issue within the Administration. For example, Jack Quinn favored unionization; Bob Rubin is strongly against and would want to speak with you personally before you make a decision.

Rahm, Bruce and Elena set out the pro and con arguments and suggest a possible compromise, though Treasury opposes it. ***This is not a decision memo, however, and you should not decide the issue before you see Gallegos.*** Erskine has held a meeting on the issue and his office is in the process of following up so that you can be presented with a recommendation. Sylvia notes that for you to make a decision now would be ill-timed; Eljay Bowron is leaving this week and it would be better to have a new Secret Service Director in place before you make a decision.

Todd Stern
Phil Caplan PMC

which they ~~Rahm, Bruce & Elena~~ think ~~this compromise~~ is reasonable, though the Treasury opposes it.

MR P -

The attached ~~is~~ memo considers the issue of whether to allow the Secret Service Uniformed Division to unionize. Rahm, Bruce & Elena wanted you to ~~see this~~ the memo because you are meeting tomorrow with Gil Gallegos of the F- & P- & Gallegos is very concerned about this issue.

As you know, this ~~is a~~ has been strongly contested issue within the Admin. Jack Quinn ~~sent you a memo (not yet~~ for example, ~~to vote on~~ unionization; ~~Treasury~~ Rob Rubin ~~however~~ is strongly against.

~~The attached~~ Rahm, Bruce & Elena memo sets out the pro & con arguments & suggests a possible compromise. This is not a decision memo however & you need not decide the issue before you

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THE WHITE HOUSE

WASHINGTON

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THE WHITE HOUSE

WASHINGTON

'97 MAY 14 PM6:51

May 14, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: RAHM EMANUEL
BRUCE REED
ELENA KAGAN

SUBJECT: UNIONIZATION OF SECRET SERVICE UNIFORMED DIVISION

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

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

Background

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

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

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

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

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

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

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

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

Department of Treasury Arguments

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

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

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

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

Uniformed Division Employees' Arguments

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

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

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

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

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

Compromise Proposal

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

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

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

UNDER SECRETARY

FEB - 3 1997

MEMORANDUM FOR ROBERT E. RUBIN

FROM: **RAYMOND KELLY**
UNDER SECRETARY (FOR ENFORCEMENT)

SUBJECT: **Unionization of Secret Service Uniformed Division**

Attached is a memorandum responding to Counsel to the President Jack Quinn's proposal that the Uniformed Division of the United States Secret Service be allowed to unionize. Based on their critical national security mission, I believe that the Executive Order should not be amended. I am ready to discuss this matter at your earliest convenience.

ATTACHMENTS: Tab A- Incoming Memorandum from Jack Quinn
Tab B- Memorandum to the Secretary in reply

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

UNDER SECRETARY

FEB - 3 '97

MEMORANDUM FOR SECRETARY RUBIN

FROM: Raymond W. Kelly
Under Secretary (Enforcement)

SUBJECT: Unionization of U.S. Secret Service Uniformed Division

As you know, White House Counsel Jack Quinn wrote a memorandum to President Clinton recommending that the President amend Executive Order 12171, allowing the U.S. Secret Service's Uniformed Division to unionize. Based on my own experience as a law enforcement officer and the unique responsibilities of the Uniformed Division, I believe that the Executive Order should not be amended.

As you are aware, I served as a member of the New York City Police Department for thirty-one years, rising to the position of Commissioner. During my time with the New York City Police Department, I was a member of a total of four unions covering police officers and supervisors. In fact, for a brief period of time I was a delegate to one of the unions. Thus, I have had first hand experience in serving as a law enforcement officer while being a member of a union and I am very supportive of the concept of a unionized work force. However, I believe that the service that the Secret Service Uniformed Division provides is so unique and special that unionization would not be appropriate.

Section 7103 of title 5, United States Code, provides that the President of the United States may issue an order excluding an agency from coverage under chapter 71 of title 5, United States Code, concerning collective bargaining activities, if the President determines that "the agency. . . has as a primary function intelligence, counter-intelligence, investigative, or national security work, and . . . the provisions of [chapter 71] cannot be applied to the agency. . . in a manner consistent with national security requirements and considerations." In accordance with this section, President Jimmy Carter, on November 19, 1979, issued Executive Order No. 12171, which excluded a number of agencies, including the Uniformed Division, from collective bargaining activities.

Clearly, the safety and security of the President, Vice President and the other protectees that are enumerated by statute are a matter of national security. The men and women of the Secret Service Uniformed Division play a critical role in their protection and the protection of various diplomatic missions. The successful performance of this critical security mission demands the application of significant technical, tactical, covert, and counter-intelligence capabilities. The techniques, methods, and procedures utilized in protecting the White House are closely guarded. The protection of the White House requires total integration and constant communication with

Secret Service agents on the President and Vice President's detail. Labor negotiations concerning the Uniformed Division's working conditions could, in my opinion, lead to the inappropriate disclosure of sensitive information, such as the location of posts, training techniques, the existence of protective equipment, and staffing allocations throughout the White House Complex, the Vice President's residence and protected foreign missions.

I am advised that Mr. Quinn's memorandum includes a number of statements that may not be entirely accurate from a legal perspective. For example, it states that "[a]n agency can take certain actions involving transfers, assignments, and the like -- actions implicating so-called 'management rights' without engaging in collective bargaining" and suggests that these matters cannot be the subject of bargaining as a matter of law. However, under Federal labor relations law, agencies are required to bargain regarding many aspects of transfers and assignments, such as special details, rotations, and temporary assignments.

In addition, the protective responsibilities of the Secret Service regularly require the agency to adapt normal practices to changing conditions. An unannounced change in a protectee's schedule or the unexpected arrival of a foreign dignitary can result in the need to alter work schedules and other conditions of employment without prior notification. The immediate response of Uniformed Division personnel is essential. Indeed, the Uniformed Division must always be prepared to respond to exceptional circumstances. For example, after the plane crashed on the White House lawn and after the subsequent shooting incident where an individual armed with an assault rifle fired multiple rounds at the White House, Uniformed Division officers who had originally been assigned to foreign missions were immediately reassigned to the White House. For security reasons, assignments are subject to change at a moment's notice and officers who started their day in assignments that do not involve protection of the President could end their shifts in extremely sensitive positions. In addition, Uniformed Division officers travel with the President and Vice President, serving on Magnetometer, Canine, and Counter Sniper details. Those details are clearly crucial to national security. As stated earlier, Uniformed Division officers work very closely with the protective function that Secret Service agents perform. Having the Uniformed Division unionized, while the agents are not, would not be conducive to the unified working relationship that is required to carry out the vital mission that the Secret Service performs.

Some of its duties may give the Uniformed Division the appearance of a conventional police department. Simply because Uniformed Division officers look like conventional police, however, does not make them one and the same. The Uniformed Division is quite distinctive because of its national security role, its access to and protection of national leaders and diplomats, and its mission at and around the White House.

As Secretary of the Treasury, by statute you are responsible for the protection of the President. However, I know that you are also concerned about and responsible for the employees of the Treasury Department. The special responsibilities of the Uniformed Division may well require a reexamination of their compensation package and advancement opportunities.

I have asked the Secret Service to carefully reviewed the avenues of communication between the Uniformed Division officers and the Chief of the Uniformed Division and they have strengthened those avenues. In addition, it is important to note that although Mr. Quinn first recommends amending the Executive Order, he provides the alternative option of addressing employee concerns in some way short of unionization. Many Secret Service policies and initiatives fulfill this option.

In examining this issue, I believe that the Uniformed Division has a broad range of programs and policies in place to assist them. The following programs are currently available to members of the Uniformed Division: the Grievance Program; the Equal Employment Opportunity Program; the Ombudsman Program; the Employee Assistance Program; the Career Planning Program; the Uniformed Division Issues Group; the Director's Advisory Group; Diversity Meetings; and the Sexual Harassment Policy. Uniformed Division officers are also covered under the provisions of chapters 75 and 77 of title 5, which includes the right to appeal certain personnel actions to the Merit Systems Protection Board.

In addition, the following initiatives have been instituted for the Uniformed Division in order to ensure that work place issues are addressed in a timely manner:

- All newly appointed officers are trained regarding the avenues available to address concerns and problems.
- Captains are encouraged to attend roll calls on a regular basis to ensure that pressing issues raised by their section members are addressed through proper channels.
- The Chief meets with senior officials on his staff on a weekly basis to discuss operational- and personnel-related issues.
- Deputy Chiefs conduct interaction committee meetings on a quarterly basis. A cross-section of branch employees meet to discuss issues affecting the branch.
- The Chief meets with Advisory Groups as often as deemed necessary, but no less than on a quarterly basis. Groups representing both officers and officials are convened. On a rotating basis, a cross section of these members represent the various branches and diversity groups to discuss problems and issues.
- Every member of the Uniformed Division can forward memoranda to the Chief to address issues or concerns. A member of the Chief's staff responds to each inquiry received.

A number of new initiatives were also recently instituted. First, the Director and the Deputy Director of the Secret Service will begin meeting twice a year with rank and file members of the Uniformed Division. These meetings will complement the Chief's meetings and allow for

discussion of the issues, recommendations, and concerns expressed by the members of the Uniformed Division to reach the chief executive officer of the organization. In addition, for those officers wishing to propose ideas, concerns or suggestions anonymously, suggestion boxes will be placed in each respective branch. Finally, Branch Deputy Chiefs will meet with senior branch officials on a weekly basis to discuss issues and problems. We recognize that for these procedures truly to be effective the members of the Uniformed Division must be aware of the avenues that are available to them. In order to achieve that objective, the initiatives set forth above will be communicated by teletype from the Chief to all members of the Uniformed Division.

In addition, I meet with the Director of the Secret Service on a weekly basis and with our Secret Service liaison to Treasury on a daily basis. During these meetings issues affecting the Uniformed Division are brought to my attention to ensure that the interests of the Uniformed Division are given high priority within the Treasury Department.

I believe that the Secret Service and its Uniformed Division managers are responsive to issues affecting officers' working conditions. Management's proactive involvement is reflected in the Uniformed Division's highly competitive pay package, their extremely low attrition rate, and their ability to attract hundreds of applicants for each new recruit class. However, I want to assure you that it is my goal to ensure that we attract and retain the best possible officers; that we provide them with quality training; and that they are able to progress in their careers based on their own abilities and the opportunities available.

In conclusion, I believe that the Executive Order should not be amended. The Uniformed Division performs a unique mission which makes unionization neither feasible nor appropriate. I am proud of the important work that the men and women of the Uniformed Division perform and I support them. Secret Service managers and I are committed to ensuring that issues raised by the members of the Uniformed Division are addressed in a fair and timely manner. I have no doubt that we can achieve that goal and will make it a personal priority.

Please let me know if you have any questions regarding this issue.

cc: Eljay Bowron, Director, U.S. Secret Service
Richard Friedman, Chief, Uniformed Division

NLWJC - KAGAN

WHORM - BOX 002 - FOLDER 061

FG017-02 128149CU

FOIA Number: Kagan1

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Records Management - SUBJECT FILE

Series/Staff Member:

Subseries:

OA/ID Number: 21817

Scan ID: 128149CU

Document Number:

Folder Title:
FG017-02

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S	84	1	7	1

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. form	RE: Gayle Hight (2 pages)	08/24/1995	P6/b(6)
001b. fax	From: Gayle Hight To: Judge Abner Mikva; RE: Phone call (1 page)	08/24/1995	P6/b(6)
001c. letter	From: Gayle Hight To: Janet Reno; RE: A letter (2 pages)	08/22/1995	P6/b(6)
001d. paper	RE: A Conversation (2 pages)	10/21/1993	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG017-02
OA/Box Number: 21817

FOLDER TITLE:
128149cu

2009-1006-F
db1550

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]
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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]
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Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. form	RE: Gayle Hight (2 pages)	08/24/1995	P6/b(6)

COLLECTION:
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WHORM-Subject File-General
FG017-02
OA/Box Number: 21817

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. fax	From: Gayle Hight To: Judge Abner Mikva; RE: Phone call (1 page)	08/24/1995	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG017-02
OA/Box Number: 21817

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128149cu

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db1550

RESTRICTION CODES

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001c. letter	From: Gayle Hight To: Janet Reno; RE: A letter (2 pages)	08/22/1995	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG017-02
OA/Box Number: 21817

FOLDER TITLE:
128149cu

2009-1006-F
db1550

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Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001d. paper	RE: A Conversation (2 pages)	10/21/1993	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG017-02
OA/Box Number: 21817

FOLDER TITLE:
128149cu

2009-1006-F
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NLWJC - KAGAN

WHORM - BOX 002 - FOLDER 062

FG031 137736CU

FOIA Number: Kagan1

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Records Management - SUBJECT FILE

Series/Staff Member:

Subseries:

OA/ID Number: 21895

Scan ID: 137736CU

Document Number:

Folder Title:
FG031

Stack:	Row:	Section:	Shelf:	Position:
S	84	2	4	1

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	From: J. Patrick Lyons To: Bill Clinton; RE: Address and phone number (partial) (1 page)	10/28/1995	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG031
OA/Box Number: 21895

FOLDER TITLE:
137736cu

2009-1006-F
db1551

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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ID # 137739 CU

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☐ I - INCOMING
Date Correspondence Received (YY/MM/DD) 95 / 10 / 31

Name of Correspondent: J. Patrick Lyons

☐ **MI Mail Report** **User Codes:** (A) _____ (B) _____ (C) _____

Subject: Unconstitutionality of several Congressional members' elected status

ROUTE TO: Office/Agency (Staff Name)	ACTION: Action Code	Tracking Date YY/MM/DD	DISPOSITION: Type of Response	Code	Completion Date YY/MM/DD
CU Mikva	ORIGINATOR	95/10/31	WS	C	95/10/31
	Referral Note:				
CU AT 26 Kagan	A	95/11/03	WS		/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:
A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure
I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:
A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

SCANNED

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

5/81

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	From: J. Patrick Lyons To: Bill Clinton; RE: Address and phone number (partial) (1 page)	10/28/1995	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG031
OA/Box Number: 21895

FOLDER TITLE:
137736cu

2009-1006-F
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137736a

J. Patrick Lyons

P6/(b)(6)

[001]

28 October 1995

Subject: G.O.P. Congressional Budget - Passed 26 October 1995

The President
Mr. Bill Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

Dear Mr. President:

There are presently approximately 38 Members of the United States House of Representatives who are ineligible pursuant to the Constitution of the United States, **one being William Van Hilleary, Captain, United States Air Force Reservist - U. S. House of Representative for the 4th Tennessee Congressional District**, to be Members of the United States House of Representatives. Thus, since said Members are serving in contravention to the Constitution of the United States, said Members votes are not valid. Therefore, the G.O.P. Congressional Budget passed on the 26th day of October 1995, cannot legally be recognized as a valid Budget because of the fact said Budget was passed in part by votes cast by Members ineligible to be Members of the United States House of Representatives.

Background: The above referenced approximately 38 ineligible Members of the U.S. House of Representatives are Members of the United States Armed Forces reserves and Office holders pursuant to the Constitution of the United States, Article 1, Section 6, Clause 2, which provides: **"no Person holding any Office under the United States, shall be a Member of either House during his Continuance in Office"; and Section 3 of the 14th Amendment disqualifies any person "who, having previously taken an oath . . . to support the Constitution of the United States, ... thereof."**

(1) Per request of President Roosevelt, in 40 Op. Gen. 301 (1943) Attorney General Biddle advised President Roosevelt in part: **"An officer of the Army or Navy is, in general, a person holding office under the United States." "Both the House and Senate, exercising their constitutional prerogative, have determined upon occasions in the past that service with the armed forces of the United States is**

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incompatible with membership in the Congress." "The Constitution (Art. I, Sec. 6, Cl. 2) provides that "no person holding any office under the United States, shall be a member of either House during his continuance in office", and Sec. 3 of the 14th Amendment disqualifies any person "who, having previously taken an oath . . . to support the Constitution of the United States, . . thereof." "An officer of the Army or the Navy is, in general, a person holding office under the United States. United States v. Mouat, 124 U.S. 303; United States v. Carter, 217 U.S. 286; Hoeppel v. United States, 85 F. (2d) 237. "Exercising this authority both the House and the Senate have upon occasions in the past determined that service with the armed forces of the United States is incompatible with membership in Congress. These decisions are cited in the United States Code, Annotated, under Art. I, Sec. 6, Cl. 2 of the Constitution, and include the following; House Miscellaneous Documents, 38th Cong., 2d sess., v. 3, pp. 92 (Baker and Yell), p. 395 (B**yington v. Vandever); Senate Miscellaneous Documents, 52d Cong., 2d sess., v. 6, p. 180 (Stanton v. Lane)."**

Quoted below is from the report of the House Committee of Elections in the case of Byington v. Vandever:

"He has no right as representative to absent himself from the House without leave; and if he does, is liable to be arrested by the officer of the House, and returned and punished. But he is also bound as an officer of the Army to be with his regiment, (perhaps a thousand miles distant) ready to execute the commands of his superior officer: and for this default, is liable to punishment -- it may be with death. Or his military supervisor may take him by force from his seat and duties in the House to his post in the Army. That such a physical impossibility as is thus created, to execute the duties of both offices, renders them incompatible, would seem to be beyond a doubt. But there is also that in the nature of the powers incident to the two positions renders them incompatible *"**

Mr. President and Commander In Chief of the United Armed Forces, with all due respect I say to you, pursuant to the Constitution of the United States, it is your duty to uphold the Constitution of the United States and to Command the United States Armed Forces, therefore, it is the duty assigned to the President pursuant to Section 3 of the 14th Amendment which **"disqualifies any person "who having previously taken an . . oath to support the Constitution of the Unites States,. . . . ,"** in violation to **Article 1, Section 6, Clause 2,** which provides **"no Person holding any Office under the United States, shall be a Member of either House during his Continuance in Office,"** to disqualify each Member of the United States Congress who is seated in

violation to the Constitution of the United States, Article 1, Section 6, Clause 2. "The Government of the United States is subject to the Constitution." **James v. Campbell, 104 US 356. "Congress has no power to supersede the Constitution."** White v. Hart, 13 Wall 646.

The G.O.P. Congressional Budget passed on the 26th day of October 1995, is non-binding on the United States Government because of the fact said Budget was voted on by Members of Congress who are ineligible to hold Office pursuant to the Constitution of the United States, thus, their ineligibility to hold their respective Congressional Seats, would cause any reasonable minded person to believe that each vote cast by each ineligible Member to be invalid, therefore, said G.O.P. Budget as referenced herein, must be returned to Congress to be voted on by eligible voting Members only.

As Commander In Chief, you are vested with authority to call to active duty each Member of Congress who is a Member of the United States Armed Forces Reserves. If this were to be done, there would be approximately 38 Members ineligible to vote because of the fact they would be performing Active Military duty. However, if Members in questions are not disqualified pursuant to Section 3 of the 14th Amendment, to people who have knowledge of ineligible seated Congressional Members, it will appear that the Constitution of the United States does not apply to Members of Congress, giving the impression that our leaders, whether eligible or not, are above the Constitution of the United States.

I thank you in advance for your time, and I hope that this information I have provided to you which appears to have been overlooked by your Staff, will assist you after you will have vetoed the herein referenced G.O.P. Budget, in obtaining a more favorable Budget for all Peoples of the United States of America.

Respectfully submitted,

J Patrick Lyons

J Patrick Lyons

cc:

The Office of the Counsel
to the President
Attn: Abner J. Mikva
Counsel to the President
1600 Pennsylvania Avenue
Washington, D.C. 20500
Telephone: 202-456-7900

Vice President
Mr. Albert Gore
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

The First Lady
Mrs. Hillary Rodham Clinton
1600 Pennsylvaia Avenue, NW
Washington, D.C. 20500

NLWJC - KAGAN

WHORM - BOX 002 - FOLDER 063

FG050 300719

FOIA Number: Kagan

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: 21875

Scan ID: 300719

Document Number:

Folder Title:
FG050

Stack:	Row:	Section:	Shelf:	Position:
S	84	2	5	3

ME.

300719
FG 050

THE PRESIDENT
4/7/99

Elena —

I was honored to nominate you —
You will be a wonderful judge. I'm
glad we got you through — and thrilled
enough to have a profound impact

Best,
Bill

Honorable Elena Kagan
Deputy Assistant to the President
For Domestic Policy
The White House

4/7/99

Dear Mr. President:

This is to thank you – more than I can possibly express – for your decision to nominate me to the D.C. Circuit. Your trust in me is the greatest honor of my life, and should I ever be lucky enough to sit as a judge, I will try every day to be worthy of it. Working for you these past four years has been a great gift, and I am grateful beyond measure for this added kindness.

Yours, Elena

ME.

300719
FG 050

4/7/99

~~Dear~~ Mr. President:

This is to thank you – more than I can possibly express – for your decision to nominate me to the D.C. Circuit. Your trust in me is the greatest honor of my life, and should I ever be lucky enough to sit as a judge, I will try every day to be worthy of it. Working for you these past four years has been a great gift, and I am grateful beyond measure for this added kindness.

Yours, Elena

NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 001

FG052 417818

FOIA Number: Kagan

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Records Management - SUBJECT FILE

Series/Staff Member:

Subseries:

OA/ID Number: 21847

Scan ID: 417818

Document Number:

Folder Title:
FG052

Stack:	Row:	Section:	Shelf:	Position:
S	84	2	7	3

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Charles Ruff to President William J. Clinton; RE: Court of Appeals for the D.C. Circuit (partial) (3 pages)	11/24/1998	P2, P5, P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
FG052
OA/Box Number: 21847

FOLDER TITLE:
417818

2009-1006-F
db1554

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

PY

417818

FG052

'99 JUN 17 AM10:47

THE WHITE HOUSE

WASHINGTON

MEMORANDUM

To: ~~Phil Caplan~~ SEAN MALONEY

Via: The Executive Clerk

From: Bob J. Nash, Assistant to the President and Director of Presidential Personnel

Subject: Nomination

Date: June 17, 1999

The following individual has been approved by the President, cleared by White House Counsel, and is ready to be nominated to the Senate:

Elena Kagan
District of Columbia
Judge, U.S. Court of Appeals for the District of Columbia
Vice: James L. Buckley, retired

OK AP

Please submit this nomination to the Senate for Confirmation.

BJN: klg

Nominated: 6/17/99

Noted: WWC

The White House,

JUN 17 1999 *19*

To the

Senate of the United States.

I nominate Elena Kagan, of the District of Columbia, to be United States Circuit Judge for the District of Columbia Circuit, vice James L. Buckley, retired.

WILLIAM J. CLINTON

ORM
SCANNING INSERT SHEET

ID# 417818

___ Hardcopy pages are in poor condition (too light or too dark).

✓ Remainder of case not scanned.

___ Oversize attachment not scanned.

___ Report not scanned.

___ Enclosure(s) not scanned.

___ Duplicate letters attached - not scanned.

___ Only table of contents scanned.

___ No incoming letter attached.

Comments:

THE WHITE HOUSE

WASHINGTON

June 7, 1999

MEMORANDUM TO THE PRESIDENT (via John Podesta)

From: Charles F. C. Ruff, Bruce Lindsey, Mark Childress, Charles Burson, Melanne Verveer, Eldie Acheson, Sarah Wilson, and Eric Angel

Subject: **Judicial Nomination Memorandum**

This memorandum notifies you that we are ready to nominate the one appellate court candidate profiled below. You have already approved the selection of this candidate.

Elena Kagan, U.S. Court of Appeals for the District of Columbia Circuit

Elena Kagan, a 39-year-old Caucasian woman, will be a Visiting Professor at Harvard Law School beginning in July 1999. Since 1997, she has served as Deputy Assistant to the President for Domestic Policy and Deputy Director of the Domestic Policy Council. Kagan received a B.A. *summa cum laude* from Princeton University (1981), a M. Phil. from Oxford University (1983), and a J.D. *magna cum laude* from Harvard Law School (1986). Following law school, she clerked on the D.C. Circuit for Judge Abner Mikva (1986-87) and on the Supreme Court for Justice Thurgood Marshall (1987-88). Kagan was then an associate at Williams and Connolly (1989-91). She joined the faculty of the University of Chicago Law School as an assistant professor in 1991 and became a full professor with tenure in 1995. Kagan served as Special Counsel to the Senate Judiciary Committee during the confirmation hearings of Ruth Bader Ginsburg (Summer 1993), and she was Associate Counsel to the President (1995-96). In addition, she has been a member of the Board of Governors of the Chicago Council of Lawyers and a public member of the Administrative Conference of the United States.

THE WHITE HOUSE

Chief of Staff

MR. PRESIDENT:

UNLESS WE MOVE ON THIS SOON, WE'LL NEVER GET SOMEONE CONFIRMED.

AS YOU KNOW, MY RECOMMENDATION IS TO PICK ELDER NOW, AND IF ANOTHER SEAT (WALCH) OPENS, GIVE IT TO SNYDER.

ONE WAY OR THE OTHER, WE SHOULD DECIDE.

JOHN

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. memo	Charles Ruff to President William J. Clinton; RE: Court of Appeals for the D.C. Circuit (partial) (3 pages)	11/24/1998	P2, P5, P6/b(6)

COLLECTION:
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WHORM-Subject File-General
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2009-1006-F
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

THE WHITE HOUSE

WASHINGTON

November 24, 1998

MEMORANDUM TO THE PRESIDENT (via John Podesta)

FROM: **Charles F.C. Ruff**
Counsel to the President

SUBJECT: **Court of Appeals for the D.C. Circuit**

I. INTRODUCTION

During your first term, four seats on the United States Court of Appeals for the D.C. Circuit became vacant. Judith Rogers, formerly Chief Judge of the D.C. Court of Appeals, and David Tatel, a partner at Hogan & Hartson, were confirmed during your first term. In 1995, Merrick Garland, Principal Associate Deputy Attorney General, was nominated to fill one of the two remaining vacancies and was finally confirmed in the spring of 1997, largely because of the support of Senator Hatch. Garland's confirmation was delayed because of a dispute over whether there was a need to fill either of the two seats. Republicans on the Judiciary Committee, led by Senator Grassley, have taken the position that Garland's confirmation was conditioned on a promise not to fill the other seat; however, we entered into no such agreement and believe that you should exercise your authority to fill all open seats on the court.[1] Even though it is unlikely that the Judiciary Committee will take action on this nomination, we see only minimal risks in sending a candidate forward.

This memo describes the qualifications of two principal candidates Elena Kagan and Allen Snyder. P2, P5, P6/(b)(6)

P2, P5, P6/(b)(6)

[002]

Kagan, a University of Chicago law professor on leave to serve as the Deputy Director of the Domestic Policy Council, is well-regarded for both her intellectual depth and her practical political skills. Characterized by the press as a "wonderwonk" and an "all-purpose brain," she

---

[1] The Republicans will argue that, although there was an increase in case filings in the D.C. Circuit in 1997, the number of terminated appeals also increased, thus decreasing the total number of pending appeals. It should be noted that there is some possibility that Judge Wald will take senior status in the spring, opening another seat, but we cannot be certain.

has earned a reputation in academia as a solid First Amendment scholar and has earned respect on the Hill for her political effectiveness. Although, at 38, Kagan would be considered very young and inexperienced for this highly prestigious judgeship, President Reagan and President Bush nominated several young judges to the courts of appeals during their administrations.

Snyder, a partner at Hogan & Hartson, is viewed as one of Washington's outstanding litigators and appellate advocates. He has argued numerous cases before the D.C. Circuit and the Supreme Court and fits the more traditional federal appellate judicial profile. Snyder's confirmability might be an issue, however, because of his representation of White House officials, and his advocacy of what Senate Republicans will consider "judicial activism" in several school desegregation cases.

II. ELENA KAGAN

A. Biographical Background

Kagan was educated at Princeton (B.A. 1981), Oxford (M. Phil. 1983), and Harvard Law School (J.D. 1986), where she was supervising editor of the law review. Following law school, she clerked on the D.C. Circuit for Judge Mikva and on the Supreme Court for Thurgood Marshall. From 1989 to 1991, Kagan was an associate at Williams & Connolly. She then joined the faculty at the University of Chicago law school, where she was tenured. At Chicago, Kagan taught constitutional law, labor law, civil procedure, and a Supreme Court seminar. She has been a member of the Board of Governors of the Chicago Council of Lawyers, and a public member of the Administrative Conference of the United States.

Kagan served as associate counsel to the President from 1995 to 1996, and as special counsel to the Senate Judiciary Committee during the summer of 1993 for the confirmation hearings of Ruth Bader Ginsburg. When Walter Dellinger became Acting Solicitor General, she was considered briefly to replace him as the head of the Justice Department's Office of Legal Counsel. In 1997, she was appointed Deputy Director of the Domestic Policy Council.

B. Litigation Experience

Kagan had some litigation experience during her two years as an associate with Williams & Connolly.

Obscenity

Kagan assisted in writing the *amicus* brief for the Recording Industry of America in an obscenity case involving the rap group 2 Live Crew and their musical recording "As Nasty As They Wanna Be." The Eleventh Circuit reversed a ruling that the recording was obscene under Florida criminal law, reasoning that the lower court misapplied the Miller community standards test for obscenity.

Criminal Defense

In 1990, Kagan assisted in writing the brief on an appeal to the Second Circuit by Kuang Hsung Chuang, former president and CEO of the Golden Pacific National Bank, from his conviction for bank fraud and conspiracy. The primary issue on appeal was whether the trial court erred in refusing to suppress evidence gathered pursuant to a warrantless examination by the Office of the Comptroller of the Currency. The Second Circuit agreed with the district court that Chuang had not established a legitimate expectation of privacy in the bank documents examined by the OCC, and thus its refusal to suppress the documents was valid.

C. Scholarship

Kagan's major publications are law review articles on First Amendment issues, including several devoted to the issue of how hate speech can be regulated by the state without violating settled First Amendment principles. In "Private Speech, Public Purpose: The Role of Governmental Motive in First Amendment Doctrine," 63 U.Chi.L.Rev. 413 (1996), Kagan argues that although traditional viewpoint neutrality doctrine eschews any concern for illicit government motive in evaluating the constitutionality of speech restrictions, the Supreme Court has in fact constructed a system of rules that function as devices to detect the presence of impermissible motive.

Kagan's published commentary on Stanford University's hate speech prohibition takes issue with Professor Thomas Grey's defense of the policy as an incidental restraint on speech. In Kagan's view, Stanford's "speech code" is more accurately viewed as a constitutionally vulnerable direct ban on speech, as well as a political mistake that "only undermined serious attempts to advance the goal of equality." *Symposium: Developments in Free Speech Doctrine: Charting the Nexus Between Speech and Religion, Abortion, and Equality*, 29 U.C. Davis L.Rev. 957 (1996).

In "Regulation of Hate Speech and Pornography after R.A.V.," 60 U.Chi.L.Rev. 873 (1993), Kagan proposes four means of regulating hate speech without violating the viewpoint neutrality principles strengthened [in her view] by the Supreme Court's invalidation of a hate speech ordinance in *R.A.V. v. City of St. Paul*, 112 S.Ct. 2358 (1992). The four approaches include: 1] the enactment of new bans on conduct that accompanies hate speech, 2] the enactment of viewpoint neutral speech restrictions, 3] the enhanced use of the constitutionally unprotected category of obscenity, and 4] the creation of limited exceptions to the general rule against viewpoint discrimination. According to Kagan, these solutions "ought to be debated and tested in a continuing and multi-faceted effort to enhance the rights of minorities and women, while also respecting core principles of the First Amendment."

Kagan's defense of the judicial confirmation process in her review of Yale Law Professor Stephen Carter's *The Confirmation Mess* cuts both ways politically. Senate Republicans will not appreciate her conclusion that the cause of any "mess" is "the simple attempt of the Reagan and

Bush administrations to impose an ideologically charged vision of the judiciary in an unsympathetic political climate," but will find support for their own scrutiny of the views of your judicial nominees in her argument that vigorous questioning about a nominee's judicial philosophy and political views is productive and appropriate.

D. Policy

As Deputy Director of the Domestic Policy Council, Kagan has played a leading role in evaluating and implementing many of your important domestic initiatives. She has received favorable press coverage for her role in crafting and negotiating tobacco legislation with Senator McCain and other Republicans. Despite the failure to enact tobacco legislation, Kagan received positive reviews from all parties to the negotiations. Kagan headed a tobacco settlement panel on regulatory issues, focusing especially on FDA jurisdiction over nicotine in cigarettes.

Kagan has solicited from Labor and Commerce proposals for increasing the immigration quota for computer scientists and other information technology workers, and reviewed an I.N.S. reorganization plan. The plan was denounced by Representative Harold Rogers of Kentucky and other House Republicans as a "papered-over reorganization attempt." Kagan was also active in organizing and promoting the Administration's hate crimes summit, and has been involved in the President's race initiative.

III. ALLEN SNYDER

A. Biographical Information

Snyder, 52, is a partner at Hogan & Hartson. He graduated Phi Beta Kappa from George Washington University (1967) and magna cum laude from Harvard Law School (1971), where he was President of the Harvard Law Review. He then clerked for Supreme Court Justices John Harlan and William Rehnquist. Snyder's areas of legal practice include appellate litigation, legal ethics and professional responsibility, education law and congressional investigations.

An active member of the D.C. Bar, Snyder has served as Secretary and member of the Board of Governors (1977-78); member of the Executive Committee (1977-78); and Chairman of the Steering Committee for the D.C. Bar Division on Courts, Lawyers, and the Administration of Justice (1975-77). In addition, from 1978 to 1990, Snyder served as a member and then as Chairman of the Board of Professional Responsibility. Snyder has also served on the Board of Directors for the Washington Council of Lawyers.

B. Noteworthy Cases and Activities

School Desegregation Cases

Snyder's highest-profile work consists of representing school boards and individuals pressing for continued funding of school desegregation plans. In the landmark Missouri v. Jenkins case, Snyder represented the Kansas City, Missouri School District ("KCMSD") and interested parents, in seeking adequate funding of a desegregation plan that has been described as the most ambitious and costly remedial program in the history of school desegregation. In Missouri I [495 U.S. 33 (1990)], the Court ruled that a federal district court has the power to order a local government with taxing authority to increase property taxes beyond state statutory limits to preserve Fourteenth Amendment protections by funding a school desegregation plan.

In Missouri II, [515 U.S. 70 (1995)], the Court ruled that the district court exceeded its authority in ordering faculty salary increases and rejected the plan's provision for remedial funding until student achievement levels reached national norms. The Court held that only levels of funding -- and not test scores -- should be considered in determining the plan's success.

Snyder's involvement in Missouri v. Jenkins may be a lightning rod for controversy. Senator Ashcroft served as governor of Missouri during one phase of the protracted litigation, and has aggressively questioned judicial nominees about the case as a prime example of judicial activism. After the court's 1990 ruling, Republican Senators Danforth and Bond introduced legislation for a constitutional amendment that would have deprived federal judges of the power to order local authorities to raise taxes.

Snyder's work on two other school desegregation cases will attract attention from Senate Republicans as well. In Board of School Directors of the City of Milwaukee v. Wisconsin et al., 649 F. Supp. 82 (E.D. Wis. 1985), Snyder successfully argued that the Milwaukee School Board and parents of city schoolchildren has standing to challenge the alleged unconstitutional segregation of Milwaukee's schools. While Snyder's clients survived threshold dismissal motions, since no published decision on the merits exists, it is unclear whether they ultimately prevailed.

Snyder unsuccessfully represented the Richmond School Board in a suit seeking additional funding to eliminate alleged vestiges of prior state-mandated segregation. Bradley et al. v. Baliles, 639 F. Supp. 680 (E.D. Va. 1986). The court dismissed the suit, declaring current levels of school funding to be sufficient, despite lingering signs of discrimination.

Other Civil Rights Cases

In Henry v. First National Bank of Clarksdale, 595 F.2d 291 (5th Cir. 1979), *cert. denied*, 444 U.S. 1074 (1980), Snyder successfully defended a federal court preliminary injunction

barring white businesses from obtaining damages stemming from NAACP boycotts and protests in Mississippi pending full appellate review.

Snyder represented black citizens in a controversial police brutality case, Boyd v. Gullett, 64 F.R.D. 169 (1974). Plaintiffs, together with the NAACP, sought to establish procedures and rules to prevent police brutality and illegal acts against African-Americans in southern Maryland. Snyder defeated the defendants' dismissal motion, as well as their claim that police investigatory files were absolutely protected from discovery on privilege grounds.

Church-State Cases

Snyder's representation of religious institutions seeking exemption from federal tax burdens will be favorably viewed by Senate Republicans concerned about free exercise rights. In 1980, Snyder successfully argued on behalf of the states in Alabama v. Marshall, 626 F. 2d 366 (5th Cir. 1980), that sectarian elementary and secondary school employees should be exempt from federal unemployment tax requirements. The Secretary of Labor claimed that the exemption applied only to employees of houses of worship and not church schools. Snyder made a similar argument on behalf of several states as *amici curiae* in St. Martin Evangelical Lutheran Church v. South Dakota, 451 U.S. 772 (1981).

C. Other Notable Clients and Cases

In December 1995, Snyder represented Parents, Families and Friends of Lesbians and Gays ("PFLAG") on a pro bono basis in a dispute with Pat Robertson's Christian Broadcasting Network ("CBN"). PFLAG had aired a television advertising campaign focusing on the harm of anti-gay rhetoric, and used CBN footage of Robertson and others making anti-gay statements interspersed with scenes of gay-bashing. CBN wrote letters to television stations that broadcast the advertisements, alleging they were defamatory and violated copyright law. In addition, CBN threatened to sue PFLAG to stop the advertisements, prompting PFLAG to seek Snyder's counsel.

During the 1992 special counsel probe of leaks in the U.S. Senate relating to the Keating Five scandal and Anita Hill's testimony against Clarence Thomas, Snyder represented the Alliance for Justice, a public-interest group that lobbied strenuously against Thomas' Supreme Court nomination. In 1982, Elizabeth Taylor hired Snyder to prevent the ABC network from broadcasting a docu-drama purportedly based on her life. Snyder also represented Court TV at its inception and assisted in Court TV's efforts to install cameras in courtrooms across America. No record of litigation on this issue could be found.

In sum, Snyder has an excellent reputation as an appellate advocate and has handled a large number of cases raising significant federal issues; however, his civil rights work -- especially in the area of school desegregation -- may provoke Republican opposition during the confirmation process.

III. OTHER CANDIDATES

P2, P5, P6/(b)(6)

P2, P5, P6/(b)(6)

IV. RECOMMENDATION

In Elena Kagan and Allen Snyder, you have two very well qualified candidates for the D.C. Circuit, albeit with very different backgrounds. Each comes, as well, with strong support from your senior advisors. Both John Podesta and Erskine Bowles believe that Elena would be a superb judge and that she has demonstrated a wide range of abilities during her tenure in the White House. Sandy Berger, Bruce Lindsey and Cheryl Mills feel equally strongly about Allen Snyder.

In my view, this decision is extremely close and merits a brief discussion at your convenience.

1 ✓ Approve Elena Kagan for ABA/FBI investigation.

2 ✓ Approve Allen Snyder for ABA/FBI investigation.

P2, P5, P6/(b)(6)

___ Schedule Discussion

(Use Shift-F10 to Search) Record 1 of 1
1.Log 990427 President Clinton
2.Last Name Kagan First Name Elena
MName/Initial Suffix Male/Female F
Full Name KAGAN, Elena 3.State (F2) DC
4.Politics (F2) (Alt-T) 5.Appt/Designation Date
6.Status (F2) X 7.On Calendar (Y/N) N 8.Additional Designation (Y/N) N
9.Resigned (Y/N) 10.Appt Code (F2) PAS
11.No.of Positions 1. (Use Alt-F1 to see related Position record(s).)
12.Position (F2) (Use Shift-F1 to add Position and Get Position #.)
(Use Shift-F4 to Zoom Position(s).)
318 United States Circuit Judge for the District of Columbia Circuit

13.Area of Responsibility
14.Full Time (Y/N) Y 15.Vice James L. Buckley, retired
16.Term Expires
17.Announce Date 18.Acting (Y/N) N
19.Nom Date (Alt-T)
20.Conf Date 21.Nom rejected
22.Nom returned
24.Conf Res Recd 23.Nom withdrawn
25.Appt/Designation Appointment
26.Appt (or designation) made by: (F2) Commission
27.Recd WH (Alt-T) 28.Date Signed
29.Document Returned To: (F2) JUSTICE
30.Return Date
31.Nominating/Appointment Language
Elena Kagan, of the District of Columbia, to be United States Circuit Judge for the District of Columbia Circuit, vice James L. Buckley, retired.

32.Comments
NOTE: Appointed Deputy Assistant to the President for Domestic Policy and Deputy Director of the Domestic Policy Council on 1/5/97.

KAGAN, Elena

From: Julia M. Payne on 06/17/99 04:22:06 PM

Record Type: Record

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

cc: Sarah Wilson/WHO/EOP@EOP

Subject: President Clinton nominates three to Federal Bench

THE WHITE HOUSE

Office of the Press Secretary
(Cologne, Germany)

For Immediate Release June 17, 1999

PRESIDENT CLINTON NOMINATES MARYANNE TRUMP BARRY, JAMES E. DUFFY, JR., AND ELENA KAGAN TO THE FEDERAL BENCH

The President today nominated Maryanne Trump Barry to the U.S. Court of Appeals for the Third Circuit (New Jersey), James E. Duffy, Jr. to the U.S. Court of Appeals for the Ninth Circuit (Hawaii), and Elena Kagan to the U.S. Court of Appeals for the District of Columbia Circuit.

Judge Maryanne Trump Barry, of Sparta, New Jersey, has been a United States District Judge for the District of New Jersey since 1983. She received her B.A. in 1958 from Mount Holyoke College, her M.A. in 1962 from Columbia University, and her J.D. in 1974 from Hofstra University School of Law. Prior to her appointment as a U.S. District Judge in 1983, Barry had worked for nine years in the Office of the U.S. Attorney in New Jersey, serving in a variety of capacities including: Assistant U.S. Attorney (1974-75), Deputy Chief of the Appeals Division (1976-77), Chief of the Appeals Division (1977-82), Executive Assistant U.S. Attorney (1981-82), and First Assistant U.S. Attorney (1981-83). As a U.S. District Judge, Barry served as the Chair of the Criminal Law Committee of the Judicial Conference (1994-96).

James E. Duffy, Jr., of Honolulu, Hawaii, has been a partner in the Honolulu law firm of Fujiyama, Duffy and Fujiyama since 1975. Although born and educated on the mainland, Duffy has been a litigator in Hawaii for his entire legal career. He received his B.A. from the College of St. Thomas and his J.D. from Marquette University Law School in 1968. Upon graduation from law school, Duffy moved to Hawaii and entered private practice, first as an associate at Cobb and Gould (1968-71), then as an associate at Chuck and Fujiyama (1972-74). Duffy has been a partner at Fujiyama, Duffy and Fujiyama for almost 25 years.

Elena Kagan, of the District of Columbia, will be a Visiting Professor at Harvard Law School beginning in July 1999. She received a B.A. *summa cum laude* from Princeton University (1981), a M. Phil. from Oxford University (1983), and a J.D. *magna cum laude* from Harvard Law School

(1986). Following law school, she clerked on the U.S. Court of Appeals for the D.C. Circuit for Judge Abner Mikva (1986-87) and on the U.S. Supreme Court for Justice Thurgood Marshall (1987-88). Kagan was then an associate at Williams and Connolly (1989-91). She joined the faculty of the University of Chicago Law School as an assistant professor in 1991 and became a full professor with tenure in 1995. Kagan was Special Counsel to the Senate Judiciary Committee during the confirmation hearings of Ruth Bader Ginsburg (Summer 1993). She served as Associate Counsel to the President from 1995 to 1996 and Deputy Assistant to the President for Domestic Policy and Deputy Director of the Domestic Policy Council from 1997 to 1999. In addition, she has been a member of the Board of Governors of the Chicago Council of Lawyers and a public member of the Administrative Conference of the United States.

30-30-30

Message Sent To:_____

NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 002

FG053 406726

FOIA Number: Kagan

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: 21856

Scan ID: 406726

Document Number:

Folder Title:
FG053

Stack:	Row:	Section:	Shelf:	Position:
S	84	2	9	3

pp

406726

FG053

Elena Kagan
412 Hauser Hall
Harvard Law School
Cambridge, MA 02138

THE WHITE HOUSE

Assistant to the President and
Staff Secretary

11/8/99

ELENA –

SOME TIME BACK YOU ASKED ME FOR A COPY OF THE ATTACHED; SORRY IT'S TAKEN ME SO LONG. GOOD LUCK AND PLEASE STAY IN TOUCH.

BEST,

SEAN

The White House,

June 17, 1999

To the

Senate of the United States:

I nominate Elena Kagan, of the District of Columbia, to be United States Circuit Judge for the District of Columbia Circuit, vice James L. Buckley, retired.

William J. Clinton

Elena Kagan
412 Hauser Hall
Harvard Law School
Cambridge, MA 02138

CARL -
PLEASE SEND
THE ATTACHED
TO

NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 003

FG065 133788SS

FOIA Number: Kagan

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: 17701

Scan ID: 133788SS

Document Number: W003-003

Folder Title:
FG065

Stack:	Row:	Section:	Shelf:	Position:
S	84	2	11	1

133788 SS
FG065

THE WHITE HOUSE

WASHINGTON
October 5, 1995

REVISED
10-6-95

MEMORANDUM FOR THE PRESIDENT

FROM: ABNER J. MIKVA AJM
Counsel to the President

ELENA KAGAN EK
Associate Counsel to the President

THROUGH: LEON PANETTA, GEORGE STEPHANOPOULOS

SUBJECT: PROPOSAL FOR NATIONAL GAMBLING COMMISSION

Rep. Frank Wolf (R. Va.) and Sens. Paul Simon and Richard Lugar have introduced bills to establish a federal commission to study the extent and effects of gambling and the adequacy of current regulation. Rep. Wolf's bill was the subject of a hearing in the full House Judiciary Committee last week. No action has yet been taken in the Senate.

Both bills would establish a commission of nine persons, three to be appointed by the President, three by the House Speaker, and three by the Senate Majority Leader. The bills charge the commission with undertaking a study of gambling in the United States, including the economic effects of gambling on other businesses and surrounding communities, the relationship between gambling and crime, the extent and impact of pathological gambling, and the costs and effectiveness of current regulatory policy.

Supporters of the proposal note that it does not impose any new restrictions on gambling, but merely recognizes the need for greater information on the scope and effects of the gambling industry. Gambling is one of the fastest growing businesses in the nation. One recent study found that $330 billion was wagered legally in 1992 (including in lotteries), up 1800% since 1976. Casinos now operate in 25 states, and in 1993 Americans made more trips to casinos than to major league baseball parks. As you said at the Sperling lunch, the introduction of gambling in a community, though providing a quick way to raise revenues, may impose hidden social, economic, and political costs, including those associated with corruption, crime, and addictive behavior. Supporters of these bills argue that we should take a hard look at such matters to ensure sensible regulatory policy.

Opponents of the proposal allege that it is a sort of stalking horse for the religious right -- a first step in a moralistic effort to prohibit gambling altogether. (The Christian Coalition is indeed a fervent supporter of this legislation, but so are many representatives and newspaper editorial writers not associated with that organization.)

Opponents also claim that a national commission will serve little purpose because conditions vary so much from state to state and community to community; sometimes opponents go so far as to frame this argument in terms of "states' rights." Finally, of course, opponents dispute the notion that gambling is linked to corruption or crime and claim it is a boon to local economies.

The only groups so far to oppose the legislation are industry associations, including most prominently the American Gaming Association, headed by Frank Fahrenkopf, former Chair of the RNC. The National Indian Gaming Association, which believes gaming by Indian tribes to be essential to tribal economic development, has indicated that it would not oppose the bills so long as the Commission includes an Indian tribal representative and addresses state lotteries as well as other forms of gambling. Senators and representatives from Nevada are vehement in their opposition to the bills; those from New Jersey, though less openly hostile at this time, may be subject to similar pressures. Finally, state governments may oppose the proposal if they believe it represents a threat to state lotteries.

Recommendation

We recommend that you endorse the idea of a commission to study gambling. Such a commission can perform a useful function in collecting information about the effects of gambling and thus enabling better decisions -- whether on the federal, state, local, or tribal level -- as to appropriate regulation. To the extent formation of such a commission suggests a sort of moralistic discomfort with gambling, this may be perfectly appropriate. We thus believe an endorsement of a national gambling commission is warranted.

1.__ Oppose the creation of a gambling commission
2.__ Take no position on the creation of a gambling commission
3.__ Endorse the creation of a gambling commission
4.__ Let's discuss

EF

13378855 LP
FG065

95 OCT 20 P3:04

THE WHITE HOUSE

WASHINGTON

October 11, 1995

THE PRESIDENT HAS SEEN
10/11/95

MR. PRESIDENT:

The attached memo from Ab Mikva and Elena Kagan considers whether you should endorse the idea of a national commission to study gambling. Rep. Frank Wolf and Senators Simon and Lugar have introduced bills to establish a nine-person commission (three appointees each from President, Speaker and Senate Majority Leader) to study the effects of gambling and the adequacy of current regulation.

Gambling has fast become an enormous industry, with casinos operating in 25 states and legal wagering up 1800% since 1976 to some $330 billion.

The bills are strongly supported by the Christian Coalition as well as many Members of Congress and newspapers with no links to that group. Opponents include the Nevada and New Jersey delegations and the American Gaming Association. The Indian Gaming Association has indicated it wouldn't oppose the bills if an Indian tribal representative were on the Commission and lotteries were covered.

Ab and Elena recommend that you endorse the Commission idea. George, Carol Rasco and Rahm concur. George urges that you send letters to Wolf, Simon and Lugar saying that you'll sign legislation passed by Congress.

Approve ✓ Disapprove___ Discuss___

I want to see the letter before the President does it

Todd Stern

I want to see the letter, but let's do it.

10-20-95

Todd -
Should I send a copy of the letters?

~~Yes~~ _____

no _____

RM

C.

133788 SS
FG065

THE WHITE HOUSE

WASHINGTON

October 11, 1995

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10/11/95

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Approve ✓ Disapprove___ Discuss___

I want to see the letter before I sign it

Todd Stern

10-12-95
copies sent to:
Mikva
Kagan
Stephanopoulos
Panetta
Griffin
Exec Clerk

PHOTOCOPY WJC HANDWRITING

THE WHITE HOUSE

WASHINGTON

October 11, 1995

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10/11/95

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Approve ✓ Disapprove___ Discuss___

I want to see the letter first

Todd Stern

THE PRESIDENT HAS SEEN
10/11/95

THE WHITE HOUSE

WASHINGTON
October 5, 1995 95 OCT 11 A10:32

MEMORANDUM FOR THE PRESIDENT

FROM: ABNER J. MIKVA ajm
Counsel to the President

ELENA KAGAN EK
Associate Counsel to the President

THROUGH: LEON PANETTA, GEORGE STEPHANOPOULOS

SUBJECT: PROPOSAL FOR NATIONAL GAMBLING COMMISSION

Rep. Frank Wolf (R. Va.) and Sens. Paul Simon and Richard Lugar have introduced bills to establish a federal commission to study the extent and effects of gambling and the adequacy of current regulation. Rep. Wolf's bill was the subject of a hearing in the full House Judiciary Committee last week. No action has yet been taken in the Senate.

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4.__ Let's discuss

Document No. 133788

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10-10 ACTION/CONCURRENCE/COMMENT DUE BY: 10-10 3 pm

SUBJECT: Proposal for National Gambling Commission

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McGINTY		
PANETTA			NASH		
McLARTY			QUINN	✓	
ICKES	✓		RASCO See Attached note	✓	
BOWLES	✓		SOSNIK	✓	
RIVLIN			STEPHANOPOULOS See note		
BAER	✓		STIGLITZ		
EMANUEL okay/attached	✓		TYSON	✓	
GIBBONS			WEBSTER		
GRIFFIN	✓		WILLIAMS		
HALE					
HERMAN					
HIGGINS					
LAKE					
LINDSEY					
MIKVA					
McCURRY	✓				

REMARKS: If you have views, please let me know ASAP.

RESPONSE:

Staff Secretary
Ext. 6-2702

To: Todd Stern

Fr: Gene S

I strongly agree that we need to endorse a Commission, but the endorsement should be slightly more explicit. We don't have to sign on to every line of the legislation, but we should send letters to Wolf, Simon + Lugar saying we ~~will sign legis~~ endorse basic principles

and will sign legislation passed by Congress.

Gene

133788

THE WHITE HOUSE

WASHINGTON
October 5, 1995

95 OCT 11 A11:00

10:32 - original received

MEMORANDUM FOR THE PRESIDENT

FROM: ABNER J. MIKVA AJM
Counsel to the President

ELENA KAGAN EK
Associate Counsel to the President

THROUGH: LEON PANETTA, GEORGE STEPHANOPOULOS

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Document No. 133788

WHITE HOUSE STAFFING MEMORANDUM

DATE: 10-10 ACTION/CONCURRENCE/COMMENT DUE BY: 10-10 3 pm

SUBJECT: Proposal for National Gambling Commission

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McGINTY		
PANETTA			NASH		
McLARTY			QUINN	✓	
ICKES	✓		RASCO	✓	
BOWLES	✓		SOSNIK	✓	
RIVLIN			STEPHANOPOULOS see note		
BAER	✓		STIGLITZ		
EMANUEL	✓		TYSON	✓	
GIBBONS			WEBSTER		
GRIFFIN	✓		WILLIAMS		
HALE					
HERMAN					
HIGGINS					
LAKE					
LINDSEY					
MIKVA					
McCURRY	✓				

REMARKS: If you have views, please let me know ASAP.

RESPONSE:

Staff Secretary
Ext. 6-2702

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

10-Oct-1995 11:53am

TO: Todd Stern
TO: Phillip M. Caplan

FROM: Carol H. Rasco
Economic and Domestic Policy

CC: Michael T. Schmidt

SUBJECT: Proposal for National Gambling Commissioni

Simply wanted to share with you the attached that my staff sent to OMB. Our purpose is simply to make sure that we all are aware that despite National Indian Gaming Association's purported stand as outlined in Ab's memo there is the potential for a big backlash from Native Americans on this matter. However, that said, I think support by POTUS of the Commission is entirely in order.

Thank you.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

10-Oct-1995 11:01am

TO: Ronald E. Jones

FROM: Michael T. Schmidt
Domestic Policy Council

SUBJECT: Comments on the National Gambling Impact Commission

No substanative comments, just a red flag I want to raise as we think about our position on this bill. The Tribes see this bill as a fundamental attack on their gaming establishments, and therefore their sovereignty. From what I have seen written about this proposed commission, it makes no distinction between Las Vegas-style gaming and Tribal Gaming, which funds essential tribal operations like roads, schools, and health clinics. If we come out supporting this commission, which we may have to for various reasons, we need to be prepared for a HUGE backlash from the Tribes. In the wake of our taking so long to invoke the sovereignty argument on the Gaming Tax issue, this will look like another example of the Administration not understanding, or not caring, about Tribal sovereignty. And let me assure you that the furor over our position on the gaming tax issue is nothing compared to what will come if we support this act.

Document No. 133788

WHITE HOUSE STAFFING MEMORANDUM

95 OCT 11 10:07

DATE: 10-10 ACTION/CONCURRENCE/COMMENT DUE BY: 10 a.m. 3 pm

SUBJECT: Proposal for National Gambling Commission

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McGINTY		
PANETTA			NASH		
McLARTY			QUINN	✓	
ICKES	✓		RASCO	✓	
BOWLES	✓		SOSNIK	✓	
RIVLIN			STEPHANOPOULOS see note		
BAER	✓		STIGLITZ		
EMANUEL	✓		TYSON	✓	
GIBBONS			WEBSTER		
GRIFFIN	✓		WILLIAMS		
HALE					
HERMAN					
HIGGINS					
LAKE					
LINDSEY					
MIKVA					
McCURRY	✓				

REMARKS: If you have views, please let me know ASAP.

RESPONSE:

Yes - I'm all for this - Rahm

Staff Secretary
Ext. 6-2702

NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 004

FI002 129749SS

FOIA Number: Kagan

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Records Management - SUBJECT FILE

Series/Staff Member:

Subseries:

OA/ID Number: 21860

Scan ID: 129749SS

Document Number:

Folder Title:
FI002

Stack:	Row:	Section:	Shelf:	Position:
S	84	4	3	2

129749 SS
FI002
THE PRESIDENT HAS SEEN
9-26-95

THE WHITE HOUSE

WASHINGTON

September 7, 1995

95 SEP 11 P4:39

MEMORANDUM TO THE PRESIDENT

FROM: ABNER J. MIKVA AJM
Counsel to the President

ELENA KAGAN EK
Associate Counsel to the President

SUBJECT: SAVINGS AND LOAN CASE

On August 30, the U.S. Court of Appeals for the Federal Circuit, sitting en banc, issued a ruling that could add significantly to the cost of cleaning up the savings and loan crisis. The Court held, by a vote of 9-2, that a provision of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), which restricted the ability of banks to use "supervisory goodwill" to meet minimum capital requirements, breached contracts between the government and the three thrifts that filed the suit. About 90 other thrifts have similar, but not identical, claims pending in the Federal Circuit. If the Supreme Court does not reverse the Federal Circuit's decision and the pending claims also succeed, the eventual pricetag of the ruling, though still very uncertain, would run in the billions.

The case has its beginnings in the efforts of the Federal Savings and Loan Insurance Corporation (FSLIC), in the early 1980s, to encourage mergers between healthy thrifts and failing ones. As part of this effort, FSLIC allowed merged thrifts to count supervisory goodwill -- the difference between the failing thrift's liabilities and assets -- toward capital requirements. FIRREA expressly repudiated this practice: it greatly restricted the continued use of supervisory goodwill to satisfy capital standards. As a result, many thrifts (including the three that brought this suit) suddenly found themselves in violation of capital requirements and subject to seizure by the government.

The thrifts have argued that FIRREA's restriction on the use of supervisory goodwill breached contracts between the thrifts and the government, entered into at the time of the mergers. The government has defended on the grounds that (1) the government never entered into contracts with the thrifts allowing the use of supervisory goodwill to meet capital standards; and (2) assuming such contracts exist, the government is not liable for any breach of the contracts effected by a general statute such as FIRREA.

Although no official decision has yet been made, the Solicitor General intends to request the Supreme Court to hear the case. The Supreme Court almost certainly will grant this request, both because of the importance of the case to the government and because of an arguable conflict between the

129749

decision of the Federal Circuit and decisions of other Courts of Appeals. Under the most likely schedule, the Court would take the case in January, hear argument in April, and issue a decision in late June or early July. It is possible, however, that the argument would be deferred until October 1996, with the decision occurrring some months after that. In the meantime, proceedings in the 90 other pending cases, as well as the determination of damages in this case, almost certainly would be stayed.

Those knowledgeable about the case within the Justice Department have a wide variety of views as to the chances for success in the Supreme Court. The only thing that can safely be said is that this is no easy case for the government: it is very possible that the Court will uphold the Federal Circuit's ruling.

Although newspapers have estimated the potential pricetag of all of these cases (including the 90 pending cases) as up to $20 billion, the actual cost is very uncertain. Some of the pending claims involve sufficiently different facts so that even if the Federal Circuit's decision stands, the claims might be dismissed. Moreover, the determination of damages in the cases will involve many tricky questions. In some cases, the government credibly can argue that there are no damages because the thrifts would have failed anyway. Still, if the Federal Circuit's decision stands, the damages likely will run into the billions and may, in an absolute worst-case scenario, total between $10 and $20 billion. OMB is currently exploring this matter further.

NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 005

FI004 245949SS

FOIA Number: Kagan

FOIA MARKER

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Collection/Record Group: Clinton Presidential Records

Subgroup/Office of Origin: Records Management - SUBJECT FILE

Series/Staff Member:

Subseries:

OA/ID Number: 15183

Scan ID: 245949SS

Document Number:

Folder Title:
FI004

Stack:	Row:	Section:	Shelf:	Position:
S	84	4	7	1

245949 SS
FF004

THE PRESIDENT HAS SEEN
12/30/97

THE WHITE HOUSE
WASHINGTON

December 16, 1997

MR. PRESIDENT:

Attached are two budget memos that I understand you may discuss in your budget meetings tomorrow.

The first memo you have not seen before. It is from Gene, Bruce and Elena and discusses NEC/DPC recommendations for new initiatives on the discretionary side of the budget. OMB has signed off on it.

The second memo you read over the weekend. It is from Frank Raines and Jack Lew and discusses ways to create room for the initiatives in the first memo.

Phil Caplan Phil

THE PRESIDENT HAS SEEN
12-30-97

'97 DEC 16 PM1:43

THE WHITE HOUSE

WASHINGTON

Copied
Reed
Sperling
Kagan
Waldman
Bowles

December 15, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Gene Sperling
Elena Kagan

SUBJECT: New Initiatives on Discretionary Side of Budget

As you know, OMB is trying to find an additional $6 billion for discretionary spending. Assuming this money becomes available, the DPC and NEC recommend that you fund the new initiatives listed below -- in the amounts listed below -- in your FY 1999 budget. OMB has signed off on these recommendations. Some of the departments, however, may appeal for increases in base programs that would cut into the amount of money available for new initiatives.

We already have given you detailed memos on most of these initiatives. If you approve the initiatives, you can announce any or all of them in the State of the Union.

Because so many of the new initiatives involve education, we are attaching an appendix to this memo that shows recommended funding levels for the Department of Education's major base programs. In reviewing the education spending, you should note that the Department has just reestimated Pell Grant costs in a way that will free up additional monies. We had thought we would need a $434 million increase in the Pell Grant Program to raise the maximum award from $3,000 to $3,100. The new estimates show we can finance these policies with between $150 million and $220 million less. We are currently considering whether to keep these funds in the Pell Grant Program to support a larger increase in the maximum award and make other policy changes, or alternatively to invest them in the After-School and Head Start components of the child care initiative.

Education

1. Education Opportunity Zones ($225 million): This initiative will provide funding to about 25 high-poverty urban and rural school districts for agreeing to adopt a "Chicago-type" school reform agenda that includes ending social promotions, removing bad teachers, reconstituting failing schools, and adopting district-wide choice.

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path will provide help to nearly 2 million students. The proposal also will include Chaka Fattah's idea of early notification to disadvantaged 6th graders telling them of their Pell Grant and loan eligibility.

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4. Teacher Recruitment and Preparation ($67 million): This initiative, which you previewed last July at the NAACP Conference, will provide scholarships to nearly 35,000 new teachers over five years for committing to work in high-poverty urban and rural schools. It also will upgrade the quality of teacher preparation programs serving these communities.

5. Technology Teacher Training (Approx. $230 million): This initiative will dedicate 30 percent (about $150 million) of the Technology Literacy Challenge Fund (which is being increased from $425 to $500 million) to ensure that at least one teacher in every school receives intensive training in the use of technology for education, so that those "master teachers" can train their colleagues. An additional $80 million will begin an effort to train every *new* teacher in the latest technology.

6. Hispanic Education Action Plan -- ($195 million or more): This initiative will increase funding for a number of existing programs to improve education for Hispanic Americans and other limited English proficient (LEP) children and adults. It would double our investment in training teachers to address the needs of LEP children; boost the Migrant Education Program by 16 percent; increase the TRIO college preparation program by 10 percent; and create a 5-year, $100 million effort to disseminate best practices in ESL training for adults. We would accompany these program increases with administrative actions to help Hispanic students complete high school and succeed in college.

7. Distance Learning -- ($50 million?): We are still in the process of developing a new initiative, related to Governor Romer's Western Governors University, to promote the use of technology to give people "anytime, anywhere" access to learning opportunities.

<u>Child Care</u>

We recommend placing most of the child care initiative -- in particular, the proposed increase in the Child Care and Development Block Grant and the establishment of a new Early Learning Fund -- on the mandatory side of the budget. The smaller pieces of the initiative that we propose placing on the discretionary side are the following:

1. After-School Program Expansion ($100-200 million): This program expansion will increase funding of the 21st Century Community Learning Center Program (now funded at $40

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million) for before- and after-school programs for school-age children at public schools. Depending on the exact funding level chosen, this investment will create new programs in 1,500-4,000 schools with slots for between 75,000 and 200,000 children; at the same time, it will enable still more students to participate in other school-site activities.

2. **Standards Enforcement Fund ($100 million):** This new fund will support state efforts to improve licensing and accreditation of providers, and to enforce health and safety standards -- particularly through unannounced inspections of child care settings. The fund also will enable states to issue report cards, for use by consumers, on the quality of the facilities inspected.

3. **Provider Training ($51-60 million):** A new Child Care Provider Scholarship Fund, which you proposed at the Child Care Conference to fund at $50 million annually, will support 50,000 scholarships each year to child care workers working toward a child care credential. The students will commit to remaining in the field for one year for each year of assistance received, and will earn increased compensation or bonuses when they receive their credential. An additional $1-10 million will allow the Department of Labor to expand its Child Care Apprenticeship Training Program, which funds providers combining work toward a degree with on-the-job practice.

4. **Research and Evaluation Fund ($10-30 million):** This new fund will establish a National Center on Child Care Statistics, and provide grants for research projects and state and local child care hotlines and consumer education activities.

5. **Head Start and Early Head Start Expansion ($284-334 million):** This level of increased investment in the overall Head Start budget should permit doubling the set-aside for Early Head Start over five years without reducing the resources available for children 3-5. The doubled set-aside would enable more than 50,000 additional children to receive Early Head Start services in 2003.

Welfare, Housing, Urban

1. **Welfare-to-Work Housing Vouchers ($283 million):** This initiative will provide 50,000 new housing vouchers to help welfare recipients in public housing who need to move in order to find employment. HUD will distribute these vouchers on a competitive basis to public housing authorities working with local TANF agencies and/or grantees of the new $3 billion welfare-to-work program. (A separate proposal, for which no new funding is needed, would allow families in public or assisted housing to use vouchers to buy a home; HUD expects this proposal to assist some 25,000 people become homeowners over two years, though OMB believes this figure to be exaggerated.)

2. **Housing Portability/Choice ($20 million):** In addition to the new welfare-to-work housing vouchers discussed above, our proposed package on housing portability and choice expands Regional Opportunity Counseling sites and takes administrative actions to eliminate obstacles to

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1. Child Labor ($89 million): This initiative is anchored by a $30 million commitment -- up from $3 million -- to the International Program on the Elimination of Child Labor (IPEC). The initiative also will include funding to improve Customs Service enforcement of U.S. law banning the import of goods made with forced or bonded child labor ($3 million) and to double the Department of Labor's enforcement of child labor laws in the agricultural sector ($4 million). Finally, the initiative will provide additional funding to the Migrant Education Program so it can reach 50,000 more migrant children ($50 million). We are developing non-budget items to fill out the package.

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(Katie McGinty proposed and has further information about these initiatives)

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partnerships, housing vouchers -- can be presented as part of the race initiative, because they target predominantly minority areas or provide disproportionate benefits to members of minority groups. Other proposals described above -- the Hispanic dropout plan and the race and health initiative -- have obvious and explicit race connections. In addition:

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Appendix -- Education Budget

The recommended funding level for all of the Department of Education's discretionary programs (including new initiatives) is $30.9 billion, an increase of $1.4 billion (4 percent above FY 1998). In addition to providing for the new initiatives described above, this recommended budget maintains or increases funding for the Department's major base programs, while reducing certain lower priority spending.

Major Base Programs

Education testing: $16 million. The full amount needed to maintain progress on test development.

Pell Grants: $7,779 million. A $289 million increase would maintain higher independent student eligibility and raise the maximum award from $3,000 to $3,100. The additional $150 million previously thought necessary to effect these policies would increase the maximum award by another $50; alternatively, as noted earlier, we could use these funds to increase our investments in the After-School and Head Start components of the child care initiative.

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College Work-Study, $915 million. An $85 million increase over FY 1998, make progress toward your goal of 1 million Work-Study positions by FY 2000. Given the reduction in Perkins loans (noted below), this increase keeps the campus-based aid programs at level funding from FY 1998.

Reductions in the Base

A number of programs have been reduced to make room for initiatives and major base programs, including: Impact Aid (-$92 million), the Education Block Grant (-$350 million), and Perkins Loans (-$85 million). Each of these has a vocal constituency. We believe we can make the case that our funding of initiatives and base programs are all higher priority than these programs.

HEALTH INVESTMENT OPTIONS IN THE BUDGET

MEDICARE

USES		SOURCES	
Pre-65 Initiative Options:	$1 - 2 billion	**Anti-Fraud:**	$1.5 - 2 billion
Clinical Cancer Trial Care:	$1.7 billion	**Income-Related Premium:**	$6 - 19 billion
Medicare Improvements: [e.g., Mammography coinsurance, annual physical]	$0.2 - 3 billion		
Private Long-Term Care Options:	$0.1 - 4 billion		

COVERAGE

USES		SOURCES
State Incentives to Enroll Medicaid-Eligible Children:	$2 billion	**[Cost Allocation, Reserve or Tobacco?]**
Workers' Transitions Options:	$2 - 5 billion	
Voluntary Purchasing Coops:	$0.1 billion	

NOTE: All scoring is preliminary and subject to change.

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MANDATORY EXPENDITURES

(Five-Year Costs)

CHILD CARE	**$6.0-$12.0 Billion**
- Child Care Block Grant = 66%-75%	
- Early Learning Fund = 25%-33%	
CLASS SIZE	**$6.0-$9.0 Billion**
FOOD STAMPS	**$2.0-$3.5 Billion**
HEALTH CARE	
- **Medicare Pre-65 Initiative**	**$2.0 Billion**
- **Medicare -- Clinical**	**$2.0 Billion**
- **Long-Term Demonstration**	**$0.5 Billion**
- **Children's Outreach**	**$1.0-$2.0 Billion**
COLLEGE AID	**$1.3-$1.7 Billion**
SCHOOL CONSTRUCTION	**$5.0 Billion**
EMPOWERMENT ZONES (Rural or Urban)	**$0.562 Billion**
FAST TRACK/TAA	**$0.697 Billion**
AG-ENVIRONMENTAL (Crop Insurance, Environmental Conservation, Forest Service)	**$0.720 Billion**
MISCELLANEOUS	**$0.462 Billion**
- Veterans	
- Transportation	
- District of Columbia	
- Social Security Administration	
TOTAL:	**$28.6-$40.5 Billion**
TOTAL (w/ School Construction As Tax Cut):	**$23.6-$35.5 Billion**

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SOURCES OF FUNDING FOR NEW INITIATIVES
(preliminary estimates, dollars in billions)

	FY 1999	5 years
Mandatories:		
Veterans tobacco (INCREASE to the deficit)	0	6.4
Cost allocation	0.5	2.9
Education reform	0.9	3.6
State bank fees	0.1	0.5
Child support enforcement	0.06	0.3
Agriculture	0.3	1.6
Subtotal	**1.9**	**15.3**
Limited Use Mandatories:		
Directed State use of tobacco settlement	**2.3**	**14.9**
TOTAL, MANDATORIES	**4.2**	**30.2**
Medicare:		
Medicare error reduction/modest policy changes	0.2	2
Medicare income-related premiums	2	12
Subtotal	**2.2**	**14.0**
Revenues:		
Options from the FY 1998 budget	**2.8**	**19.9**

12/17/97, 10:51 AM

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THE PRESIDENT HAS SEEN
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BUDGET MEETING
December 17, 1997

AGENDA

I. OVERVIEW (Gene Sperling and Frank Raines)

II. MANDATORY SOURCES (Frank Raines and Jack Lew)

III. HEALTH CARE (Chris Jennings)

IV. CLASS SIZE (Bruce Reed)

V. FOOD STAMPS (Jack Lew)

VI. CHILD CARE (Bruce Reed and Elena Kagan)

VII. HIGHER EDUCATION (Bob Shireman)

VIII. SCHOOL CONSTRUCTION/TAA (Gene Sperling)

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THE WHITE HOUSE

WASHINGTON

December 15, 1997

MEMORANDUM FOR THE PRESIDENT

'97 DEC 15 PM3:32

FROM: Bruce Reed
Gene Sperling
Elena Kagan

SUBJECT: New Initiatives on Discretionary Side of Budget

As you know, OMB is trying to find an additional $6 billion for discretionary spending. Assuming this money becomes available, the DPC and NEC recommend that you fund the new initiatives listed below -- in the amounts listed below -- in your FY 1999 budget. OMB has signed off on these recommendations. Some of the departments, however, may appeal for increases in base programs that would cut into the amount of money available for new initiatives.

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THE WHITE HOUSE

WASHINGTON

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ID# 2459498

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____ Bill not scanned.

____ Resolution not scanned.

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Comments:

THE WHITE HOUSE

WASHINGTON

Date 12/15

To: Jack Lew

From: The Staff Secretary

I just received this from Elena Kagan.

Are you / OMB ok with it going in?

cc: Erskine

THE WHITE HOUSE

WASHINGTON

December 15, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Gene Sperling
Elena Kagan

'97 DEC 15 PM3:3

SUBJECT: New Initiatives on Discretionary Side of Budget

As you know, OMB is trying to find an additional $6 billion for discretionary spending. Assuming this money becomes available, the DPC and NEC recommend that you fund the new initiatives listed below -- in the amounts listed below -- in your FY 1999 budget. OMB has signed off on these recommendations. Some of the departments, however, may appeal for increases in base programs that would cut into the amount of money available for new initiatives.

We already have given you detailed memos on most of these initiatives. If you approve the initiatives, you can announce any or all of them in the State of the Union.

Because so many of the new initiatives involve education, we are attaching an appendix to this memo that shows recommended funding levels for the Department of Education's major base programs. In reviewing the education spending, you should note that we have just discovered a calculation error whose correction will free up additional monies. We had thought we would need a $434 million increase in the Pell Grant Program to raise the maximum award from $3,000 to $3,100. New cost estimates show we can finance these policies with about $150 million less. We are currently considering whether to keep these funds in the Pell Grant Program to support a larger increase in the maximum award level, or alternatively to invest them in the After-School and Head Start components of the child care initiative.

Education

1. Education Opportunity Zones ($225 million): This initiative will provide funding to about 25 high-poverty urban and rural school districts for agreeing to adopt a "Chicago-type" school reform agenda that includes ending social promotions, removing bad teachers, reconstituting failing schools, and adopting district-wide choice.

2. College-School Partnerships ($150 million): This initiative, which builds on Eugene Lang's model of helping disadvantaged youth, will provide funding for college-school partnerships designed to provide mentoring, tutoring, and other support services to students in high-poverty schools, starting in the sixth grade and continuing through high school. The six-year funding path will provide help to nearly 2 million students. The proposal also will include Chaka

Fattah's idea of early notification to disadvantaged 6th graders telling them of their Pell Grant and loan eligibility.

3. Campaign on Access to Higher Education ($20 million): This initiative will fund an intensive publicity campaign on the affordability of higher education. The goal of the campaign will be to make every family aware that higher education is now universally accessible -- and that it is the key to higher earnings.

4. Teacher Recruitment and Preparation ($67 million): This initiative, which you previewed last July at the NAACP Conference, will provide scholarships to nearly 35,000 new teachers over five years for committing to work in high-poverty urban and rural schools. It also will upgrade the quality of teacher preparation programs serving these communities.

5. Technology Teacher Training ($222 million): This initiative will dedicate 30 percent ($142 million) of the Technology Literacy Challenge Fund (which is being increased from $425 to $475 million) to ensure that at least one teacher in every school receives intensive training in the use of technology for education, so that those "master teachers" can train their colleagues. An additional $80 million will begin an effort to train every *new* teacher in the latest technology.

6. Hispanic Education Action Plan -- ($195 million or more): This initiative will increase funding for a number of existing programs to improve education for Hispanic Americans and other limited English proficient (LEP) children and adults. It would double our investment in training teachers to address the needs of LEP children; boost the Migrant Education Program by 16 percent; increase the TRIO college preparation program by 10 percent; and create a 5-year, $100 million effort to disseminate best practices in ESL training for adults. We would accompany these program increases with administrative actions to help Hispanic students complete high school and succeed in college.

7. Distance Learning -- ($50 million?): We are still in the process of developing a new initiative, related to Governor Romer's Western Governors University, to promote the use of technology to give people "anytime, anywhere" access to learning opportunities.

Child Care

We recommend placing most of the child care initiative -- in particular, the proposed increase in the Child Care and Development Block Grant and the establishment of a new Early Learning Fund -- on the mandatory side of the budget. The smaller pieces of the initiative that we propose placing on the discretionary side are the following:

1. After-School Program Expansion ($100-200 million): This program expansion will increase funding of the 21st Century Community Learning Center Program (now funded at $40 million) for before- and after-school programs for school-age children at public schools. Depending on the exact funding level chosen, this investment will create new programs in 1,500-

4,000 schools, serving between 75,000 and 200.000 children.

2. Standards Enforcement Fund ($100 million): This new fund will support state efforts to improve licensing systems and to enforce health and safety standards, particularly through unannounced inspections of child care settings. The fund also will enable states to issue report cards, for use by consumers, on the quality of the facilities inspected.

3. Provider Training ($51-60 million): A new Child Care Provider Scholarship Fund, which you proposed at the Child Care Conference to fund at $50 million annually, will support 50,000 scholarships each year to students working toward a child care credential. The students will commit to remaining in the field for one year for each year of assistance received, and will earn increased compensation or bonuses when they receive their credential. An additional $1-10 million will allow the Department of Labor to expand its Child Care Apprenticeship Training Program, which funds providers combining work toward a degree with on-the-job practice.

4. Research and Evaluation Fund ($10-30 million): This new fund will provide grants for research projects, establish a National Center on Child Care Statistics, and set up a national child care hotline.

5. Head Start and Early Head Start Expansion ($284-334 million): This level of increased investment in the overall Head Start budget should permit doubling the set-aside for Early Head Start without reducing the resources available for children 3-5. The doubled set-aside would enable more than 35,000 additional children to receive Early Head Start services in 2002.

Welfare, Housing, Urban

1. Welfare-to-Work Housing Vouchers ($283 million): This initiative will provide 50,000 new housing vouchers to help welfare recipients in public housing who need to move in order to find employment. HUD will distribute these vouchers on a competitive basis to public housing authorities working with local TANF agencies and/or grantees of the new $3 billion welfare-to-work program. (A separate proposal, for which no new funding is needed, would allow families in public or assisted housing to use vouchers to buy a home; HUD expects this proposal to assist some 25,000 people become homeowners over two years.)

2. Housing Portability/Choice ($20 million): In addition to the new welfare-to-work housing vouchers discussed above, our proposed package on housing portability and choice expands Regional Opportunity Counseling sites and takes administrative actions to eliminate obstacles to portability in the Section 8 housing program.

3. "Play-by-the-Rules" Homeownership Proposal ($30 million): This initiative will assist families that always pay their rent on time to become homeowners. The Neighborhood Reinvestment Corporation will provide downpayment assistance, interest rate buydowns, or rehabilitation loans to approximately 10,000 families.

4. Homeownership Opportunity Fund ($11 million): This initiative will provide funds for HUD to develop a loan guarantee program to allow state and local governments to leverage current HOME funds with private-sector investments to fund large-scale, affordable housing developments in distressed communities.

5. Community Empowerment Fund ($400 million): This initiative establishes a public/private fund ("Eddie Mac"), which will invest in inner-city businesses and create a secondary market for economic development loans (like Fannie Mae).

6. Homeless Assistance ($341 million): This level of increased investment includes $177 million to help 32,000 homeless people receive Section 8 vouchers.

Labor and Workforce

1. Child Labor ($89 million): This initiative is anchored by a $30 million commitment -- up from $3 million -- to the International Program on the Elimination of Child Labor (IPEC). The initiative also will include funding to improve Customs Service enforcement of U.S. law banning the import of goods made with forced or bonded child labor ($3 million) and to double the Department of Labor's enforcement of child labor laws in the agricultural sector ($4 million). Finally, the initiative will provide additional funding to the Migrant Education Program so it can reach 50,000 more migrant children ($50 million). We are developing non-budget items to fill out the package.

2. Community Adjustment ($50 million): This initiative will fund the creation of the Office of Community and Economic Adjustment (OCEA), which we proposed as part of the Fast Track debate. As you know, this office will be modeled after the Defense Department's Office of Economic Adjustment -- the Administration's first point of contact with communities experiencing a military base closure or defense plant closing. We expect the Office to help 35-40 communities in its first year of operation. The initiative also will fund a variety of other efforts to assist communities that face sudden and severe economic dislocation.

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1. 21st Century Trust Fund ($1 billion): This initiative will provide substantial additional funding to NIH ($750 million) and NSC ($250 million), ramping up substantially over time, for research activities -- particularly on the treatment and cure of diseases. We will provide you with a separate memo on this initiative in the next day or two. Funding for this initiative will come

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3. Racial Disparities in Health Care ($80 million): This initiative will address racial disparities in six areas of health care: infant mortality, breast and cervical cancer, heart disease and stroke, diabetes, AIDS, and immunization. The proposal includes additional funding ($50 million) to established public health programs to adapt and apply their prevention and education strategies to eliminate racial disparities. It also includes funding ($30 million) for thirty local pilot projects to test innovative approaches to reach this goal.

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(Katie has further information about these initiatives)

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Document No._____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 12/16/97 ACTION/CONCURRENCE/COMMENT DUE BY: --

SUBJECT: Reed/Sperling/Kagan memo: New Initiatives on Discretionary Side of Budget

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	McCURRY	☐	☐
BOWLES	☐	☑	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☐	☑	RADD	☐	☐
MATHEWS	☐	☑	REED	☐	☑
RAINES	☐	☑	RUFF	☐	☐
BLUMENTHAL	☐	☐	SMITH	☐	☐
BERGER	☐	☐	SOSNIK	☐	☐
ECHAVESTE	☐	☐	SPERLING	☐	☑
EMANUEL	☐	☑	STREETT	☐	☐
GIBBONS	☐	☐	TARULLO	☐	☐
HILLEY	☐	☑	VERVEER	☐	☐
IBARRA	☐	☐	WALDMAN	☐	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	☐	☐	BEGALA	☐	☐
LINDSEY	☐	☐	Jack Lew	☐	☑
MARSHALL	☐	☐		☐	☐
				☐	☐

REMARKS:

This has been forwarded to the President.

All to BM

RESPONSE:

Staff Secretary
Ext. 6-2702

THE WHITE HOUSE

WASHINGTON

'97 DEC 16 PM1:43

December 15, 1997

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FROM: Bruce Reed
Gene Sperling
Elena Kagan

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(Katie McGinty proposed and has further information about these initiatives)

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Appendix -- Education Budget

The recommended funding level for all of the Department of Education's discretionary programs (including new initiatives) is $30.9 billion, an increase of $1.4 billion (4 percent above FY 1998). In addition to providing for the new initiatives described above, this recommended budget maintains or increases funding for the Department's major base programs, while reducing certain lower priority spending.

Major Base Programs

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'97 DEC 16 PM1:43

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path will provide help to nearly 2 million students. The proposal also will include Chaka Fattah's idea of early notification to disadvantaged 6th graders telling them of their Pell Grant and loan eligibility.

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6. Hispanic Education Action Plan -- ($195 million or more): This initiative will increase funding for a number of existing programs to improve education for Hispanic Americans and other limited English proficient (LEP) children and adults. It would double our investment in training teachers to address the needs of LEP children; boost the Migrant Education Program by 16 percent; increase the TRIO college preparation program by 10 percent; and create a 5-year, $100 million effort to disseminate best practices in ESL training for adults. We would accompany these program increases with administrative actions to help Hispanic students complete high school and succeed in college.

7. Distance Learning -- ($50 million?): We are still in the process of developing a new initiative, related to Governor Romer's Western Governors University, to promote the use of technology to give people "anytime, anywhere" access to learning opportunities.

Child Care

We recommend placing most of the child care initiative -- in particular, the proposed increase in the Child Care and Development Block Grant and the establishment of a new Early Learning Fund -- on the mandatory side of the budget. The smaller pieces of the initiative that we propose placing on the discretionary side are the following:

1. After-School Program Expansion ($100-200 million): This program expansion will increase funding of the 21st Century Community Learning Center Program (now funded at $40

million) for before- and after-school programs for school-age children at public schools. Depending on the exact funding level chosen, this investment will create new programs in 1,500-4,000 schools with slots for between 75,000 and 200,000 children; at the same time, it will enable still more students to participate in other school-site activities.

2. Standards Enforcement Fund ($100 million): This new fund will support state efforts to improve licensing and accreditation of providers, and to enforce health and safety standards -- particularly through unannounced inspections of child care settings. The fund also will enable states to issue report cards, for use by consumers, on the quality of the facilities inspected.

3. Provider Training ($51-60 million): A new Child Care Provider Scholarship Fund, which you proposed at the Child Care Conference to fund at $50 million annually, will support 50,000 scholarships each year to child care workers working toward a child care credential. The students will commit to remaining in the field for one year for each year of assistance received, and will earn increased compensation or bonuses when they receive their credential. An additional $1-10 million will allow the Department of Labor to expand its Child Care Apprenticeship Training Program, which funds providers combining work toward a degree with on-the-job practice.

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5. Head Start and Early Head Start Expansion ($284-334 million): This level of increased investment in the overall Head Start budget should permit doubling the set-aside for Early Head Start over five years without reducing the resources available for children 3-5. The doubled set-aside would enable more than 50,000 additional children to receive Early Head Start services in 2003.

Welfare, Housing, Urban

1. Welfare-to-Work Housing Vouchers ($283 million): This initiative will provide 50,000 new housing vouchers to help welfare recipients in public housing who need to move in order to find employment. HUD will distribute these vouchers on a competitive basis to public housing authorities working with local TANF agencies and/or grantees of the new $3 billion welfare-to-work program. (A separate proposal, for which no new funding is needed, would allow families in public or assisted housing to use vouchers to buy a home; HUD expects this proposal to assist some 25,000 people become homeowners over two years, though OMB believes this figure to be exaggerated.)

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portability in the Section 8 housing program.

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4. Homeownership Opportunity Fund ($11 million): This initiative will provide funds for HUD to develop a loan guarantee program to allow state and local governments to leverage current HOME funds with private-sector investments to fund large-scale, affordable housing developments in distressed communities.

5. Community Empowerment Fund ($300-400 million): This initiative establishes a public/private fund ("Eddie Mac"), which will invest in inner-city businesses and create a secondary market for economic development loans (like Fannie Mae).

6. Homeless Assistance ($250-325 million): This level of increased investment includes $177 million to help 32,000 homeless people receive Section 8 vouchers.

Labor and Workforce

1. Child Labor ($89 million): This initiative is anchored by a $30 million commitment -- up from $3 million -- to the International Program on the Elimination of Child Labor (IPEC). The initiative also will include funding to improve Customs Service enforcement of U.S. law banning the import of goods made with forced or bonded child labor ($3 million) and to double the Department of Labor's enforcement of child labor laws in the agricultural sector ($4 million). Finally, the initiative will provide additional funding to the Migrant Education Program so it can reach 50,000 more migrant children ($50 million). We are developing non-budget items to fill out the package.

2. Community Adjustment ($50 million): This initiative will fund the creation of the Office of Community and Economic Adjustment (OCEA), which we proposed as part of the Fast Track debate. As you know, this office will be modeled after the Defense Department's Office of Economic Adjustment -- the Administration's first point of contact with communities experiencing a military base closure or defense plant closing. We expect the Office to help 35-40 communities in its first year of operation. The initiative also will fund a variety of other efforts to assist communities that face sudden and severe economic dislocation.

3. Out of School Youth Opportunity Program ($250 million): Congress advance appropriated $250 million for this program last year contingent on the passage of authorization legislation. The program will fund competitive grants for efforts to increase employment among out-of-school youth between the ages of 16 and 24.

Health

1. 21st Century Trust Fund (Approx. $1 billion): This initiative will provide substantial additional funding to NIH ($750 million) and NSF ($250 million), ramping up substantially over time, for research activities -- particularly on the treatment and cure of diseases. We will provide you with a separate memo on this initiative in the next day or two. Funding for this initiative will come from comprehensive tobacco legislation.

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3. Racial Disparities in Health Care ($80 million): This initiative will address racial disparities in six areas of health care: infant mortality, breast and cervical cancer, heart disease and stroke, diabetes, AIDS, and immunization. The proposal includes additional funding ($50 million) to established public health programs to adapt and apply their prevention and education strategies to eliminate racial disparities. It also includes funding ($30 million) for up to thirty local pilot projects to test innovative approaches to reach this goal.

Environment
(Katie McGinty proposed and has further information about these initiatives)

1. Climate Change ($400 million): To support our broader climate change initiative (including tax incentives), this funding will go to a number of departments in accord with PCAST's recommendations.

2. Second Generation Clean Water ($450 million, including some on mandatory side): This initiative will assist in restoring 1000 watersheds that are too polluted for fishing or swimming. Funding will go to five agencies to support a variety of activities designed to address polluted runoff and implement comprehensive watershed management strategies.

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1. Community Prosecutors ($50 million): This initiative will provide grants to prosecutors for innovative, community-based prosecution efforts, such as Eric Holder adopted in the District of Columbia. A full 80 percent of the grants will go to pay the salaries and training costs associated with hiring or reassigning prosecutors to work directly with community residents.

Race

A number of the above proposals -- e.g., education opportunity zones, university-school

partnerships, housing vouchers -- can be presented as part of the race initiative, because they target predominantly minority areas or provide disproportionate benefits to members of minority groups. Other proposals described above -- the Hispanic dropout plan and the race and health initiative -- have obvious and explicit race connections. In addition:

1. Civil Rights Enforcement ($72 million): This initiative will fund reforms to the EEOC and the civil rights offices at DOJ, HUD, HHS, Education, and DOL. Most important, additional funding of $37 million will allow the EEOC to expand its mediation program (allowing more than 70 percent of all complainants to choose mediation by the year 2000), increase the average speed of resolving complaints (from over nine months to six) and reduce the EEOC's current backlog (from 64,000 cases to 28,000). The initiative also will fund a dramatic expansion of HUD's civil rights enforcement office (in the 30th anniversary year of the Fair Housing Act) and improve coordination among the government's civil rights offices. We are preparing a number of non-budgetary administrative actions, especially involving fair housing and lending, to accompany our budget proposals in this area.

Appendix -- Education Budget

The recommended funding level for all of the Department of Education's discretionary programs (including new initiatives) is $30.9 billion, an increase of $1.4 billion (4 percent above FY 1998). In addition to providing for the new initiatives described above, this recommended budget maintains or increases funding for the Department's major base programs, while reducing certain lower priority spending.

Major Base Programs

Education testing: $16 million. The full amount needed to maintain progress on test development.

Pell Grants: $7,779 million. A $289 million increase would maintain higher independent student eligibility and raise the maximum award from $3,000 to $3,100. The additional $150 million previously thought necessary to effect these policies would increase the maximum award by another $50; alternatively, as noted earlier, we could use these funds to increase our investments in the After-School and Head Start components of the child care initiative.

America Reads, $260 million. We did not get our America Reads bill in FY 1998. We did obtain increases for tutoring in the Corporation for National and Community Service. Congress did, however, "advance appropriate" $210 million for FY 1999 for Education, contingent upon enactment of new law. The increase to $260 million reflects our original first year plan.

Title I, Education for the Disadvantaged, Grants to LEAs: $ 7,725 million. A $350 million (4.5 percent) increase over FY 1998 to serve an additional 400,000 children in poor communities. Secretary Riley requested a $492 million increase.

Goals 2000: $510 million. A $10 million increase over FY 1998, to maintain momentum in the States for school reform.

Comprehensive School Reform: $175 million. A $30 million increase over FY 1998 for demonstrations of school reform models.

Adult Education: $394 million. A $33 million (9 percent) increase over FY 1998 for basic education and English language training for the disadvantaged, immigrants, and welfare recipients. This increase is part of Hispanic Education Action Plan discussed above.

Special Education: $4,811 million. Same as the FY 1998 level, which was increased by $775 million over FY 1997. States can spend the increase over 2 years. Secretary Riley has expressed concern about the lack of an FY 1999 increase. We are convinced that no increase will satisfy the advocates, and would prefer to negotiate this level in Congress, rather than use up scarce funds in your budget now.

College Work-Study, $915 million. An $85 million increase over FY 1998, make progress toward your goal of 1 million Work-Study positions by FY 2000. Given the reduction in Perkins loans (noted below), this increase keeps the campus-based aid programs at level funding from FY 1998.

Reductions in the Base

A number of programs have been reduced to make room for initiatives and major base programs, including: Impact Aid (-$92 million), the Education Block Grant (-$350 million), and Perkins Loans (-$85 million). Each of these has a vocal constituency. We believe we can make the case that our funding of initiatives and base programs are all higher priority than these programs.

Cos

THE WHITE HOUSE

WASHINGTON

'97 DEC 16 PM1:43

December 15, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Gene Sperling
Elena Kagan

SUBJECT: New Initiatives on Discretionary Side of Budget

As you know, OMB is trying to find an additional $6 billion for discretionary spending. Assuming this money becomes available, the DPC and NEC recommend that you fund the new initiatives listed below -- in the amounts listed below -- in your FY 1999 budget. OMB has signed off on these recommendations. Some of the departments, however, may appeal for increases in base programs that would cut into the amount of money available for new initiatives.

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NLWJC - KAGAN

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THE WHITE HOUSE

WASHINGTON

Dear Elena:

Thank you for your efforts in securing passage of the Omnibus Consolidated Appropriations Act for Fiscal Year 1999.

We can be justifiably proud of the hard work and hard-won gains that this budget represents. Our efforts have given our children more teachers and better programs; our dedication has saved the surplus for Social Security; and our commitment has defended the environment. By standing together, we were able to achieve historic victories for the American people.

Thanks, again, for your dedicated effort in ensuring the passage of this bill. Please accept the enclosed signing pen and red line of the bill as a token of my appreciation.

Sincerely,

Bill

The Honorable Elena Kagan
Deputy Assistant to the President for
Domestic Policy
The White House
Washington, D.C. 20500

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NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 007

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FOIA Number: Kagan

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
9-21-98

September 20, 1998

Mr. President:

Erskind wanted you to see these memos.

Phil Caplan

I continue
filing tru them
w/ positive stuff
as important —

BC

THE PRESIDENT HAS SEEN
9-21-98

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THE WHITE HOUSE

WASHINGTON

September 16, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC October Event Ideas

Health Care

Long-Term Care: If Democrats decide to introduce an alternative tax bill, we could do an event (either before or concurrent with the Democratic unveiling) that highlights the President's long-term care initiative. The President's proposal would provide for a $500-$1,000 tax credit to people with long-term care needs or their caregivers. It would cost about $5 billion over 5 years and help about 2.2 million people. At the same time, the President could call for the Federal Employees Health Benefit plan to offer long-term care insurance to federal employees. OPM estimates that 300,000 people would buy these policies.

Work Incentives and Health Care for People with Disabilities: Within a week, we will know whether the Senate will vote on the Jeffords-Kennedy Work Incentives Improvement Act -- the disability community's top health priority -- this year. If the bill does come to a vote, we could do a strong event with the disability and AIDS communities emphasizing our involvement in developing the bill and calling on the Senate to pass it. We also could announce the approval of four states for the new "date certain" grant program. This initiative (long sought by the disability community) gives states the ability to use Medicaid funds to offer a time-limited opportunity for institutionalized disabled persons to return to their communities to receive the long-term care services they need. The disabilities community views the program as an important step in moving Medicaid away from its historic bias toward institutionalizing the chronically ill.

Children's Health: October is the first anniversary of the effective date of the Children's Health Insurance Program (CHIP), and October 5 is Child Health Day. We could release the first annual report on states' progress in implementing CHIP, which is expected to coincide with a sufficient number of state approvals to cover 2.5 million kids. At this event, we would launch phase one of our children's health outreach campaign with NGA, which includes new radio ads in 10 states (set to begin October 1) targeted to parents of uninsured children eligible for CHIP or Medicaid. We also are trying to get a commitment from Americorps to participate in signing families up for Medicaid and CHIP on the local level.

Patients' Bill of Rights: We would like to do at least one more patients' bill of rights event, preferably on the road, prior to the election. We might want to do a kind of wrap-up event, now

THE PRESIDENT HAS SEEN
9-21-98

that we have just about finished applying the bill of rights to federal health plans, toting up everything we have done by executive action (i.e., how many people covered) and comparing it to what Congress has accomplished (i.e., nothing). The AFL-CIO (per Jerry Shea) strongly favors this event.

Cancer Event(s): In addition to the September 26 Cancer March (and the President's possible involvement through a radio address), October is National Breast Cancer Awareness month. It is also the fifth anniversary of the President's launching of the National Action Plan on Breast Cancer. We have tentatively scheduled October 21 for an event with the First Lady to (1) release a new report on the progress the Administration has made in the fight against breast cancer, and (2) highlight a new information outreach and screening campaign focused on underserved minorities. Because of the President's strong cancer record, as well as his desire to underscore our commitment to ending health disparities among races, the President might want to participate in this event.

Elder Abuse: See Crime section of this memo.

Education

September Grants: The Education Department will announce prior to September 30: (1) technology grants ($30 million to 17 states); (2) charter school grants ($60 million to 20 states); (3) safe and drug free school grants ($5 million for model school partnerships and universities); and (4) school-to-work grants ($40 million to urban and rural communities, which must be given on September 30). We can try to combine as many of these grants as possible into a single event, perhaps in Chicago.

Potential Bill Signings: (1) The Higher Education Act is virtually certain to pass this session, though the timing is uncertain. It is likely to contain provisions to reduce student loan interest rates, as well as programs based on our High Hopes and Teacher Recruitment and Preparation proposals. (2) Prospects for passing the charter schools legislation are decent, though hardly guaranteed. (3) Ditto the prospects for passing an early literacy bill.

Safe Schools Conference: On October 15, the President will host a White House Conference on School Safety and take the following actions: (1) release the first annual report on school safety, including school crime data, information on model safe schools, and recommended action steps for parents and teachers; (2) unveil a proposal to reform the Safe and Drug Free Schools program and call for additional funds in the FY 2000 budget; (3) announce a new FEMA-like program of assistance for communities that have experienced school-related violence; (4) launch new comprehensive school safety grants that will bring together disparate streams of funding from the Departments of Justice, Education, and Health and Human Services; and (5) start a partnership with MTV on school safety, which includes a year of PSAs.

THE PRESIDENT HAS SEEN
9-21-98

Can do while in LA?

Crime

September COPS Grants: The President could announce in late September $370 million in grants to hire or redeploy 11,500 more police officers. This announcement would include $100 million for Los Angeles to hire 700 new police officers, $70 million for the rest of California to hire 800 new officers, and $200 million for COPS MORE grants to allow police departments in communities across the nation to redeploy more than 10,000 officers.

Elder Abuse and Fraud: The President could take several actions to combat elder abuse and fraud, including: (1) releasing the preliminary findings of an HHS study on elder abuse; (2) creating a new national center on elder abuse; (3) calling on Congress to reauthorize the Older Americans' Act, which includes services to help older Americans at risk for abuse; (4) launching a new partnership between the Justice Department and AARP to create Elder Fraud Prevention Teams (EFPTs) in four cities (Miami, Phoenix, San Diego, and Seattle); (5) releasing roughly $3 million in Justice Department grants to combat fraud against the elderly (by September 30); and (6) posting new information on telemarketing fraud on the Department of Justice Web site.

TOP COPS Legislation: The President could sign legislation to expand educational benefits for the children of slain local law enforcement officers at the NAPO TOP COPS event on October 9, assuming the legislation is passed in time. The President endorsed this proposal at last year's TOP COPS event. The bill has passed the Senate and is waiting for a floor vote in the House.

May group with town to pass - if we do this could by Friday

1997 FBI Crime Statistics: Coinciding with the October 18 release of the final 1997 FBI Uniform Report -- which will continue to show large decreases in crime -- the President could give a major policy speech on how this Administration's efforts have helped to fuel the longest sustained drop in violent crime in nearly 40 years. The speech would commemorate the fourth anniversary of the landmark 1994 Crime Act; highlight the crime policies, including signature initiatives such as COPS, that have helped to change the nation's approach to crime; and begin to make the case for new crime proposals that will be included in the State of the Union and FY 2000 budget.

Youth Crime Gun Interdiction Initiative: Anytime after October 23, the President could: (1) release the second annual report on the Youth Crime Gun Interdiction Initiative (YCGII), which will provide new ATF data on guns used in crimes in 27 cities; (2) announce the availability of new funds to hire new ATF agents to investigate gun trafficking in these 27 cities; and (3) propose a dramatic expansion of this initiative in the FY 2000 budget to all major cities (i.e., the 65-70 cities with populations of 250,000 or more), which would cost about $30 million (pending OMB's approval). Additionally, because we expect the YCGII report to make a strong case for cracking down on "straw purchasers" and gun shows, we are considering whether the President should announce his support for legislation requiring background checks for all secondary market gun purchases.

Issue in Florida gun laws

PHOTOCOPY WJC HANDWRITING

THE PRESIDENT HAS SEEN
9-21-98

Children and Families

Head Start Reauthorization Bill: The President should have the opportunity to sign a Head Start Reauthorization bill this year. A bill signing could highlight the how the Administration has (1) significantly increased Head Start participation; (2) dramatically improved program quality; and (3) created Early Head Start for infants and toddlers.

Quality Child Care for Federal Employees Act: The President may get an opportunity to sign the Quality Child Care for Federal Employees Act, which makes important improvements to federally-sponsored child care by building on an executive memorandum that the President issued in March 1998. (Congress, however, might add this measure to an appropriations bill.) We could announce new CCDBG data (see just below) at this signing.

New Child Care Data. The President could announce new data of the number of children served with child care assistance through the Child Care and Development Block Grant (CCDBG). This data will point to the need for increased investment in the block grant; we expect the data to indicate that we are serving approximately 1.8 million children of the 10 million eligible for assistance. This is the first data to examine the CCDBG created by welfare reform in 1996 (when four child care assistance programs were consolidated).

CEO Roundtable Discussion on Work/Family Issues: The President could host a meeting of CEOs to discuss "family-friendly" workplace practices that meet the needs of the nation's changing workforce. The President could release a new CEA report, if it is ready, on Families and the Changing Labor Market. Additionally, the President could signal support for the design of a paid parental leave program (policy development process required). This meeting would build on the work of the Treasury Child Care Working Group, run by Secretary Rubin.

Welfare

National Child Support Case Registry: HHS is almost ready to put in place a new national database of child support cases, called a Federal Case Registry. This database will make it easier to locate deadbeat parents, especially if they have moved to a different state; HHS will check the Registry daily against an existing database of new employees; when it finds a match, it will report the information to the state, which then will arrange to garnish the wages of the delinquent parent. The registry was proposed by the President in 1994 and enacted as part of the 1996 welfare reform law. States will begin to submit their case data to HHS on October 1; HHS expects to have 30 states in its system by the end of October and 40 states by the end of the year. We could unveil the new registry anytime in October.

Work Participation Rates and Other Statistics: In late October, the President could visit a welfare-to-work program and announce (1) new state work participation rates, showing that almost all states are meeting the welfare law's single-parent requirements, but some are failing to meet the law's separate two-parent requirement; (2) new caseload data showing continuing

declines; and (3) new data on the number of people who were on welfare in 1997 and working in March 1998.

Tobacco

OSHA Rule: The President could sign an Executive Order directing OSHA to issue within one year a standard establishing a smoke-free workplace for all private sector employees. OSHA has been working since 1991 on a standard regulating all indoor air pollutants (including but not limited to environmental tobacco smoke), but is years away from completing the standard, principally because there is scanty scientific evidence to justify the regulation of certain non-ETS pollutants. If the President ordered a separate standard only on ETS, OSHA believes it could complete the work within a year. The resulting standard would be similar to the August 1997 Executive Order banning smoking in federal buildings.

Counteradvertising: In an event focusing on counteradvertising, the President could direct HHS to: (1) designate the CDC's Media Campaign Resource Center as a National Clearinghouse on Tobacco Counteradvertising; (2) collect and disseminate a package of the top-10 advertisements for preventing youth smoking, and make these available to states and organizations for television placement free of charge; and (3) make effective anti-tobacco curriculum available to every school. Supermodel Christy Turlington and the musical group "Boyz II Men" have made PSAs that would be among the top-10 package, and we could invite them to participate in the event.

Department of Defense Anti-Tobacco Plan: The President could help unveil the DOD's new comprehensive anti-tobacco plan. This plan includes: health plan coverage of over-the-counter nicotine replacement therapies; an extensive counteradvertising campaign; and the incorporation of anti-tobacco messages into military education and training programs. The total cost is about $60 million. The Secretary of Defense and/or Chairman of the Joint Chiefs of Staff could join the President.

Food Safety

Salmonella and Research: The President could announce a preliminary USDA study showing that salmonella risks have declined by almost 50 percent in chicken and almost 40 percent in swine, largely because of the HACCP program. At the same time, he could participate in a kind of "show and tell" event demonstrating the importance of research to food safety, showing for example how federal research has led to technologies dramatically reducing salmonella in chicken and e-coli in cows.

Service

Americorps 100,000th Member Event: CNS is planning national service events in Washington and around the country on October 23 to celebrate the swearing-in of the 100,000th Americorp member. At this event (or at some other time), the President also could announce: (1) new grants

to support 500-1000 Americorps Promise Fellowships to support the goals set at the Presidents' Summit; (2) the recipients of the President's Service Awards, the nation's highest volunteer service award; and (3) the recipients of the President's Student Service Awards.

Community Empowerment

Individual Development Accounts: The President may have an opportunity to sign a bill to provide funds for IDAs, which the President has supported since 1992. At the bill signing, the President could announce that he is sending a letter to the bank regulators asking that IDA accounts count towards a financial institution's CRA requirements.

NLWJC - KAGAN

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20504

'98 MAR 21 PM 2:18

March 21, 1998

MEMORANDUM FOR TODD STERN

FROM: GLYN T. DAVIES

SUBJECT: INS Structural Reform

The National Security Council clears with the changes as noted on the attached memorandum for the President.

Attachment
Tab A Memorandum for the President

MEMORANDUM OF CALL — Previous editions usable

TO: Phil

☒ YOU WERE CALLED BY— ☐ YOU WERE VISITED BY—

Larry Stein & Chas. Ruff

OF (Organization)

☐ PLEASE PHONE ▶ (Enter area code, if necessary) ☐ DSN

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU

☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

both OK w/ INS package

RECEIVED BY	DATE	TIME
bb	3-20	7:30

NSN 7540-00-634-4018
50363-111
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OPTIONAL FORM 363 (Rev. 7-94)
General Services Administration

Document No. 2064

WHITE HOUSE STAFFING MEMORANDUM

Date: 3/19 ACTION / CONCURRENCE / COMMENT DUE BY: 3/20 5:00 pm

Subject: INS Reorganization

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	McCURRY	☐	☑
BOWLES	☑	☐	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☑	☐	REED	☐	☐
MATHEWS	☑	☐	RUFF	☑	☐
RAINES	☑	☐	SMITH	☐	☐
BEGALA	☑	☐	SOSNIK	☑	☐
BERGER	☑	☐	SPERLING	☐	☐
BLUMENTHAL	☐	☐	STEIN	☑	☐
ECHAVESTE	☑	☐	STERN	☐	☐
EMANUEL	☑	☐	STREETT	☐	☐
GIBBONS	☐	☐	VERVEER	☐	☐
IBARRA	☑	☐	WALDMAN	☐	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	☑	☐	_____	☐	☐
LINDSEY	☐	☐	_____	☐	☐
MARSHALL	☑	☐	_____	☐	☐
			_____	☐	☐

REMARKS: Please advise

RESPONSE:

3/98

Staff Secretary's Office
Ext. 62702

A A

'98 MAR 19 P5:50

THE WHITE HOUSE

WASHINGTON

March 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: INS Structural Reform

In its final report to the Congress last fall, the United States Commission on Immigration Reform (CIR) called for significant reforms to our nation's immigration system, including dismantling the Immigration and Naturalization Service (INS) and reallocating its major functions to other federal agencies. The FY 98 Commerce, Justice, State (CJS) appropriations bill required the Attorney General to report back to the Congress on the CIR proposal by April 1.

At your request, the DPC led an extensive interagency review process of the CIR's recommendations and other immigration reform proposals. We worked especially closely with OMB because of its expertise in managerial issues. We also included OVP, OPL, Counsel's Office, NSC, INS, and the Departments of Justice, State, and Labor. We had many discussions with immigration experts and advocates, as well as with members of the CIR.

Based on this process, we recommend that the Administration (1) reject the CIR proposal to dismantle the INS, but (2) fundamentally restructure the INS to respond to problems that the CIR rightly identified. The principal feature of this restructuring plan would be a clear separation of enforcement and service operations within the INS. All participants in the review process concur with this recommendation, and we propose submitting our plan to Congress in response to the April 1 deadline.

INS doesn't really "punish"; that's DOJ's job.

(Note: Lots of people who enter illegally are ultimately welcomed as legal immigrants.)

Policy Discussion

The CIR charged that the INS's dual responsibility of welcoming legal immigrants ~~who enter legally~~ and deterring ~~or punishing~~ those who attempt to enter or stay illegally has resulted in "mission overload." To address this problem, the Commission proposed to move all immigration service functions to the Department of State, while consolidating all immigration enforcement activities into a new federal law enforcement agency within the Justice Department.

Nearly everyone consulted about this proposal raised serious concerns about it. People both inside and outside the Administration noted the disruption involved in reassigning immigration functions, especially to an agency (State) that has a different primary mission. They

also emphasized the inefficiencies created by placing immigration service and enforcement functions in two wholly distinct agencies.

Our review process identified serious risks in transferring authority over immigration service operations to the State Department. Some immigration advocates predicted that such a substantial transfer of authority would require a six or seven-year transition, thereby exacerbating the current long delays in processing basic immigration services. The State Department echoed these concerns, in part because it is already in the process of absorbing two other agencies: the United States Information Agency and the Arms Control and Disarmament Agency. The Department and immigration advocates alike also expressed the view that the domestic focus of many of INS's services conflicts with the Department's foreign policy mission. Finally, immigration advocates fear that Congress will short-change immigration service activities in the appropriations process if they are in a wholly separate agency from enforcement functions.

Our review also found real inefficiencies -- and a potential weakening of both enforcement and service functions -- in a scheme that places these activities in separate departments. Many experts pointed out the variety of ways in which service officials depend on data collected by enforcement officers, and vice versa, to ensure the integrity and effectiveness of both functions. Likewise, they noted the opportunities for coordination between these officials to enhance enforcement and service activities alike -- as when, for example, a service officer discovers that a person has overstayed his visa and become an illegal alien. For these reasons, almost all experts and advocates recommended keeping enforcement and service activities within a single agency.

At the same time, however, our review process found widespread agreement with the Commission that immigration policy has suffered from the INS's failure to delineate clearly between its service and enforcement operations. Advocates and experts consistently remarked on the absence of any lines of authority within INS reflecting this division in function. They particularly noted that many INS employees at both the headquarters and field levels have responsibility for both enforcement and service activities, notwithstanding the fundamental difference in knowledge, skill, ~~and ability~~ necessary to perform these functions effectively.

Our review process concluded that we have the best chance of achieving the optimum mix of separation and coordination by dramatically restructuring the INS itself. This fundamental reform would create two distinct lines of authority -- one for services, one for enforcement -- running from the field offices all the way up through headquarters. Under this model, each function would be organized in the way best suited to its core responsibility. Enforcement operations, for example, would be organized regionally (e.g., Southwest border, Northwest border), while the benefits operations would be located in areas of high immigrant concentration.

We are attaching two organization charts -- one showing the current INS structure, the other the proposed INS structure -- to give you a clear idea of the magnitude of this reform. We believe that the proposal would greatly enhance the effectiveness of immigration activities by encouraging the development of function-specific knowledge and skills and creating clear lines

of accountability throughout the organization.

Congressional Reaction

We have met with key Hill staff to try to get a sense of where the Congress is going on the INS reform issue, and how it would respond to our proposal. Chairman Rogers of the House CJS appropriations committee is trying to garner support to dismantle the agency along the lines of the CIR recommendations. Our conversations with Congressional staff from other offices, however, suggest that most members of Congress are approaching the issue cautiously. The key Senate authorizers and appropriators -- Sens. Abraham, Kennedy, Gregg, and Hollings -- appear dubious of the CIR's proposal and receptive to our alternative. The situation in the House is more uncertain. Rep. Lamar Smith, who will be critical to the outcome, is playing his cards very close to the vest, indicating a desire to deal with structural reform issues, but no preference for any particular proposal.

Recommendation

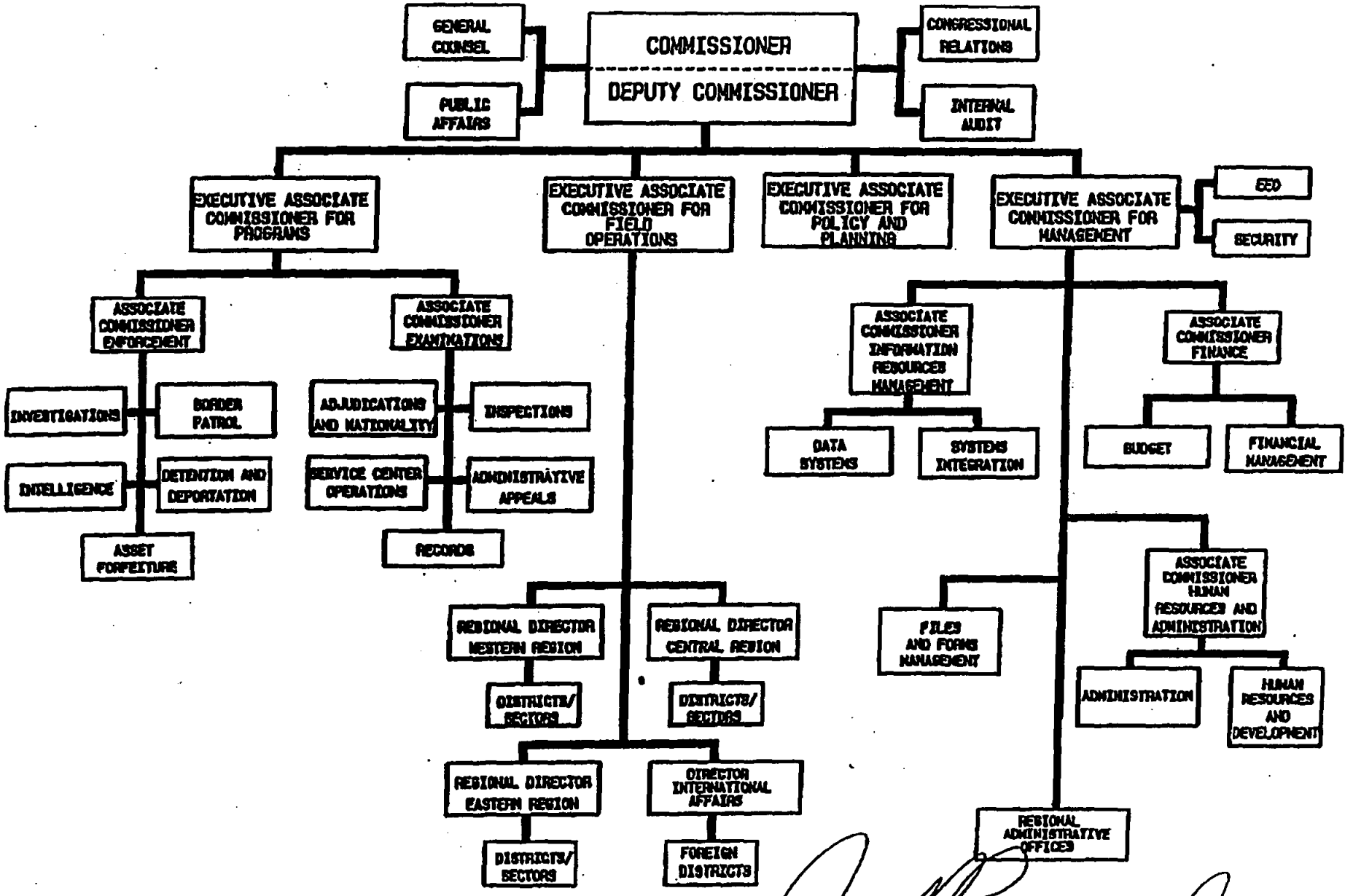
We recommend that the Administration propose a reform model that clearly separates enforcement and service operations within the INS, while retaining the INS as a single entity.

Agree: _____

Disagree: _____

Let's Discuss: _____

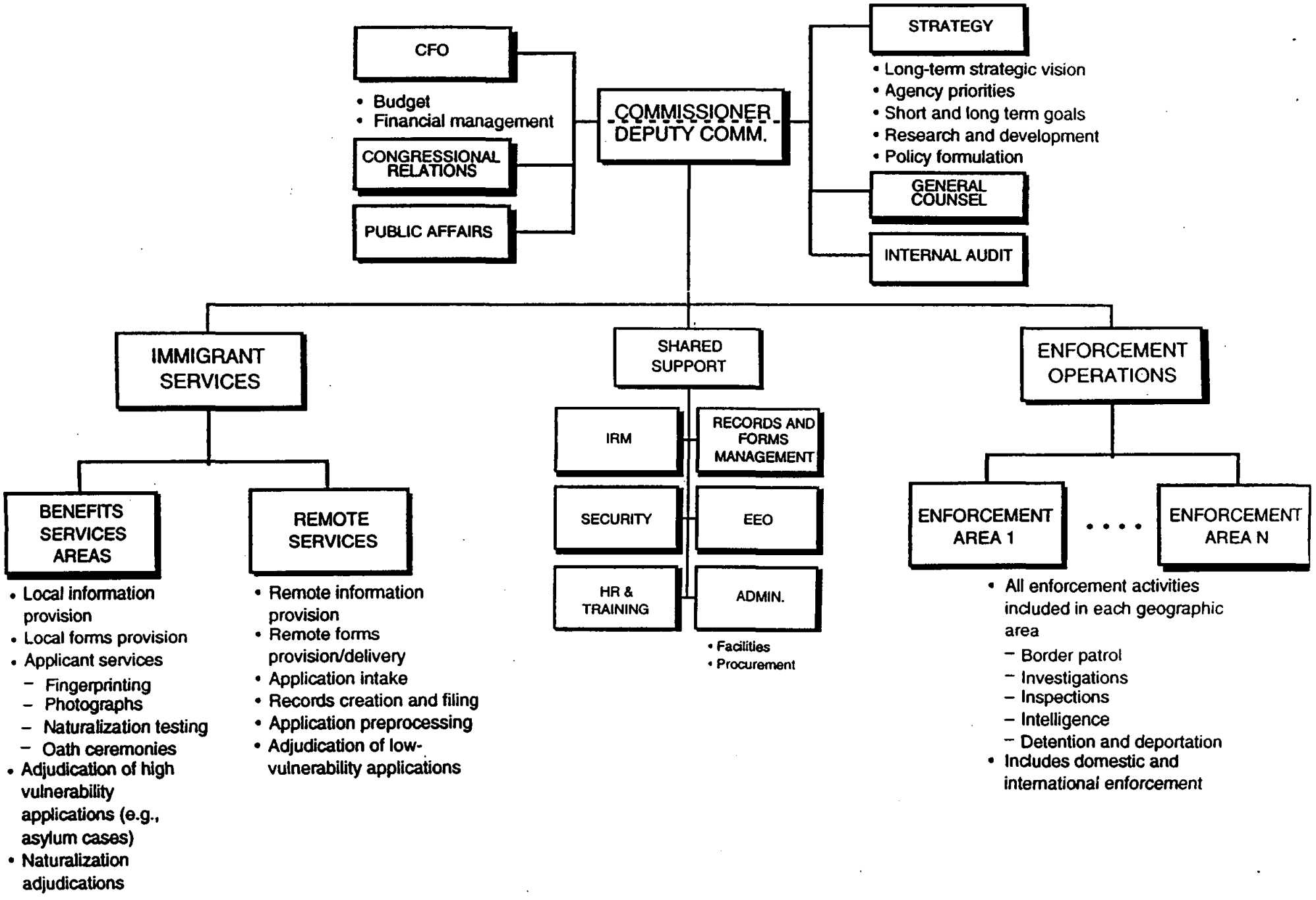
IMMIGRATION AND NATURALIZATION SERVICE



Approved: _____ Date: January 14, 1994

JANET RENO
Attorney General

PROPOSED INS ORGANIZATION



Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

Date: 3/19 ACTION / CONCURRENCE / COMMENT DUE BY: 3/20 5:00 pm

Subject: INS Reorganization

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McCURRY		✓
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PODESTA	✓		REED		
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BERGER	✓		SPERLING		
BLUMENTHAL			STEIN	✓	
ECHAVESTE	✓		STERN		
EMANUEL	✓		STREETT		
GIBBONS			VERVEER		
IBARRA	✓		WALDMAN		
KLAIN			YELLEN		
LEWIS	✓		Winograd	✓	
LINDSEY					
MARSHALL	✓				

REMARKS: Please advise

RESPONSE:

3/98

Staff Secretary's Office
Ext. 62702

THE WHITE HOUSE

WASHINGTON

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Comments:

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Document No. _____

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BERGER	✓		SPERLING		
BLUMENTHAL			STEIN	✓	
ECHAVESTE	✓		STERN		
EMANUEL	✓		STREETT		
GIBBONS			VERVEER		
IBARRA	✓		WALDMAN		
KLAIN			YELLEN		
LEWIS	✓		_____		
LINDSEY			_____		
MARSHALL	✓		_____		
			_____		

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RESPONSE:

3/98

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'98 MAR 19 PM 5:50

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March 19, 1998

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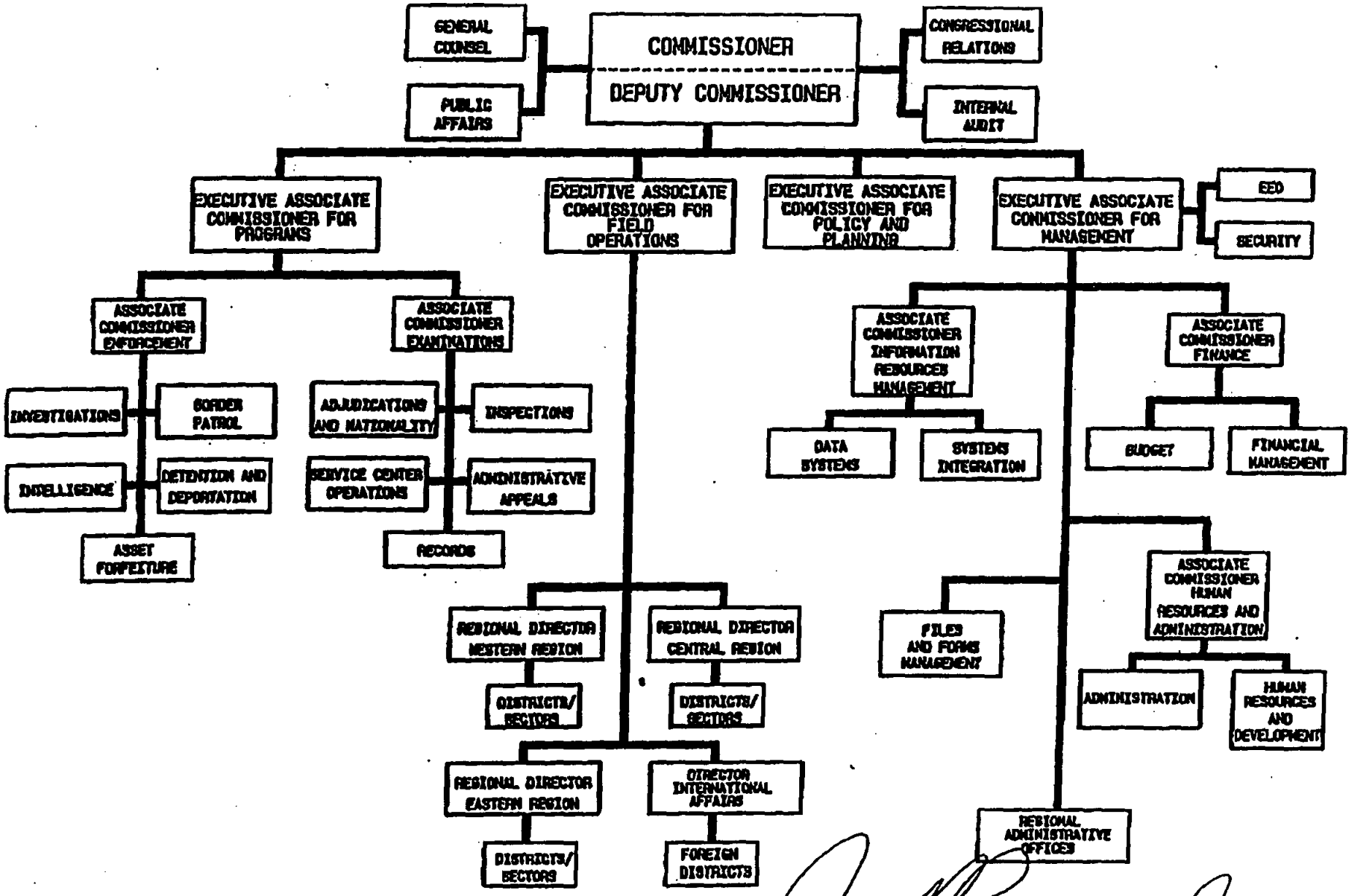
Agree: _____

Disagree: _____

Let's Discuss: _____

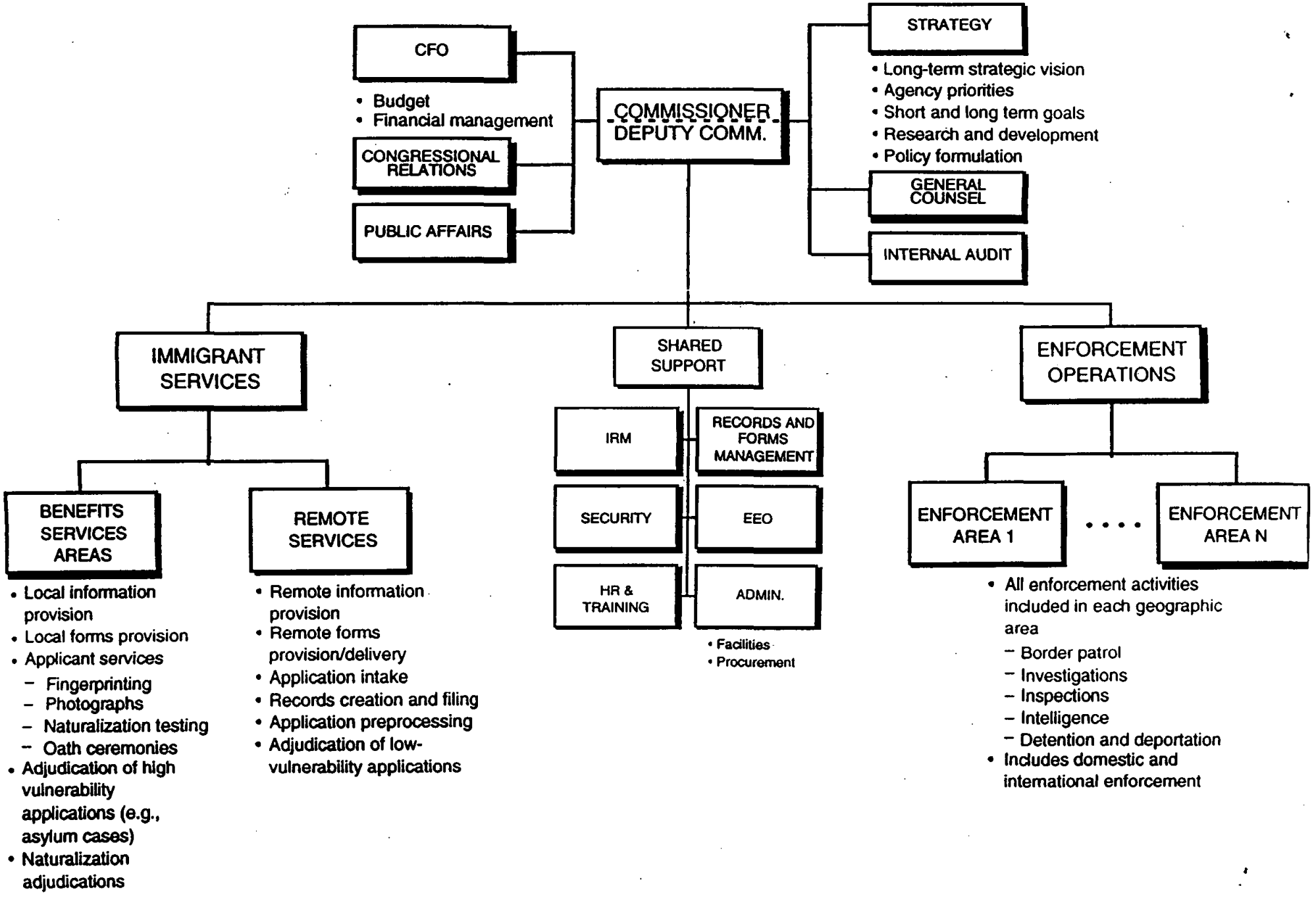
IMMIGRATION AND NATURALIZATION SERVICE



Approved: _____ Date: January 14, 1994

JANET RENO
Attorney General

PROPOSED INS ORGANIZATION



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Mar. 21, 98 - INS Restructuring

THE PRESIDENT HAS SEEN
3-22-98
copied
VP
Reed
Kagan
COS

THE WHITE HOUSE

WASHINGTON

March 21, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: PHILLIP CAPLAN Phil

SUBJECT: INS Restructuring

The attached Reed/Kagan memo seeks approval of a proposal on reorganization of the INS. All of your advisors, including the Attorney General, Secretary Herman and the State Department, are in agreement that the INS should not be disbanded, but that it needs to be significantly reorganized.

Background. In a report to Congress last fall, the U.S. Commission on Immigration Reform (CIR) called for reforming the immigration system including dismantling the INS. At your request, the DPC led an interagency review process of the CIR's recommendations. The FY '98 Commerce, State, Justice Appropriations Act requires the AG to report back to Congress on the CIR report by April 1.

Reorganization. The CIR's biggest criticism of INS centers on it's failure to delineate clearly between its immigrant service and enforcement functions. Therefore they recommended the functions be split between State (immigrant services) and Justice (enforcement). Outside groups and your advisors are very concerned about the disruptions the CIR scheme would bring, especially to State (an agency with a completely different mission) and predict such a scheme would require a six- or seven-year transition and further delay immigration reform. But, the review process found widespread agreement with CIR's criticism of the way INS carries out these dual functions. Therefore, your advisors recommend a significant restructuring of the INS to create distinct lines of authority (chart attached). Under this model, each function would be organized in a way best suited to its core responsibility. Enforcement operations, for example, would be organized regionally (e.g., Southwest Border) and services/benefits would be located in areas of high immigrant concentration.

Congress. On the Senate side, the key authorizers and appropriators Abraham, Kennedy, Gregg and Hollings -- appear dubious of the CIR proposal and receptive to our plan. On the House side, it is more uncertain. Rep. Hal Rogers, Chair of the C/S/J subcommittee, is trying to gather support to dismantle the INS. Rep. Lamar Smith is playing his cards close to his vest, has indicated a desire to deal with structural reform, but has no preference for any particular proposal. It is unclear how the GOP leadership views the CIR proposal or whether they will try to make a political issue out of it.

John Podesta, Rahm, Maria, Larry Stein and Chuck Ruff concur in DPC's recommendation to significantly restructure the INS rather than split it's functions between State and Justice.

✓ Approve ____ Disapprove ✓ Discuss

Does Paper go Phone

PHOTOCOPY WJC HANDWRITING

'98 MAR 19 PM5:50

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
3-22-98

March 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: INS Structural Reform

In its final report to the Congress last fall, the United States Commission on Immigration Reform (CIR) called for significant reforms to our nation's immigration system, including dismantling the Immigration and Naturalization Service (INS) and reallocating its major functions to other federal agencies. The FY 98 Commerce, Justice, State (CJS) appropriations bill required the Attorney General to report back to the Congress on the CIR proposal by April 1.

At your request, the DPC led an extensive interagency review process of the CIR's recommendations and other immigration reform proposals. We worked especially closely with OMB because of its expertise in managerial issues. We also included OVP, OPL, Counsel's Office, NSC, INS, and the Departments of Justice, State, and Labor. We had many discussions with immigration experts and advocates, as well as with members of the CIR.

Based on this process, we recommend that the Administration (1) reject the CIR proposal to dismantle the INS, but (2) fundamentally restructure the INS to respond to problems that the CIR rightly identified. The principal feature of this restructuring plan would be a clear separation of enforcement and service operations within the INS. All participants in the review process concur with this recommendation, and we propose submitting our plan to Congress in response to the April 1 deadline.

Policy Discussion

The CIR charged that the INS's dual responsibility of welcoming immigrants who enter legally and deterring or punishing those who attempt to enter or stay illegally has resulted in "mission overload." To address this problem, the Commission proposed to move all immigration service functions to the Department of State, while consolidating all immigration enforcement activities into a new federal law enforcement agency within the Justice Department.

Nearly everyone consulted about this proposal raised serious concerns about it. People both inside and outside the Administration noted the disruption involved in reassigning immigration functions, especially to an agency (State) that has a different primary mission. They

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also emphasized the inefficiencies created by placing immigration service and enforcement functions in two wholly distinct agencies.

Our review process identified serious risks in transferring authority over immigration service operations to the State Department. Some immigration advocates predicted that such a substantial transfer of authority would require a six or seven-year transition, thereby exacerbating the current long delays in processing basic immigration services. The State Department echoed these concerns, in part because it is already in the process of absorbing two other agencies: the United States Information Agency and the Arms Control and Disarmament Agency. The Department and immigration advocates alike also expressed the view that the domestic focus of many of INS's services conflicts with the Department's foreign policy mission. Finally, immigration advocates fear that Congress will short-change immigration service activities in the appropriations process if they are in a wholly separate agency from enforcement functions.

Our review also found real inefficiencies -- and a potential weakening of both enforcement and service functions -- in a scheme that places these activities in separate departments. Many experts pointed out the variety of ways in which service officials depend on data collected by enforcement officers, and vice versa, to ensure the integrity and effectiveness of both functions. Likewise, they noted the opportunities for coordination between these officials to enhance enforcement and service activities alike -- as when, for example, a service officer discovers that a person has overstayed his visa and become an illegal alien. For these reasons, almost all experts and advocates recommended keeping enforcement and service activities within a single agency.

At the same time, however, our review process found widespread agreement with the Commission that immigration policy has suffered from the INS's failure to delineate clearly between its service and enforcement operations. Advocates and experts consistently remarked on the absence of any lines of authority within INS reflecting this division in function. They particularly noted that many INS employees at both the headquarters and field levels have responsibility for both enforcement and service activities, notwithstanding the fundamental difference in knowledge, skill, and ability necessary to perform these functions effectively.

Our review process concluded that we have the best chance of achieving the optimum mix of separation and coordination by dramatically restructuring the INS itself. This fundamental reform would create two distinct lines of authority -- one for services, one for enforcement -- running from the field offices all the way up through headquarters. Under this model, each function would be organized in the way best suited to its core responsibility. Enforcement operations, for example, would be organized regionally (e.g., Southwest border, Northwest border), while the benefits operations would be located in areas of high immigrant concentration.

We are attaching two organization charts -- one showing the current INS structure, the other the proposed INS structure -- to give you a clear idea of the magnitude of this reform. We believe that the proposal would greatly enhance the effectiveness of immigration activities by encouraging the development of function-specific knowledge and skills and creating clear lines

of accountability throughout the organization.

Congressional Reaction

We have met with key Hill staff to try to get a sense of where the Congress is going on the INS reform issue, and how it would respond to our proposal. Chairman Rogers of the House CJS appropriations committee is trying to garner support to dismantle the agency along the lines of the CIR recommendations. Our conversations with Congressional staff from other offices, however, suggest that most members of Congress are approaching the issue cautiously. The key Senate authorizers and appropriators -- Sens. Abraham, Kennedy, Gregg, and Hollings -- appear dubious of the CIR's proposal and receptive to our alternative. The situation in the House is more uncertain. Rep. Lamar Smith, who will be critical to the outcome, is playing his cards very close to the vest, indicating a desire to deal with structural reform issues, but no preference for any particular proposal.

Recommendation

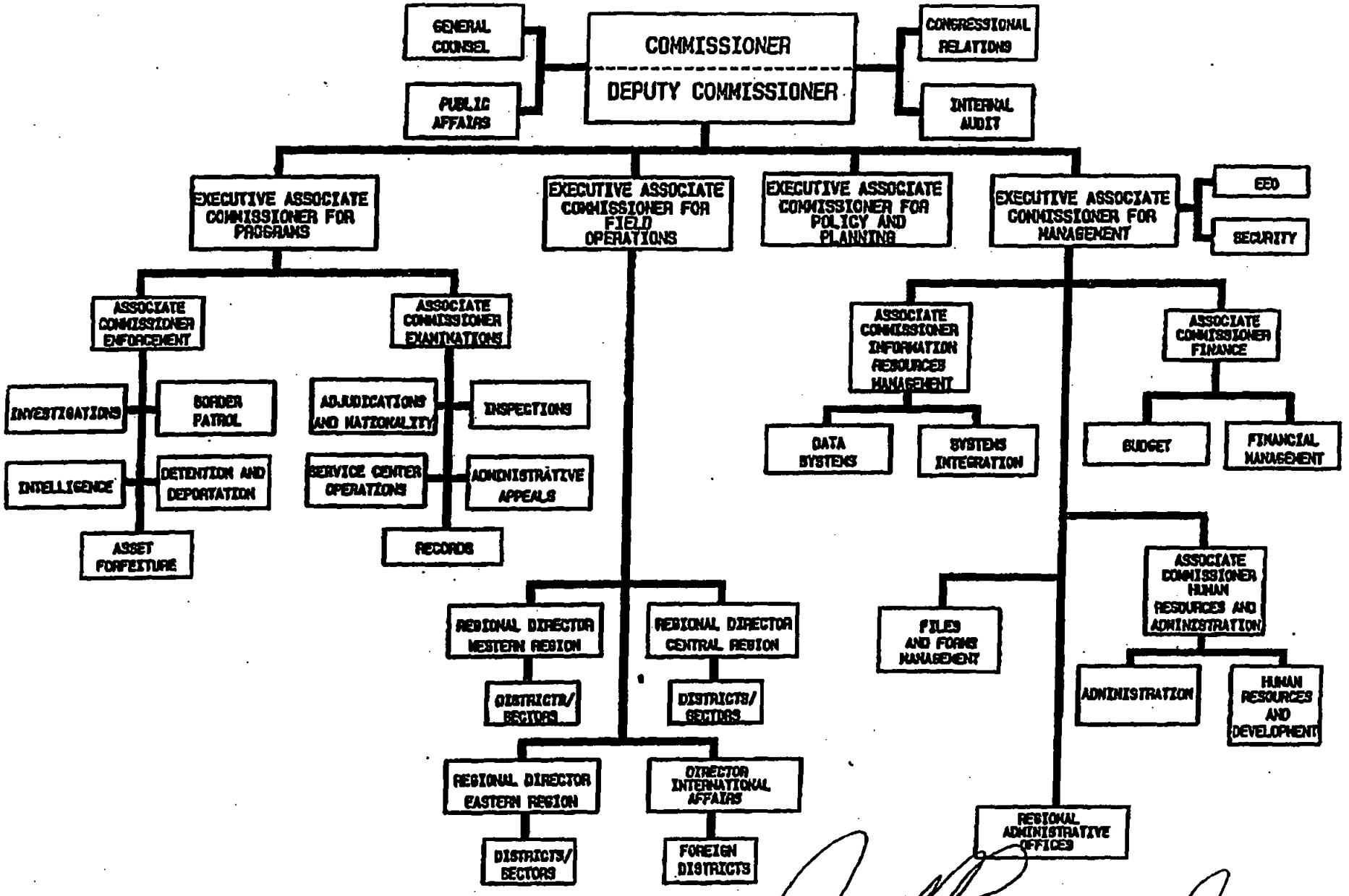
We recommend that the Administration propose a reform model that clearly separates enforcement and service operations within the INS, while retaining the INS as a single entity.

Agree: _____

Disagree: _____

Let's Discuss: _____

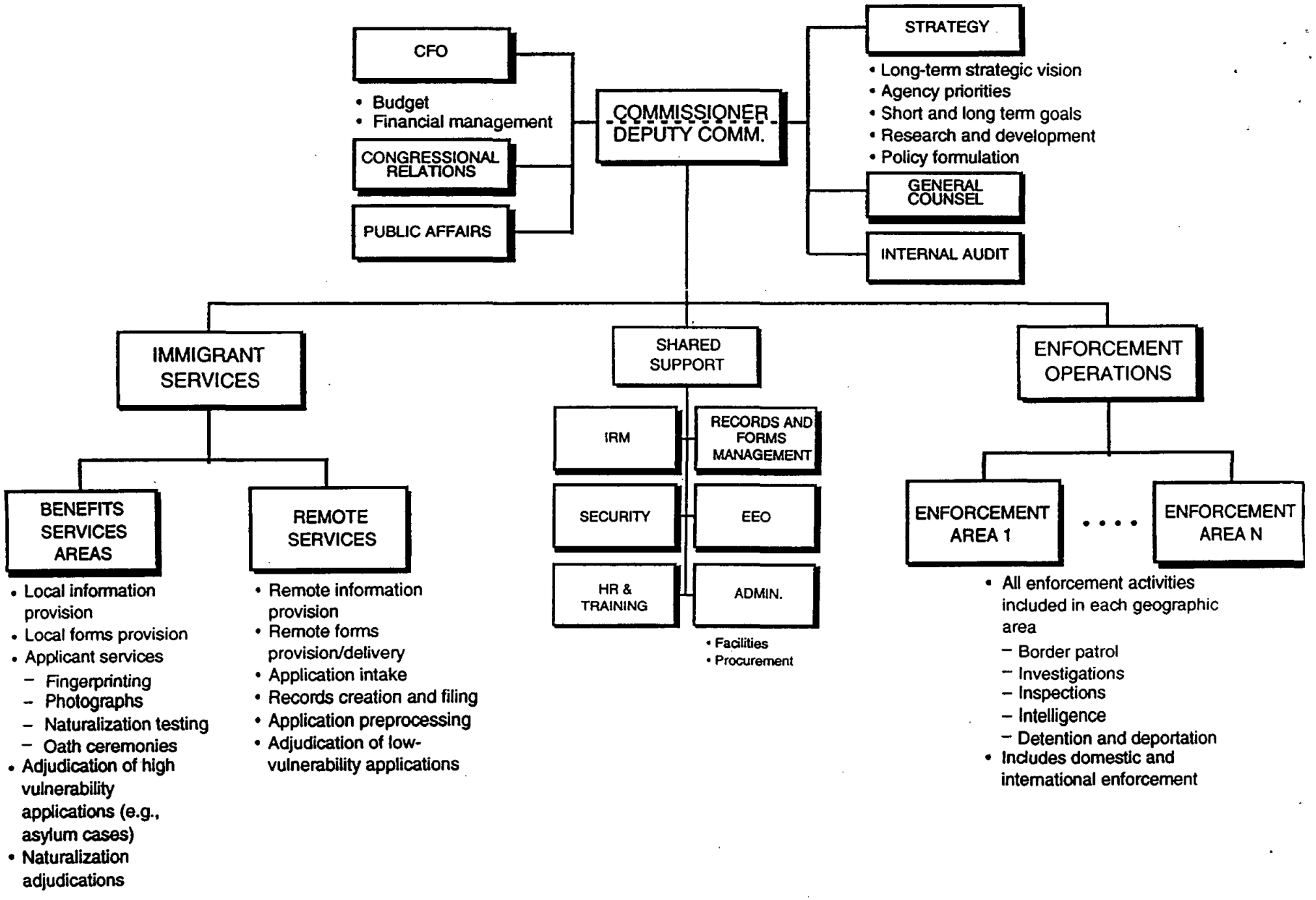
IMMIGRATION AND NATURALIZATION SERVICE



Approved: _____ Date: January 14, 1994

JANET RENO
Attorney General

PROPOSED INS ORGANIZATION



Document No. _____

'98 MAR 23 AM8:59

WHITE HOUSE STAFFING MEMORANDUM

Date: 3/19 ACTION / CONCURRENCE / COMMENT DUE BY: 3/20 5:00 pm

Subject: INS Reorganization

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓	☐	McCURRY	☐	✓
BOWLES	✓	☐	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	✓	☐	REED	☐	☐
MATHEWS	✓	☐	RUFF	✓	☐
RAINES	✓	☐	SMITH	☐	☐
BEGALA	✓	☐	SOSNIK	✓	☐
BERGER	✓	☐	SPERLING	☐	☐
BLUMENTHAL	☐	☐	STEIN	✓	☐
ECHAVESTE	✓	☐	STERN	☐	☐
EMANUEL	✓	☐	STREETT	☐	☐
GIBBONS	☐	☐	VERVEER	☐	☐
IBARRA	✓	☐	WALDMAN	☐	☐
KLAIN	☐	☐	YELLEN	☐	☐
LEWIS	✓	☐	_____	☐	☐
LINDSEY	☐	☐	_____	☐	☐
MARSHALL	✓	☐	_____	☐	☐
			_____	☐	☐

REMARKS: Please advise 3/20/98

RESPONSE: Looks OK SMA

3/98

Staff Secretary's Office
Ext. 62702

THE WHITE HOUSE

WASHINGTON

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Comments:

'98 MAR 19 PM5:50

THE WHITE HOUSE

WASHINGTON

March 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: INS Structural Reform

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Based on this process, we recommend that the Administration (1) reject the CIR proposal to dismantle the INS, but (2) fundamentally restructure the INS to respond to problems that the CIR rightly identified. The principal feature of this restructuring plan would be a clear separation of enforcement and service operations within the INS. All participants in the review process concur with this recommendation, and we propose submitting our plan to Congress in response to the April 1 deadline.

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also emphasized the inefficiencies created by placing immigration service and enforcement functions in two wholly distinct agencies.

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of accountability throughout the organization.

Congressional Reaction

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Recommendation

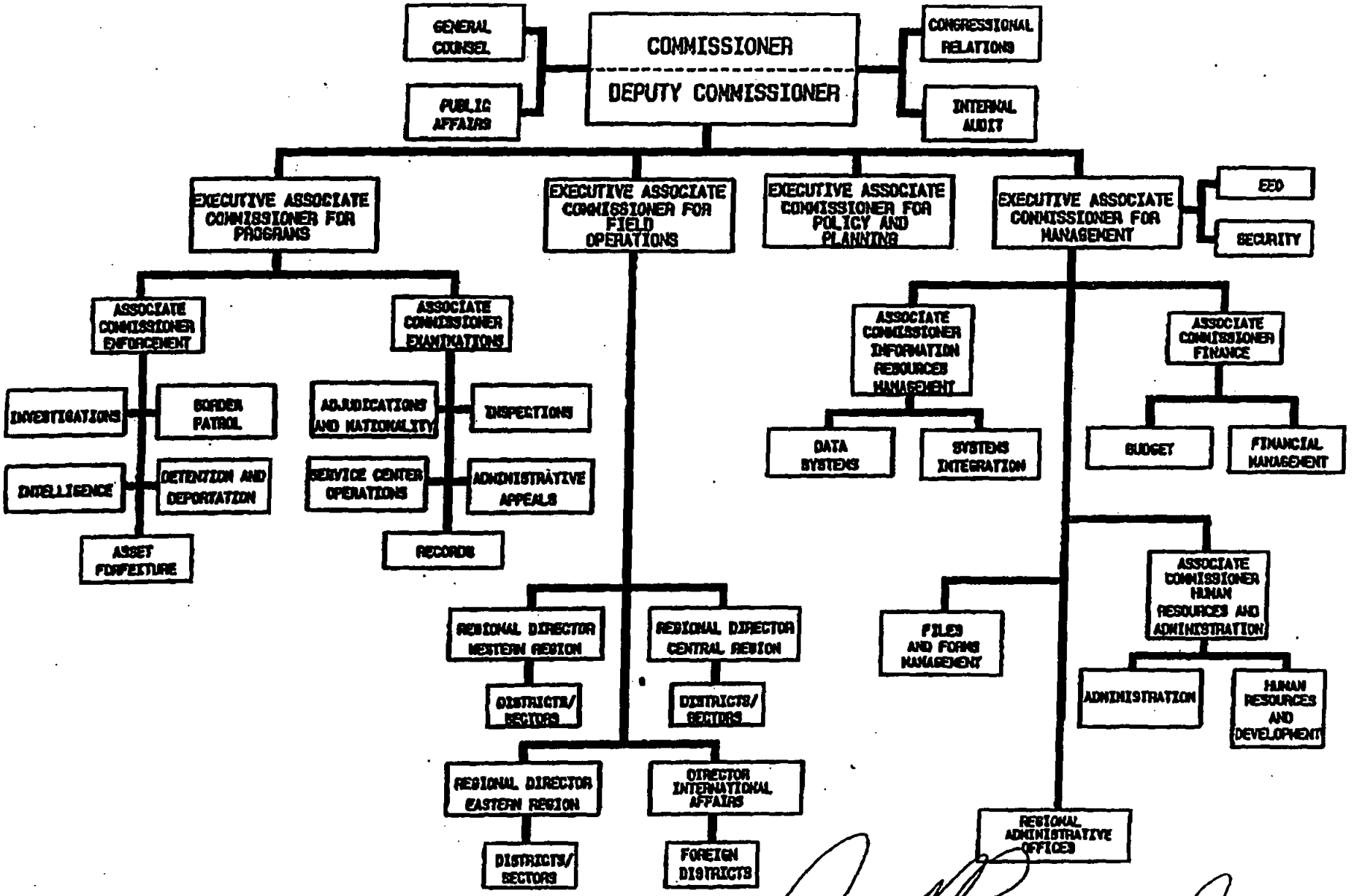
We recommend that the Administration propose a reform model that clearly separates enforcement and service operations within the INS, while retaining the INS as a single entity.

Agree: _____

Disagree: _____

Let's Discuss: _____

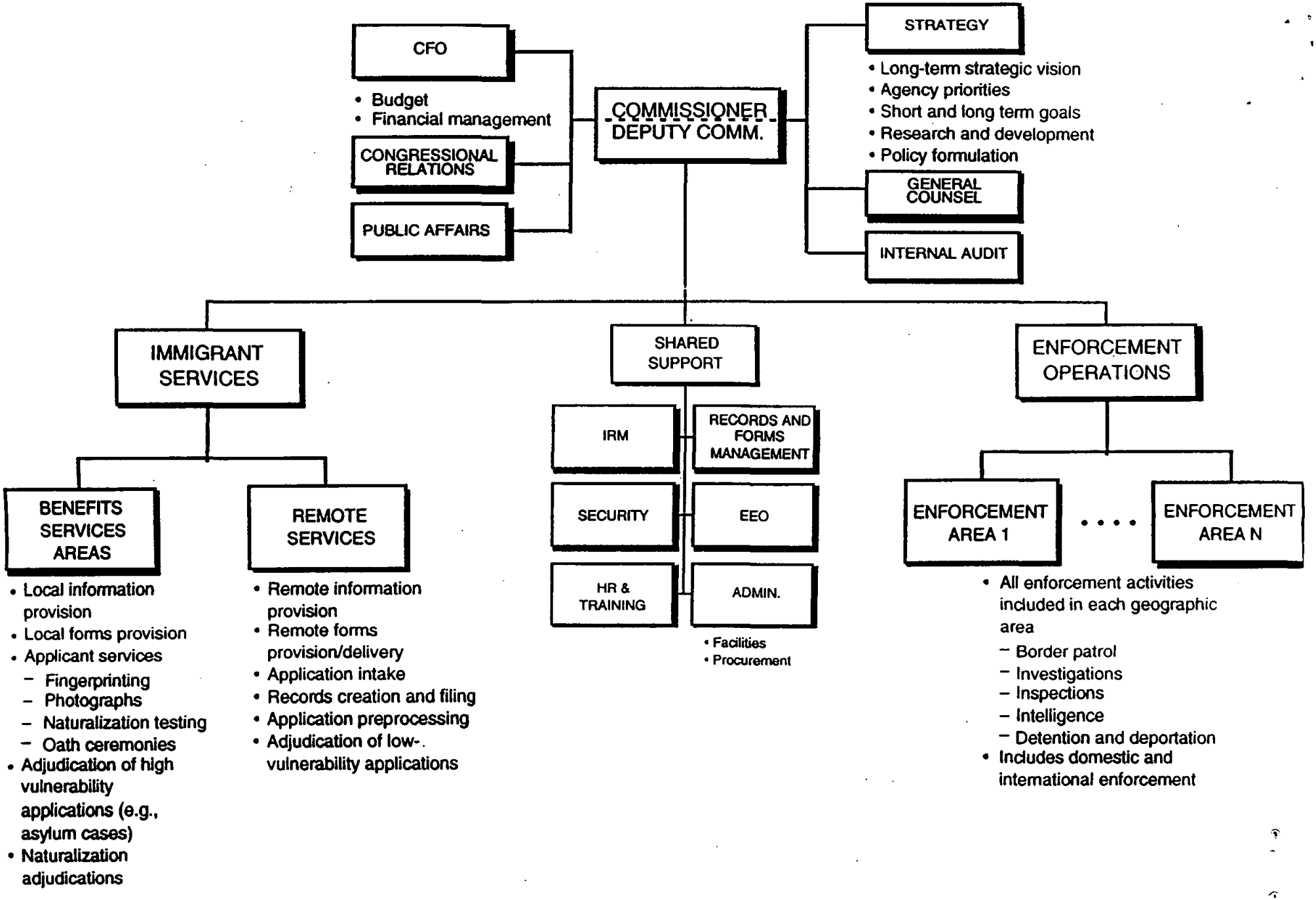
IMMIGRATION AND NATURALIZATION SERVICE



Approved: _____ Date: January 14, 1994

JANET RENO
Attorney General

PROPOSED INS ORGANIZATION



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FOIA Number: Kagan

See 2006-0197-F

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THE PRESIDENT HAS SEEN
7-7-97

THE WHITE HOUSE

WASHINGTON

July 4, 1997

MR. PRESIDENT:

Bruce Reed and Elena Kagan have proposed, based on a recommendation from Attorney General Reno and Secretary Babbitt, that you issue a Memorandum next week directing Reno/Babbitt to appoint a commission to work with tribal leaders to analyze the law enforcement problems in Indian Country. The Commission will report by October 31.

On many reservations, public safety is less secure than in the most crime-plagued inner cities. Some violent crimes go wholly uninvestigated because of a shortage of law enforcement officers. The Bureau of Indian Affairs at Interior wields most of the law enforcement authority, but one consideration is to transfer this authority to the better-funded DOJ -- the commission would study this option, among others.

A copy of the DPC memo and proposed directive is attached. This has not been fully vetted and approved yet, but we expect that it will early next week. Rather than bothering you on the road, we wanted to let you know about it now and will have it executed on your behalf next week. If anything changes, we will let you know.

Phil Caplan
PMC

OK to AP PMC 8/25
OK per Ken Schwartz
OMB
(works for Michael Deich) 8/22

Copied
Reed
Kagan
COS

Do Monday 8/25

CLINTON LIBRARY PHOTOCOPY

THE PRESIDENT HAS SEEN
7-7-97

PHOTOCOPY
WJC HANDWRITING

THE WHITE HOUSE

WASHINGTON

July 3, 1997

'97 JUL 3 PM5:44

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN EK

SUBJECT: DIRECTIVE ON LAW ENFORCEMENT IN INDIAN COUNTRY

The attached Executive Memorandum directs the Attorney General and Secretary of the Interior to analyze the law enforcement problem in Indian Country and submit options to you by October 31, 1997 for improving public safety in those areas. The Attorney General and Secretary proposed the Memorandum; they hope to submit it to the House Appropriations Committee next week in support of a request to reprogram funds to pay for this project.

Indian Country is currently facing a massive law enforcement problem. While violent crime has dropped nationwide, it has increased steeply on Indian lands -- with homicide rates rising a full 80% since 1992. On many American Indian reservations, public safety is less secure than in the most crime-plagued inner cities. Some violent crimes in Indian Country go wholly uninvestigated because of a shortage of law enforcement officers.

The federal government generally has jurisdiction over major crimes committed on Indian lands; it therefore can take direct action to remedy this escalating crime problem. The Bureau of Indian Affairs (BIA) at Interior currently wields most of the law enforcement authority of the federal government, but its budget for these activities has declined by 5.1 percent since 1992. This decline stands in stark contrast to the increased funding that other federal law enforcement agencies have gained during the same period. One possible solution to the Indian Country law enforcement problem, now being considered jointly by the two departments, is to transfer some or all of Interior's law enforcement authority to the better funded Justice Department.

On receiving your directive, the Attorney General and Secretary of the Interior will appoint a 15-member committee to develop recommendations on how best to address criminal justice problems in Indian Country. Consistent with the Presidential Memorandum you signed in September 1994 on government-to-government relations with tribes, tribal leaders will participate as full members of this committee.

The DPC recommends that you approve this memorandum. We will then work closely with the Departments of Justice and Interior as they develop recommendations on how to improve law enforcement in Indian Country.

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

Subject: Law Enforcement in Indian Country

I am proud of this Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become more violent for the 1.2 million Indian citizens who live on or near reservations. Homicide rates, for example, have increased to levels that often surpass those in large American cities. Numbers alone, however, cannot convey the tragic impact of such violence on Indian families and their communities.

This and other information you have provided to me make clear that we need to refocus on this growing problem. While some tribal governments have developed strong law enforcement programs, many others have encountered significant difficulty in doing so. Many Indian citizens receive police, investigative, and detention services that lag far behind even this country's poorest jurisdictions.

The Federal government has taken steps to address this problem. The Administration has sought increased Department of Interior funding and tribal control of law enforcement programs on Indian lands. This year, the Federal Bureau of Investigation (FBI) established an Office of Indian Country Investigations in its Violent Crimes Section, allocating additional agents to Indian Country. The FBI also initiated a nationwide outreach training program for Indian Country law enforcement officers. We have created additional tribal liaison positions in the United States Attorney's Offices in Indian Country, intended to improve our ability to bring offenders to justice. Through our Community Oriented Policing Services Program, we have assisted tribal law enforcement agencies in hiring officers in Indian Country.

Yet, law enforcement in Indian Country remains a serious problem. For these reasons, consistent with the spirit of my 1994 memorandum on government-to-government relations and tribal self-governance, I hereby request the Attorney General and Secretary of the Interior to work with tribal leaders to analyze law enforcement problems on Indian lands. By October 31, 1997, the Departments of Justice and Interior should provide options for improving public safety and criminal justice in Indian Country. To the extent that these options might affect the Departments' budgets, they should be included in your 1999 budget submissions and should be consistent with the funding targets of the Bipartisan Balanced Budget Agreement.

CLINTON LIBRARY PHOTOCOPY

THE WHITE HOUSE

WASHINGTON

August 25, 1997

MEMORANDUM FOR THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR

SUBJECT: Law Enforcement in Indian Country

I am proud of my Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become more violent for the 1.2 million Indian citizens who live on or near reservations. Homicide rates, for example, have increased to levels that often surpass those in large American cities. Numbers alone, however, cannot convey the tragic impact of such violence on Indian families and their communities.

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cog to AG, [illegible] copy to Interior [illegible] 8-25-97
[illegible] 8-25-97

CLINTON LIBRARY PHOTOCOPY

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William J. Clinton

CLINTON LIBRARY PHOTOCOPY

THE WHITE HOUSE

Office of the Press Secretary
(Martha's Vineyard, Massachusetts)

For Immediate Release August 25, 1997

August 25, 1997

MEMORANDUM FOR THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR

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WILLIAM J. CLINTON

# # #

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TITLE: Law Enforcement in Indian Country

TYPE DOCUMENT:

PROCLAMATION	LETTER(S)
EXECUTIVE ORDER	MESSAGE TO THE CONGRESS/SENATE
MEMORANDUM	STATEMENT BY THE PRESIDENT
DECISION MEMORANDUM	SIGNING STATEMENT
DETERMINATION (numbered)	TREATY/CONVENTION/AGREEMENT, etc.

OTHER: 7-3-97 8:30 p.m.

RECEIVED: * New Advance (Advance: 6/30/97 Time: 5:50 a.m./p.m.)
In final: 8/19/97 Time: 2 a.m./p.m.

SENT TO CORRESPONDENCE FOR TYPING IN FINAL:
(Advance: 6/30/97 Time: 6:00 a.m./p.m.)
In final: 8/19/97 Time: 2 a.m./p.m. via E-Mail

TO TODD STERN'S OFFICE:
(For staffing: / /97 Time: a.m./p.m.)
In final: / /97 Time: a.m./p.m.

*INFO, INCLUDING STENCIL AND DISC, TO PRESS OFFICE: to Phil Caplan
Date: 8/25/97 Time: 1015 a.m./p.m.
POSTED: / /97 Time: a.m./p.m.

NOTIFICATIONS:

(Person/time) NSC, when appropriate -- Desk Officer; W.H. Situation Room -- x6-9425.

(Person/time) (Other)

(Person/time) (Other)

(Person/time) (Other)

OTHER INFORMATION: 7/2/97: On "Hold" per Phil Caplan.

* 7-3-97 (8:30 p.m.) Date advance from Phil, give to typing on Mon. 7-7-97

Copy of signed orig. to Leanne Shimabukuro - OPD - per Phil Caplan - 8-25-97, ct

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THE WHITE HOUSE

WASHINGTON

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____ Proclamation not scanned.

____ Incoming letter(s) not scanned.

____ Proposal not scanned.

____ Statement not scanned.

____ Duplicate letters attached - not scanned.

____ Only table of contents scanned.

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Comments:

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THE WHITE HOUSE

WASHINGTON

August 25, 1997

MEMORANDUM FOR THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR

SUBJECT: Law Enforcement in Indian Country

I am proud of my Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become more violent for the 1.2 million Indian citizens who live on or near reservations. Homicide rates, for example, have increased to levels that often surpass those in large American cities. Numbers alone, however, cannot convey the tragic impact of such violence on Indian families and their communities.

This and other information you have provided to me make clear that we need to refocus on this growing problem. While some tribal governments have developed strong law enforcement programs, many others have encountered significant difficulty in doing so. Many Indian citizens receive police, investigative, and detention services that lag far behind even this country's poorest jurisdictions.

The Federal Government has taken steps to address this problem. My Administration has sought increased Department of the Interior funding and tribal control of law enforcement programs on Indian lands. This year, the Federal Bureau of Investigation (FBI) established an Office of Indian Country Investigations in its Violent Crimes Section, allocating additional agents to Indian Country. The FBI also initiated a nationwide outreach training program for Indian Country law enforcement officers. We have created additional tribal liaison positions in the United States Attorney's Offices in Indian Country, intended to improve our ability to bring offenders to justice. Through our Community Oriented Policing Services Program, we have assisted tribal law enforcement agencies in hiring officers in Indian Country.

CLINTON LIBRARY PHOTOCOPY

Yet, law enforcement in Indian Country remains a serious problem. For these reasons, consistent with the spirit of my 1994 memorandum on government-to-government relations and tribal self-governance, I hereby request that you work with tribal leaders to analyze law enforcement problems on Indian lands. By December 31, 1997, you should provide options to me for improving public safety and criminal justice in Indian Country. To the extent that these options might affect the Departments' budgets, they should be included in your fiscal year 1999 budget submissions and should be consistent with the funding targets of the Bipartisan Balanced Budget Agreement.

William J. Clinton

CLINTON LIBRARY PHOTOCOPY

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR

SUBJECT: Law Enforcement in Indian Country

I am proud of my Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

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CLINTON LIBRARY PHOTOCOPY

8/19/97

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

Subject: Law Enforcement in Indian Country

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Crime Bill

W/Leaving Statement 97

CLINTON LIBRARY PHOTOCOPY

Leanne A. Shimabukuro 08/19/97 12:24:24 PM

Record Type: Record

To: Phillip Caplan/WHO/EOP

cc:

Subject: Indian Country law enforcement directive

Remember this? It's been so long, I wouldn't be surprised if you didn't...

If you recall, OMB had some outstanding issues which resulted in the directive getting held up. Anyhow, an agreement has been reached with OMB on their sticking points. The version of the directive I'm sending to you is nearly identical to the old draft; the few changes are the due date of the report back to the President (from October 31 to December 31), and references to "the Attorney General and Secretary" were changed to "you."

DPC, OMB, and Justice/Interior have signed off on this version.

Elena has asked me to work with you to see if we can get this directive signed on next Monday. Please take a look and give me a call (65574).

Thanks,
Leanne

TRIBELAW.DI4

CLINTON LIBRARY PHOTOCOPY

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 7/7 ACTION/CONCURRENCE/COMMENT DUE BY: 7/8

SUBJECT: Proposed directive on law enforcement in Indian Country

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McCURRY		✓
BOWLES			McGINTY		
McLARTY			NASH		
PODESTA	✓		RUFF	✓	
MATHEWS	✓		SMITH		
RAINES	✓		REED		
BAER			SOSNIK	✓	
ECHAVESTE	✓		LEWIS		
EMANUEL	✓		YELLEN		
GIBBONS			STREETT		
IBARRA	✓		SPERLING		
RADD			TARULLO		
MARSHALL			VERVEER		
HILLEY	✓		WALDMAN		
KLAIN			Deich	✓	
BERGER			Glauthier	✓	
LINDSEY					

REMARKS: Any comment?

RESPONSE:

Staff Secretary
Ext. 6-2702

CLINTON LIBRARY PHOTOCOPY

THE WHITE HOUSE

WASHINGTON

July 3, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN EK

SUBJECT: DIRECTIVE ON LAW ENFORCEMENT IN INDIAN COUNTRY

The attached Executive Memorandum directs the Attorney General and Secretary of the Interior to analyze the law enforcement problem in Indian Country and submit options to you by October 31, 1997 for improving public safety in those areas. The Attorney General and Secretary proposed the Memorandum; they hope to submit it to the House Appropriations Committee next week in support of a request to reprogram funds to pay for this project.

Indian Country is currently facing a massive law enforcement problem. While violent crime has dropped nationwide, it has increased steeply on Indian lands -- with homicide rates rising a full 80% since 1992. On many American Indian reservations, public safety is less secure than in the most crime-plagued inner cities. Some violent crimes in Indian Country go wholly uninvestigated because of a shortage of law enforcement officers.

The federal government generally has jurisdiction over major crimes committed on Indian lands; it therefore can take direct action to remedy this escalating crime problem. The Bureau of Indian Affairs (BIA) at Interior currently wields most of the law enforcement authority of the federal government, but its budget for these activities has declined by 5.1 percent since 1992. This decline stands in stark contrast to the increased funding that other federal law enforcement agencies have gained during the same period. One possible solution to the Indian Country law enforcement problem, now being considered jointly by the two departments, is to transfer some or all of Interior's law enforcement authority to the better funded Justice Department.

On receiving your directive, the Attorney General and Secretary of the Interior will appoint a 15-member committee to develop recommendations on how best to address criminal justice problems in Indian Country. Consistent with the Presidential Memorandum you signed in September 1994 on government-to-government relations with tribes, tribal leaders will participate as full members of this committee.

The DPC recommends that you approve this memorandum. We will then work closely with the Departments of Justice and Interior as they develop recommendations on how to improve law enforcement in Indian Country.

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

Subject: Law Enforcement in Indian Country

I am proud of this Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become more violent for the 1.2 million Indian citizens who live on or near reservations. Homicide rates, for example, have increased to levels that often surpass those in large American cities. Numbers alone, however, cannot convey the tragic impact of such violence on Indian families and their communities.

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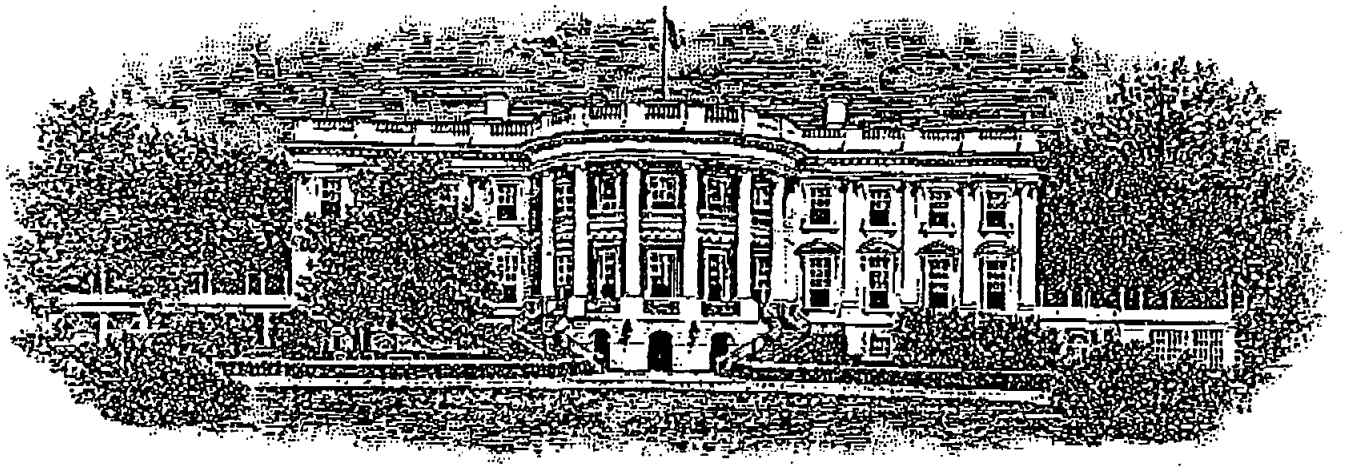
The Federal government has taken steps to address this problem. The Administration has sought increased Department of Interior funding and tribal control of law enforcement programs on Indian lands. This year, the Federal Bureau of Investigation (FBI) established an Office of Indian Country Investigations in its Violent Crimes Section, allocating additional agents to Indian Country. The FBI also initiated a nationwide outreach training program for Indian Country law enforcement officers. We have created additional tribal liaison positions in the United States Attorney's Offices in Indian Country, intended to improve our ability to bring offenders to justice. Through our Community Oriented Policing Services Program, we have assisted tribal law enforcement agencies in hiring officers in Indian Country.

Yet, law enforcement in Indian Country remains a serious problem. For these reasons, consistent with the spirit of my 1994 memorandum on government-to-government relations and tribal self-governance, I hereby request the Attorney General and Secretary of the Interior to work with tribal leaders to analyze law enforcement problems on Indian lands. By October 31, 1997, the Departments of Justice and Interior should provide options for improving public safety and criminal justice in Indian Country. To the extent that these options might affect the Departments' budgets, they should be included in your 1999 budget submissions and should be consistent with the funding targets of the Bipartisan Balanced Budget Agreement.

CLINTON LIBRARY PHOTOCOPY

The White House



DOMESTIC POLICY

FACSIMILE TRANSMISSION COVER SHEET

TO: Phil Caplan

FAX NUMBER: 62215

TELEPHONE NUMBER:

FROM: Leanne Shimabukuro 65574

TELEPHONE NUMBER:

PAGES (INCLUDING COVER): 3

COMMENTS: Draft directive

Fwd to Bruce 7/2

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

SUBJECT: Law Enforcement in Indian Country

I am proud of this Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become much more violent for the 1.2 million Indian citizens who live on or near reservations. Indian Country homicide rates, for example, have risen dramatically -- over 80 percent, often surpassing the rates in large American cities. Numbers alone cannot convey the tragic impact of such violence on Indian families and their communities. ?

This and other information you have provided to me make it clear that we need to enhance available resources in Indian Country to address this growing problem. While some tribal governments have developed strong law enforcement programs, many others have encountered significant difficulty in doing so. On a number of reservations, the number of police officers and investigators has diminished to the point that many violent crimes occurring on Indian lands remain not only unsolved, but uninvestigated. Jails are grossly substandard. Many Indian citizens receive police, investigative, and detention services that lag far behind even this country's poorest jurisdictions.

~~As President, I recognize~~ The federal government's has an obligation to act, arising from our long-standing trust relationship with Native Americans, and from federal statutes that set forth our law enforcement responsibilities in Indian Country. We cannot look to others to solve this problem. Until we address this problem with resolve, with adequate resources, and with seamless interagency cooperation, the scourge of guns, drugs, domestic violence, and juvenile crimes will continue.

For these reasons, I hereby direct the Attorney General and Secretary of the Interior to analyze the law enforcement crisis and develop a comprehensive proposal for improving public safety and criminal justice in Indian Country. Consistent with the spirit of my September 1994 memo on government-to-government relations and tribal self-governance, Indian tribal leaders should be asked to participate directly in the process of developing solutions. I further direct the Departments of Justice and Interior to submit their recommendations to me no later than November 14, 1997.

Recognizing the dire situation in Indian Country, I ask that you reach out to tribal leaders and others around the country to

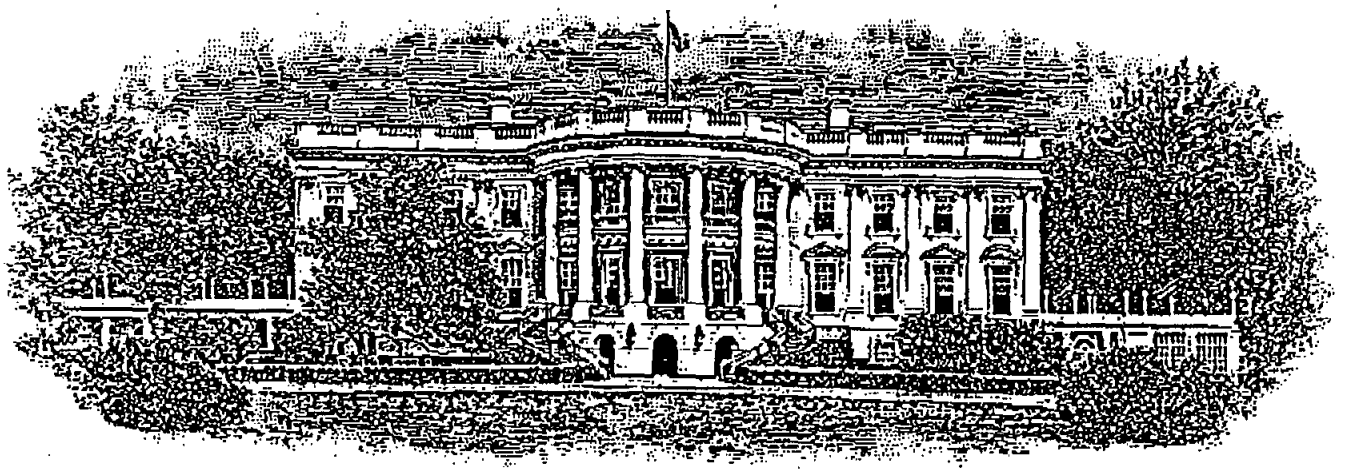
CLINTON LIBRARY PHOTOCOPY

work with us toward a viable solution. To this end, I pledge the full support of my Administration to achieving adequate and effective law enforcement services in Indian Country.

William J. Clinton

CLINTON LIBRARY PHOTOCOPY

The White House



DOMESTIC POLICY

FACSIMILE TRANSMISSION COVER SHEET

TO: Phil Caplan

FAX NUMBER: 6-2215

TELEPHONE NUMBER:

FROM: Leanna Shimabukuro, DPC

TELEPHONE NUMBER:

PAGES (INCLUDING COVER): 3

COMMENTS:

New/revised directive

Please review

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

SUBJECT: Law enforcement in Indian Country

I am proud of this Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become much more violent for the 1.2 million Indian citizens who live on or near reservation. Homicide rates, for example, have increased to levels that often surpass those in large American cities. Numbers alone cannot convey the tragic impact of such violence on Indian families and their communities.

This and other information you have provided to me make care that we need to address this growing problem. While some tribal governments have developed strong law enforcement programs, many others have encountered significant difficulty in doing so. On a number of reservations, the number of police officers and investigators has diminished to the point that many violent crimes occurring on Indian lands remain not only unsolved, but uninvestigated. Jails are grossly substandard. Many Indian citizens receive police, investigative, and detention services that lag far behind even this country's poorest jurisdictions.

As President, I recognize the federal government's obligation to act, arising from our long-standing trust relationship with Native Americans, and from federal statutes that set forth our law enforcement responsibilities in Indian Country. We have take steps already to address this problem. This year, the Federal Bureau of Investigation established an Office of Indian Country Investigations in its Violent Crimes Section, allocating additional agents to Indian Country, and initiated a nationwide outreach training program for Indian Country law enforcement officers. We have created additional tribal liaison positions in United States Attorneys Offices in Indian Country, intended to improve our ability to bring offenders to justice. And through our Community Oriented Policing Services Office, we have assisted tribal law enforcement agencies in hiring officers in Indian Country.

So far, however, criminal activity in Indian Country has outpaced our law enforcement efforts. We cannot look to others to solve this problem. Until we address this problem with resolve, with adequate resources, and with seamless interagency cooperation, the scourge of guns, drugs, domestic violence, and juvenile crimes will continue.

For these reasons, I hereby direct the Attorney General and Secretary of the Interior to analyze the law enforcement crisis and develop a comprehensive proposal for improving public safety and criminal justice in Indian Country. Consistent with the spirit of my September 1994 memo on government-to-government relations and tribal self governance, Indian tribal leaders should be asked to participate directly in the process of developing solutions. I further direct the Departments of Justice and Interior to submit their recommendations to me no later than

CLINTON LIBRARY PHOTOCOPY

November 14, 1997.

Recognizing the dire situation in Indian County, I ask that you reach out to tribal leaders and others around the country to work with us toward a viable solution. To this end, I pledge the full support of my Administration to achieving adequate and effective law enforcement services in Indian Country.

CLINTON LIBRARY PHOTOCOPY

THE WHITE HOUSE

WASHINGTON

July 4, 1997

MR. PRESIDENT:

Bruce Reed and Elena Kagan have proposed, based on a recommendation from Attorney General Reno and Secretary Babbitt, that you issue a Memorandum next week directing Reno/Babbitt to appoint a commission to work with tribal leaders to analyze the law enforcement problems in Indian Country. The Commission will report by October 31.

On many reservations, public safety is less secure than in the most crime-plagued inner cities. Some violent crimes go wholly uninvestigated because of a shortage of law enforcement officers. The Bureau of Indian Affairs at Interior wields most of the law enforcement authority, but one consideration is to transfer this authority to the better-funded · the commission would study this option, among others.

ɔy of the DPC memo and proposed directive is attached. has not been fully vetted and approved yet, but we expect ıt will early next week. Rather than bothering you on the ı, we wanted to let you know about it now and will have it cuted on your behalf next week. If anything changes, we l let you know.

Phil Caplan

Phil

7-4-97
Original Reed/Kagan memo sent to POTUS
Phil

7/7/97
Phil took original to circulate —

C. Cerrolan

CLINTON LIBRARY PHOTOCOPY

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 7/7 ACTION/CONCURRENCE/COMMENT DUE BY: 7/8

SUBJECT: Proposed directive on law enforcement in Indian Country

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☑	☐	McCURRY	☐	☑
BOWLES	☐	☐	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☑	☐	RUFF	☑	☐
MATHEWS	☑	☐	SMITH	☐	☐
RAINES	☑	☐	REED	☐	☐
BAER	☐	☐	SOSNIK	☑	☐
ECHAVESTE	☑	☐	LEWIS	☐	☐
EMANUEL	☑	☐	YELLEN	☐	☐
GIBBONS	☐	☐	STREETT	☐	☐
IBARRA	☑	☐	SPERLING	☐	☐
RADD	☐	☐	TARULLO	☐	☐
MARSHALL	☐	☐	VERVEER	☐	☐
HILLEY	☑	☐	WALDMAN	☐	☐
KLAIN	☐	☐	Deich	☑	☐
BERGER	☐	☐	Glauthier	☑	☐
LINDSEY	☐	☐		☐	☐

REMARKS:

Any comment?

RESPONSE:

Staff Secretary
Ext. 6-2702

CLINTON LIBRARY PHOTOCOPY

THE WHITE HOUSE

WASHINGTON

July 3, 1997

'97 JUL 3 PM5:44

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN EK

SUBJECT: DIRECTIVE ON LAW ENFORCEMENT IN INDIAN COUNTRY

The attached Executive Memorandum directs the Attorney General and Secretary of the Interior to analyze the law enforcement problem in Indian Country and submit options to you by October 31, 1997 for improving public safety in those areas. The Attorney General and Secretary proposed the Memorandum; they hope to submit it to the House Appropriations Committee next week in support of a request to reprogram funds to pay for this project.

Indian Country is currently facing a massive law enforcement problem. While violent crime has dropped nationwide, it has increased steeply on Indian lands -- with homicide rates rising a full 80% since 1992. On many American Indian reservations, public safety is less secure than in the most crime-plagued inner cities. Some violent crimes in Indian Country go wholly uninvestigated because of a shortage of law enforcement officers.

The federal government generally has jurisdiction over major crimes committed on Indian lands; it therefore can take direct action to remedy this escalating crime problem. The Bureau of Indian Affairs (BIA) at Interior currently wields most of the law enforcement authority of the federal government, but its budget for these activities has declined by 5.1 percent since 1992. This decline stands in stark contrast to the increased funding that other federal law enforcement agencies have gained during the same period. One possible solution to the Indian Country law enforcement problem, now being considered jointly by the two departments, is to transfer some or all of Interior's law enforcement authority to the better funded Justice Department.

On receiving your directive, the Attorney General and Secretary of the Interior will appoint a 15-member committee to develop recommendations on how best to address criminal justice problems in Indian Country. Consistent with the Presidential Memorandum you signed in September 1994 on government-to-government relations with tribes, tribal leaders will participate as full members of this committee.

The DPC recommends that you approve this memorandum. We will then work closely with the Departments of Justice and Interior as they develop recommendations on how to improve law enforcement in Indian Country.

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

Subject: Law Enforcement in Indian Country

I am proud of this Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become more violent for the 1.2 million Indian citizens who live on or near reservations. Homicide rates, for example, have increased to levels that often surpass those in large American cities. Numbers alone, however, cannot convey the tragic impact of such violence on Indian families and their communities.

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The Federal government has taken steps to address this problem. The Administration has sought increased Department of Interior funding and tribal control of law enforcement programs on Indian lands. This year, the Federal Bureau of Investigation (FBI) established an Office of Indian Country Investigations in its Violent Crimes Section, allocating additional agents to Indian Country. The FBI also initiated a nationwide outreach training program for Indian Country law enforcement officers. We have created additional tribal liaison positions in the United States Attorney's Offices in Indian Country, intended to improve our ability to bring offenders to justice. Through our Community Oriented Policing Services Program, we have assisted tribal law enforcement agencies in hiring officers in Indian Country.

Yet, law enforcement in Indian Country remains a serious problem. For these reasons, consistent with the spirit of my 1994 memorandum on government-to-government relations and tribal self-governance, I hereby request the Attorney General and Secretary of the Interior to work with tribal leaders to analyze law enforcement problems on Indian lands. By October 31, 1997, the Departments of Justice and Interior should provide options for improving public safety and criminal justice in Indian Country. To the extent that these options might affect the Departments' budgets, they should be included in your 1999 budget submissions and should be consistent with the funding targets of the Bipartisan Balanced Budget Agreement.

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

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CLINTON LIBRARY PHOTOCOPY

8/19/97

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

Subject: Law Enforcement in Indian Country

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ok
W/Leanne
Shumakuler
97

CLINTON LIBRARY PHOTOCOPY

Phillip Caplan

08/19/97 12:36:42 PM

Record Type: Record

To: G. Timothy Saunders/WHO/EOP

cc:
Subject: Indian Country law enforcement directive

See attached...can you make changes and bring over...sometime tomorrow is fine.
---------- Forwarded by Phillip Caplan/WHO/EOP on 08/19/97 12:36 PM ----------

Leanne A. Shimabukuro 08/19/97 12:24:24 PM

Record Type: Record

To: Phillip Caplan/WHO/EOP

cc:
Subject: Indian Country law enforcement directive

Remember this? It's been so long, I wouldn't be surprised if you didn't...

If you recall, OMB had some outstanding issues which resulted in the directive getting held up. Anyhow, an agreement has been reached with OMB on their sticking points. The version of the directive I'm sending to you is nearly identical to the old draft; the few changes are the due date of the report back to the President (from October 31 to December 31), and references to "the Attorney General and Secretary" were changed to "you."

DPC, OMB, and Justice/Interior have signed off on this version.

Elena has asked me to work with you to see if we can get this directive signed on next Monday. Please take a look and give me a call (65574).

Thanks,
Leanne

TRIBELAW.DI

CLINTON LIBRARY PHOTOCOPY

THE WHITE HOUSE

WASHINGTON

July 3, 1997

'97 JUL 3 PM5:44

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN EK

SUBJECT: DIRECTIVE ON LAW ENFORCEMENT IN INDIAN COUNTRY

The attached Executive Memorandum directs the Attorney General and Secretary of the Interior to analyze the law enforcement problem in Indian Country and submit options to you by October 31, 1997 for improving public safety in those areas. The Attorney General and Secretary proposed the Memorandum; they hope to submit it to the House Appropriations Committee next week in support of a request to reprogram funds to pay for this project.

Indian Country is currently facing a massive law enforcement problem. While violent crime has dropped nationwide, it has increased steeply on Indian lands -- with homicide rates rising a full 80% since 1992. On many American Indian reservations, public safety is less secure than in the most crime-plagued inner cities. Some violent crimes in Indian Country go wholly uninvestigated because of a shortage of law enforcement officers.

The federal government generally has jurisdiction over major crimes committed on Indian lands; it therefore can take direct action to remedy this escalating crime problem. The Bureau of Indian Affairs (BIA) at Interior currently wields most of the law enforcement authority of the federal government, but its budget for these activities has declined by 5.1 percent since 1992. This decline stands in stark contrast to the increased funding that other federal law enforcement agencies have gained during the same period. One possible solution to the Indian Country law enforcement problem, now being considered jointly by the two departments, is to transfer some or all of Interior's law enforcement authority to the better funded Justice Department.

On receiving your directive, the Attorney General and Secretary of the Interior will appoint a 15-member committee to develop recommendations on how best to address criminal justice problems in Indian Country. Consistent with the Presidential Memorandum you signed in September 1994 on government-to-government relations with tribes, tribal leaders will participate as full members of this committee.

April

The DPC recommends that you approve this memorandum. We will then work closely with the Departments of Justice and Interior as they develop recommendations on how to improve law enforcement in Indian Country.

CLINTON LIBRARY PHOTOCOPY

7-3-97 letter (Sec'y) from FBI

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

Subject: Law Enforcement in Indian Country

I am proud of ~~this~~ my Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become more violent for the 1.2 million Indian citizens who live on or near reservations. Homicide rates, for example, have increased to levels that often surpass those in large American cities. Numbers alone, however, cannot convey the tragic impact of such violence on Indian families and their communities.

This and other information you have provided to me make clear that we need to refocus on this growing problem. While some tribal governments have developed strong law enforcement programs, many others have encountered significant difficulty in doing so. Many Indian citizens receive police, investigative, and detention services that lag far behind even this country's poorest jurisdictions.

My?

The Federal government has taken steps to address this problem. The Administration has sought increased Department of Interior funding and tribal control of law enforcement programs on Indian lands. This year, the Federal Bureau of Investigation (FBI) established an Office of Indian Country Investigations in its Violent Crimes Section, allocating additional agents to Indian Country. The FBI also initiated a nationwide outreach training program for Indian Country law enforcement officers. We have created additional tribal liaison positions in the United States Attorney's Offices in Indian Country, intended to improve our ability to bring offenders to justice. Through our Community Oriented Policing Services Program, we have assisted tribal law enforcement agencies in hiring officers in Indian Country.

Yet, law enforcement in Indian Country remains a serious problem. For these reasons, consistent with the spirit of my 1994 memorandum on government-to-government relations and tribal self-governance, I hereby ~~request the Attorney~~ General and Secretary of the Interior to work with tribal leaders to analyze law enforcement problems on Indian lands. By October 31, 1997, the Departments of Justice and the Interior should provide options for improving public safety and criminal justice in Indian Country. To the extent that these options might affect the Departments' budgets, they should be included in your 1999 budget submissions and should be consistent with the funding targets of the Bipartisan Balanced Budget Agreement.

CLINTON LIBRARY PHOTOCOPY

6/30/

MEMORANDUM FOR THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR

SUBJECT: Law Enforcement in Indian Country

I am proud of my this Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become much more violent for the 1.2 million Indian citizens who live on or near reservations. Indian Country homicide rates, for example, have risen dramatically -- over 80 percent, often surpassing the rates in large American cities. Numbers alone cannot convey the tragic impact of such violence on Indian families and their communities.

This and other information you have provided to me make it clear that we need to enhance available resources in Indian Country to address this growing problem. While some tribal governments have developed strong law enforcement programs, many others have encountered significant difficulty in doing so. On a number of reservations, the number of police officers and investigators has diminished to the point that many violent crimes occurring on Indian lands remain not only unsolved, but uninvestigated. Jails are grossly substandard. Many Indian citizens receive police, investigative, and detention services that lag far behind even this country's poorest jurisdictions.

The federal government has an obligation to act, arising from our long-standing trust relationship with Native Americans, and from federal statutes that set forth our law enforcement responsibilities in Indian Country. We cannot look to others to solve this problem. Until we address this problem with resolve, with adequate resources, and with seamless interagency cooperation, the scourge of guns, drugs, domestic violence, and juvenile crimes will continue.

CLINTON LIBRARY PHOTOCOPY

For these reasons, I hereby direct the Attorney General and Secretary of the Interior to analyze the law enforcement crisis and develop a comprehensive proposal for improving public safety and criminal justice in Indian Country. Consistent with the spirit of my September 1994 memo on government-to-government relations and tribal self-governance, Indian tribal leaders should be asked to participate directly in the process of developing solutions. I further direct the Departments of Justice and Interior to submit their recommendations to me no later than November 14, 1997.

Recognizing the dire situation in Indian Country, I ask that you reach out to tribal leaders and others around the country to work with us toward a viable solution. To this end, I pledge the full support of my Administration to achieving adequate and effective law enforcement services in Indian Country.

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Phillip Caplan

08/19/97 12:36:42 PM

Record Type: Record

To: G. Timothy Saunders/WHO/EOP

cc:
Subject: Indian Country law enforcement directive

See attached...can you make changes and bring over...sometime tomorrow is fine.
---------- Forwarded by Phillip Caplan/WHO/EOP on 08/19/97 12:36 PM ----------

Leanne A. Shimabukuro 08/19/97 12:24:24 PM

Record Type: Record

To: Phillip Caplan/WHO/EOP

cc:
Subject: Indian Country law enforcement directive

Remember this? It's been so long, I wouldn't be surprised if you didn't...

If you recall, OMB had some outstanding issues which resulted in the directive getting held up. Anyhow, an agreement has been reached with OMB on their sticking points. The version of the directive I'm sending to you is nearly identical to the old draft; the few changes are the due date of the report back to the President (from October 31 to December 31), and references to "the Attorney General and Secretary" were changed to "you."

DPC, OMB, and Justice/Interior have signed off on this version.

Elena has asked me to work with you to see if we can get this directive signed on next Monday. Please take a look and give me a call (65574).

Thanks,
Leanne

TRIBELAW.DI

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

SUBJECT: Law Enforcement in Indian Country

I am proud of this Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become much more violent for the 1.2 million Indian citizens who live on or near reservations. Indian Country homicide rates, for example, have risen dramatically -- over 80 percent, often surpassing the rates in large American cities. Numbers alone cannot convey the tragic impact of such violence on Indian families and their communities. ?

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v-c?

~~As President, I recognize~~ The federal government's has an obligation to act, arising from our long-standing trust relationship with Native Americans, and from federal statutes that set forth our law enforcement responsibilities in Indian Country. We cannot look to others to solve this problem. Until we address this problem with resolve, with adequate resources, and with seamless interagency cooperation, the scourge of guns, drugs, domestic violence, and juvenile crimes will continue.

For these reasons, I hereby direct the Attorney General and Secretary of the Interior to analyze the law enforcement crisis and develop a comprehensive proposal for improving public safety and criminal justice in Indian Country. Consistent with the spirit of my September 1994 memo on government-to-government relations and tribal self-governance, Indian tribal leaders should be asked to participate directly in the process of developing solutions. I further direct the Departments of Justice and Interior to submit their recommendations to me no later than November 14, 1997.

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work with us toward a viable solution. To this end, I pledge the full support of my Administration to achieving adequate and effective law enforcement services in Indian Country.

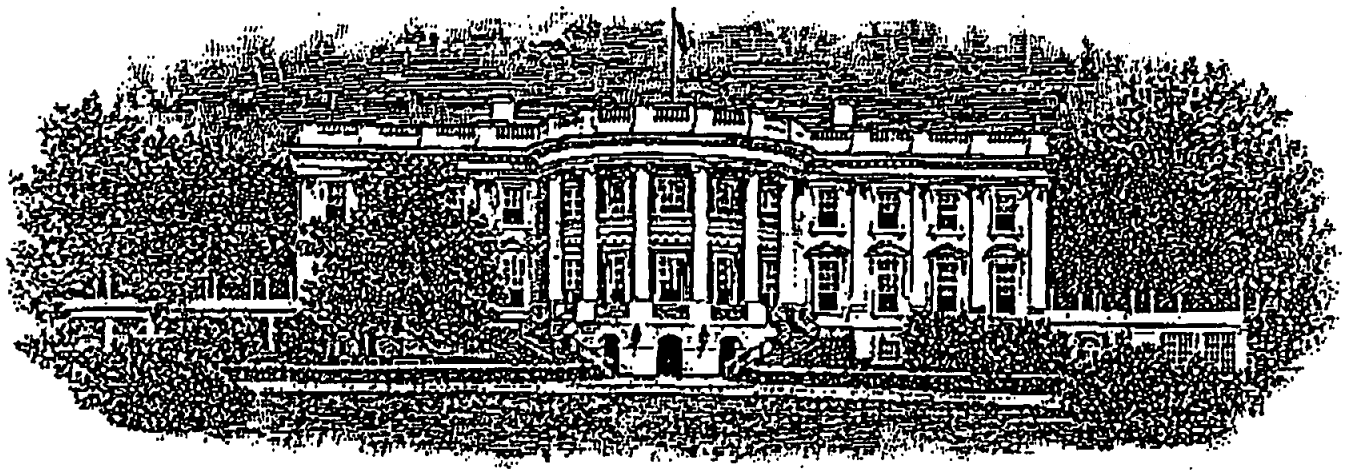
William J. Clinton

CLINTON LIBRARY PHOTOCOPY

06/30/97 14:58

The White House

97 JUN 30 PM4:21



DOMESTIC POLICY

FACSIMILE TRANSMISSION COVER SHEET

TO: Phil Caplan

FAX NUMBER: 62215

TELEPHONE NUMBER:

FROM: Leanne Shimabukuro 65574

TELEPHONE NUMBER:

PAGES (INCLUDING COVER): 3

COMMENTS: Draft directive

CLINTON LIBRARY PHOTOCOPY

MEMORANDUM FOR THE ATTORNEY GENERAL AND SECRETARY OF THE INTERIOR

SUBJECT: Law Enforcement in Indian Country

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This and other information you have provided to me make it is clear that we need to enhance available resources in Indian Country to address this growing problem. While some tribal governments have developed strong law enforcement programs, many others have encountered significant difficulty in doing so. On a number of reservations, the number of police officers and investigators has diminished to the point that many violent crimes occurring on Indian lands remain not only unsolved, but uninvestigated. Jails are grossly substandard. Many Indian citizens receive police, investigative, and detention services that lag far behind even this country's poorest jurisdictions.

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For these reasons, I hereby direct this the Attorney General and the Secretary of the Interior to analyze the law enforcement crisis and develop a comprehensive proposal for improving public safety and criminal justice in Indian Country. Consistent with the spirit of my September 1994 memo on government-to-government relations and tribal self-governance, Indian tribal leaders should be asked to participate directly in the process of developing solutions. I further direct the Departments of Justice and Interior you to submit their your recommendations to me no later than November 14, 1997.

Recognizing the dire situation in Indian Country, I ask that you reach out to tribal leaders and others around the country to

CLINTON LIBRARY PHOTOCOPY

work with us toward a viable solution. To this end, I pledge the full support of my Administration to achieving adequate and effective law enforcement services in Indian Country.

William J. Clinton

CLINTON LIBRARY PHOTOCOPY

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

April 28, 1994

94 APR 28 P5:20

MEMORANDUM FOR THE PRESIDENT

FROM: Leon E. Panetta
Director

SUBJECT: Proposed Executive Memoranda Entitled "Policy Concerning Distribution of Eagle Feathers for Native American Religious Purposes" and "Government-to-Government Relations with Tribal Governments"

SUMMARY: This memorandum forwards for your consideration two proposed Executive memoranda that were prepared by the Domestic Policy Council. Respectively, the proposed memoranda would direct Executive agencies to: (a) improve the collection and transfer of eagle carcasses ("eagles") for Native American religious practices, and (b) follow certain principles in their interactions with Indian tribal governments.

BACKGROUND: The proposed memoranda would be signed in connection with your meeting this Friday, April 29 with the representatives of the one hundred and forty Federally-recognized Indian tribes. The first memorandum would formalize Executive branch policy regarding the distribution of eagles for Native American religious purposes. It would require Executive agencies to: (a) simplify the eagle permit application process; (b) minimize delay in processing and distributing eagles for Native American religious purposes; and (c) expand efforts to involve Native American tribes in the distribution process.

The second memorandum would direct Executive agencies to follow certain principles in their relations with Indian tribal governments. It would require Executive agencies to: (a) consult with tribal governments prior to taking actions that would affect the tribal governments; (b) assess the impact of Federal activities on Indian government trust resources; and (c) remove procedural impediments to working with tribal governments.

None of the affected agencies objects to the proposed Executive memoranda.

RECOMMENDATION: I recommend that you sign the proposed Executive memoranda.

Attachments

CLINTON LIBRARY PHOTOCOPY

Noted: [illegible]

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release April 29, 1994

April 29, 1994

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

SUBJECT: Government-to-Government Relations with Native American Tribal Governments

The United States Government has a unique legal relationship with Native American tribal governments as set forth in the Constitution of the United States, treaties, statutes, and court decisions. As executive departments and agencies undertake activities affecting Native American tribal rights or trust resources, such activities should be implemented in a knowledgeable, sensitive manner respectful of tribal sovereignty. Today, as part of an historic meeting, I am outlining principles that executive departments and agencies, including every component bureau and office, are to follow in their interactions with Native American tribal governments. The purpose of these principles is to clarify our responsibility to ensure that the Federal Government operates within a government-to-government relationship with federally recognized Native American tribes. I am strongly committed to building a more effective day-to-day working relationship reflecting respect for the rights of self-government due the sovereign tribal governments.

In order to ensure that the rights of sovereign tribal governments are fully respected, executive branch activities shall be guided by the following:

(a) The head of each executive department and agency shall be responsible for ensuring that the department or agency operates within a government-to-government relationship with federally recognized tribal governments.

(b) Each executive department and agency shall consult, to the greatest extent practicable and to the extent permitted by law, with tribal governments prior to taking actions that affect federally recognized tribal governments. All such consultations are to be open and candid so that all interested parties may evaluate for themselves the potential impact of relevant proposals.

more

(OVER)

CLINTON LIBRARY PHOTOCOPY

(c) Each executive department and agency shall assess the impact of Federal Government plans, projects, programs, and activities on tribal trust resources and assure that tribal government rights and concerns are considered during the development of such plans, projects, programs, and activities.

(d) Each executive department and agency shall take appropriate steps to remove any procedural impediments to working directly and effectively with tribal governments on activities that affect the trust property and/or governmental rights of the tribes.

(e) Each executive department and agency shall work cooperatively with other Federal departments and agencies to enlist their interest and support in cooperative efforts, where appropriate, to accomplish the goals of this memorandum.

(f) Each executive department and agency shall apply the requirements of Executive Orders Nos. 12875 ("Enhancing the Intergovernmental Partnership") and 12866 ("Regulatory Planning and Review") to design solutions and tailor Federal programs, in appropriate circumstances, to address specific or unique needs of tribal communities.

The head of each executive department and agency shall ensure that the department or agency's bureaus and components are fully aware of this memorandum, through publication or other means, and that they are in compliance with its requirements.

This memorandum is intended only to improve the internal management of the executive branch and is not intended to, and does not, create any right to administrative or judicial review, or any other right or benefit or trust responsibility, substantive or procedural, enforceable by a party against the United States, its agencies or instrumentalities, its officers or employees, or any other person.

The Director of the Office of Management and Budget is authorized and directed to publish this memorandum in the Federal Register.

WILLIAM J. CLINTON

# # #

CLINTON LIBRARY PHOTOCOPY

THE WHITE HOUSE

Office of the Press Secretary
(Martha's Vineyard, Massachusetts)

For Immediate Release August 25, 1997

August 25, 1997

MEMORANDUM FOR THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR

SUBJECT: Law Enforcement in Indian Country

I am proud of my Administration's progress in reducing violent crime and improving public safety for our Nation's citizens. Our efforts are making an important difference. Nationwide, the violent crime rate has dropped approximately 17 percent since 1992, and the homicide rate has declined about 22 percent.

Unfortunately, during the same time period life has become more violent for the 1.2 million Indian citizens who live on or near reservations. Homicide rates, for example, have increased to levels that often surpass those in large American cities. Numbers alone, however, cannot convey the tragic impact of such violence on Indian families and their communities.

This and other information you have provided to me make clear that we need to refocus on this growing problem. While some tribal governments have developed strong law enforcement programs, many others have encountered significant difficulty in doing so. Many Indian citizens receive police, investigative, and detention services that lag far behind even this country's poorest jurisdictions.

The Federal Government has taken steps to address this problem. My Administration has sought increased Department of the Interior funding and tribal control of law enforcement programs on Indian lands. This year, the Federal Bureau of Investigation (FBI) established an Office of Indian Country Investigations in its Violent Crimes Section, allocating additional agents to Indian Country. The FBI also initiated a nationwide outreach training program for Indian Country law enforcement officers. We have created additional tribal liaison positions in the United States Attorney's Offices in Indian Country, intended to improve our ability to bring offenders to justice. Through our Community Oriented Policing Services Program, we have assisted tribal law enforcement agencies in hiring officers in Indian Country.

Yet, law enforcement in Indian Country remains a serious problem. For these reasons, consistent with the spirit of my 1994 memorandum on government-to-government relations and tribal self-governance, I hereby request that you work with tribal leaders to analyze law enforcement problems on Indian lands. By December 31, 1997, you should provide options to me for improving public safety and criminal justice in Indian Country. To the extent that these options might affect the Departments' budgets, they should be included in your fiscal year 1999 budget submissions and should be consistent with the funding targets of the Bipartisan Balanced Budget Agreement.

WILLIAM J. CLINTON

CLINTON LIBRARY PHOTOCOPY

# # #

NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 010

JL002 153407CU

FOIA Number: Kagan1

FOIA MARKER

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WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☑ I - INCOMING
Date Correspondence Received (YY/MM/DD) 96 / 02 / 26

Name of Correspondent: Delman Smith & Brent Ventura

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Paula Jones

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
WH Quinn	ORIGINATOR	96/02/26	MS	C	96/02/26
	Referral Note:				
WHT26 (Kagan)	A	96/02/26	MS		/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:
A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure
I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:
A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

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5/81

LAW OFFICES OF

SMITH & VENTURA
405 ALBERTO WAY, SUITE 2
LOS GATOS, CA 95032
(408) 356-6171
(408) 356-1804 fax

DELMAN W. SMITH
BRENT N. VENTURA

SANTA CRUZ COUNTY OFFICE
(408) 336-0716

1534/01

January 26, 1996

VIA FACSIMILE ONLY (202) 456-2461

President William J. Clinton
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear President Clinton:

We are entirely fed-up with people like Paula Jones suing you while you are trying to work. It seems to us that none of these civil suits can proceed in the face of the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. Appen. Section 501 et seq.). As Commander in Chief of the Armed Forces, you are on active duty twenty-four hours a day and will be until the end of your term, or hopefully, terms. You are thus entitled to all of the same protections as any other active duty member of the American Armed Forces. We assume that your able legal counsel have already thought of this. If not, perhaps they will find this suggestion helpful.

Very truly yours,

DELMAN W. SMITH BRENT N. VENTURA

NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 011

JL002 293024SS

FOIA Number: Kagan

FOIA MARKER

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Subseries:

OA/ID Number: 23550

Scan ID: 293024SS

Document Number:

Folder Title:
JL002

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THE PRESIDENT HAS SEEN 293024 SL
2-11-99
JK002

THE WHITE HOUSE
WASHINGTON

'99 FEB 6 PM 7:40

February 4, 1999

MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed, Chris Jennings, Elena Kagan, Dan Marcus (Counsel's Office)

SUBJECT: Grijalva v. Shalala

John Podesta held a meeting last night with staff from the DPC, Counsel's office, OLA, OVP, OMB, and HHS to discuss whether the Solicitor General and HHS should petition the Supreme Court for a writ of certiorari in Grijalva v Shalala. The cert petition, which is due on Wednesday, would seek to vacate a decision (1) holding that Medicare HMOs are "state actors" and, as such, required to provide enrollees with constitutional due process and (2) requiring the Secretary of HHS to ensure that all Medicare HMOs comply with specific notice and hearing requirements when seeking to deny or reduce medical benefits.

You previously noted (on a copy of a New York Times article attached to this memo) that this is a "tricky issue," and your comment, if anything, understates the difficulty and political sensitivity of the decision. HHS objects to the administrative burdens that the district court's injunction imposes and worries that these onerous requirements -- as well as the fear of being subject to other constitutional standards -- will drive some HMOs from the Medicare program. Many Congressional Democrats and health advocates, however, believe that contesting the ruling below will undermine our effort to enact patients' rights legislation and perhaps threaten federal enforcement of Medicaid requirements.

Background

In Grijalva, a nationwide class of individuals enrolled in Medicare HMOs alleged that the HMOs were failing to provide the notice and appeal rights guaranteed by the Due Process Clause of the Constitution. The district court (Judge Alfredo Marquez) agreed that Medicare HMOs were state actors and, as such, required to provide constitutional due process; he also found that the notice and appeal procedures then in existence failed to meet constitutional requirements. The judge issued an injunction specifying precise notice, hearing, and appeal procedures, including a requirement that review of an HMO's decision to deny, terminate, or reduce services take place prior to implementing that decision. The injunction also commanded the Secretary to terminate contracts with any Medicare HMO failing to comply with these requirements. The District Court stayed this injunction pending completion of the appeals process, so the injunction has not yet gone into effect.

PHOTOCOPY WJC HANDWRITING

While the Secretary's appeal of the District Court's decision was pending, Congress (in the Balanced Budget Act) overhauled the Medicare HMO program and the Secretary issued a new set of regulations governing Medicare HMOs. Although the new statutory and regulatory scheme provided Medicare enrollees with far greater protections than the original scheme, a panel of the Ninth Circuit upheld the District Court's decision. The Ninth Circuit panel agreed with the District Court that Medicare HMOs were state actors, required to provide constitutional due process, and that the procedural rules in effect at the time of the District Court's decision failed to meet constitutional standards. The panel declined to consider whether the new procedural rules met constitutional requirements and thus rendered the injunction unnecessary, noting that the Secretary could petition the District Court for a ruling on this issue. Concerned about the basic state action issue, the Secretary chose instead to seek a rehearing en banc (which the full Ninth Circuit denied) and now seeks a writ of certiorari.

The Solicitor General's draft cert petition (which we can give you if you want it) notes first that the principal legal issue in Grijalva (whether Medicare HMOs are state actors) is very similar to an issue now before the Court in American Mutual Insurance Co. v. Sullivan (whether workers' compensation insurers are state actors); hence, the SG says, the Court should hold the petition in Grijalva pending the Court's decision in Sullivan. Although this point could be made very simply, the SG's draft uses it as a launching pad to argue the merits of the state action issue; the petition argues for almost 10 pages that Medicare HMOs are not state actors. The SG apparently believes that this extended discussion is desirable to ensure that the Supreme Court appreciates the importance of this case (and therefore holds the petition for Sullivan) and to influence the Court's writing of the Sullivan opinion (so that the decision there effectively forces the district court to lift the injunction).

The draft petition argues next that the new statutory and regulatory scheme governing Medicare HMOs -- which, as noted, provides greater protections than the original regulatory scheme, although some lesser protections than the injunction -- effectively moots the legal challenge adjudicated by the lower courts in this case. The SG thus asks that after holding the petition for Sullivan, the Court vacate the judgment below and remand the case for consideration of any challenge to the new statute and regulations in light of the Sullivan decision.

Discussion and Options

HHS believes that the District Court's injunction imposes a burdensome set of notice and hearing requirements, inconsistent with the Department's current policies and unnecessary to protect Medicare enrollees. HHS notes especially the obligation on health plans under the injunction to give extensive notice to enrollees of changes in service and to continue providing services during the appeals process (effectively forcing HMOs to eat the

cost of these services even if the HMO's initial decision was proper). HHS believes that these additional notice and hearing requirements will increase costs to Medicare HMOs and perhaps drive some out of the Medicare program; in addition, HHS worries that Medicare HMOs will incur other additional costs in the future if they continue to be viewed as state actors. Finally, HHS notes that the injunction imposes considerable administrative burdens on the Department itself, because the district court ordered it to monitor Medicare HMOs' compliance with the injunction and to terminate the contracts of non-complying HMOs.

But this position -- and these arguments -- place the Administration in an awkward position when it comes to pushing Congress to enact a Patients' Bill of Rights. Although the patient protections at issue are different, the Department is making the same kind of arguments against the injunction that private health plans routinely make against the Bill of Rights: that the added protections are excessively burdensome and would raise medical costs without improving the quality of patient care. Of course, the requirements in the one case were imposed by a court, whereas in the other they would be imposed by Congress. But this difference is unlikely to make much of a difference to our critics. In insisting on Supreme Court review of the judgment below, we would be giving credence to the health plans' view of regulation, while making ourselves vulnerable to the charge of hypocrisy.

Perhaps more important, many advocates and some Hill Democrats are worried that our arguments on state action will undermine the Medicaid entitlement. If Medicare HMOs are not state actors, then Medicaid HMOs probably are not either. Although it is possible to make distinctions between the Medicare and Medicaid programs with respect to state action, even HHS admits that these distinctions are strained and may not be convincing. What is more, the enforcement of Medicaid guarantees depends on whether participants in the system (such as HMOs) are state actors in a way that the enforcement of Medicare guarantees does not. Whereas the Medicare statute has built-in enforcement mechanisms that are unaffected by the state action issue, the Medicaid statute has no such mechanisms: federal enforcement relies largely on Section 1983 suits, which can only be brought against state actors. We fought hard, in the Medicaid block grant debate of 1995, to maintain this right of action for Medicaid violations, and we should be reluctant to start down a road that could make it less effective.

We are now considering three options. The first option is to file the cert petition drafted by the SG's office. The second option is to file a stripped-down version of the cert petition, simply making the point that Grijalva and Sullivan are related and asking the Supreme Court to hold the former for the latter. Because this kind of petition would not explicitly argue that Medicare HMOs are private actors or that the district court erred in issuing its injunction, it would inflame advocates less and insulate us somewhat from the charge of hypocrisy. As noted above, however, it might also be less effective in getting the Court to dispose of both this case and Sullivan in the way that stands the best chance of overturning the injunction. The third option is to decline to file any cert petition and instead return to the district court to argue that it should lift (or modify) its injunction in light of the

new statute and regulation. Under this approach, we would say nothing now about the state action issue -- although if the Supreme Court later decides Sullivan in a way that is relevant, we could ask the District Court to reconsider its injunction in light of the decision. This approach best protects our position on the Patients' Bill of Rights and poses the least threat to the Medicaid entitlement, but it is probably the least effective way of helping HHS to escape from the district court's injunction.

Secretary Shalala favors the first option, but she recognizes that this is a difficult decision. We are almost sure that Shalala would prefer the second option to the third, although she has not yet considered this issue. The Solicitor General believes that the first option best protects the government's broad interest in entering into contracts with private parties, but our sense is that the SG is largely taking its direction in this case from HHS. We have not yet discussed with the SG whether he would prefer the second or third options and cannot guess how he would come out on this issue. The DPC and Counsel's Office believe strongly that we should not choose the first option. All of us think that either the second or third options would be acceptable, with Bruce and Dan leaning slightly to the second and Chris and Elena slightly to the third. We expect that John will talk to you about this matter after you have had a chance to read this memo.

1-27-99

Rulings on Medicare Rights Split White House

By ROBERT PEAR

WASHINGTON, Jan. 21 — A bitter dispute has broken out within the Clinton Administration over the legal rights of Medicare beneficiaries, with some officials trying to limit those rights even as President Clinton urges Congress to establish new protections for millions of other patients with private health insurance.

At issue are Federal court rulings that upheld the rights of six million Medicare beneficiaries in health maintenance organizations.

A Federal district judge in Tucson, Ariz., and the United States Court of Appeals for the Ninth Circuit, in San Francisco, said such patients have a constitutional right to receive written notices and hearings on any denial of medical services, because the H.M.O.'s were acting on behalf of the Government.

Medicare officials are urging Donna E. Shalala, the Secretary of Health and Human Services, to appeal the decision to the Supreme Court. But other Administration officials, who work on legislative affairs and domestic policy, strenuously oppose any appeal, saying the Administration will look ridiculous and will outrage consumer groups and Democrats in Congress.

The arguments are set forth in confidential memorandums that provide a rare insight into the legal and political considerations that shape the Government's decisions on litigation before the High Court. They seem to parallel the arguments made for and against a "patient's bill of rights" like the one proposed by Mr. Clinton.

Medicare officials argue that the lower-court orders intrude on their ability to set Medicare policy, and go much further than necessary to protect elderly patients. "The appeals process required by the district court could impose significant administrative and financial burdens on health plans," raising costs by $4.70 a person per month, or a total of $343 million a year, said a memorandum by Medicare officials.

Under the lower-court orders, H.M.O.'s must provide a written notice whenever a service requested by a patient or a doctor is denied, or a course of treatment is reduced or terminated.

"Under this standard, beneficiaries could be inundated with written notices whenever a perceived reduction occurs," the Medicare officials said. "Such a situation would be confusing and even stressful to beneficiaries."

In short, Medicare officials do not like being second-guessed by the courts, and they resent judicial supervision just as much as H.M.O. executives resent regulation.

But a memorandum written by other officials of the Department of Health and Human Services emphasizes the political risks of an appeal to the Supreme Court.

A rare insight into the considerations that shape decisions on litigation.

"The department's position could be seen as inconsistent with the Administration's stated policy of expanding consumer protections for health plan enrollees," it says. "As a result, a petition could weaken the department's and the Administration's ability to pass legislation that creates additional protections, such as in the patient's bill of rights."

Nancy-Ann Min DeParle, the administrator of the Health Care Financing Administration, which runs Medicare, came down against the lower-court decisions. She told Dr. Shalala that the Administration "should seek relief from the Supreme Court," even though Ms. DeParle acknowledged that there were legal and political risks in this approach.

By contrast, other Administration officials said the rights of Medicare H.M.O. patients should meet constitutional standards for "due process of law" because the stakes were so high: if an H.M.O. denies coverage of a service, the patient may suffer irreparable harm or die.

Further, these officials said in confidential memorandums, if the Administration succeeds in its effort to overturn the court decisions won by Medicare beneficiaries, it could undermine the rights of poor people in Medicaid, who have increasingly been required to get their care through H.M.O.'s.

Moreover, these officials said, "health plans may be exaggerating the financial and administrative burdens" imposed by the lower-court orders.

The case, a nationwide class action, was filed in 1993 by elderly people who said they had been denied medically necessary services. The plaintiffs won a ruling from the Federal District Court in Tucson in October 1996. Dr. Shalala appealed, saying the judge, Alfredo C. Marquez, had usurped her authority.

Last August the appellate court in San Francisco rejected the Administration's argument. Judge Charles E. Wiggins, a former Republican Congressman from California, said Medicare beneficiaries are entitled to due process because the H.M.O. decisions amount to "Government action."

H.M.O.'s are private corporations, but when they deny services to Medicare beneficiaries they are acting on behalf of the Government, the court said.

The Administration has issued rules for Medicare H.M.O.'s, but the order by Judge Marquez provides greater protection to beneficiaries. The judge's order sets tighter deadlines for H.M.O.'s to rule on appeals, and it guarantees that patients can receive urgently needed services while they pursue appeals.

Vicki Gottlich, a lawyer at the National Senior Citizens Law Center, said the court order also "goes much further than current Federal rules in requiring H.M.O.'s to explain what additional evidence you need to support your claim, and how to get that evidence."

A report on the case by Government lawyers says "the worst possible scenario" is that Dr. Shalala will appeal to the Supreme Court and the Justices will decline to accept the case for review.

Lower courts would probably view such action as "a judgment by the Supreme Court that our arguments were unpersuasive," the report said.

The New York Times

FRIDAY, JANUARY 22, 1999

Nancy Ann Min

NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 012

JL002-02 235846

FOIA Number: Kagan
See 2006-0320-F

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S	85	3	7	1

THE WHITE HOUSE

WASHINGTON

235846
JL002-02

January 20, 1996

MEMORANDUM FOR EXECUTIVE OFFICE OF PRESIDENT STAFF

FROM: JANE SHERBURNE JS
Special Counsel to the President

ELENA KAGAN EK
Associate Counsel to the President

RM

SUBJECT: SUBPOENA FOR DOCUMENTS

We have received a subpoena from the Independent Counsel in the Whitewater matter for certain materials described below. Please provide any materials -- including documents, records, phonelogs, notes, computer records, letters, and telefax materials -- that are responsive to the paragraph below to **Elena Kagan, OEOB Room 125, by 5:00 p.m. on Monday, January 22, 1996.**

> Any and all documents and/or communications referring or relating to the location, efforts to locate, production, efforts to produce, whereabouts, or existence of documents referring or relating to: (a) legal representation provided by, legal work performed by, or Rose Law Firm compensation allocated to Hillary Rodham Clinton; or (b) legal representation provided to or legal work performed for Madison Guaranty Savings & Loan.

It is extremely important that staff members conduct a thorough search for documents by the end of the business day. Each Assistant to the President or Department head should ensure that his or her staff members conduct such a search.

If you believe you may have responsive documents but cannot locate them by 5:00 p.m., please contact Elena Kagan (6-7594) immediately.

CLINTON LIBRARY PHOTOCOPY

CAPPS, LAURA K.
WHITE HOUSE OFFICE

EXECUTIVE ASSISTANT TO THE CHIEF OF

WH 1FL/WW

CLINTON LIBRARY PHOTOCOPY

NLWJC - KAGAN

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JL003 162331CU

FOIA Number: Kagan1

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Withdrawal/Redaction Sheet
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. letter	From: Mary Broderick To: President Bill Clinton; RE: Address (partial) (1 page)	04/17/1996	P6/b(6)
001b. letter	From: Bill Clinton To: Mary Broderick; RE: Address (Partial) (1 page)	08/07/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
JL003
OA/Box Number: 17969

FOLDER TITLE:
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2009-1006-F
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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]

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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]
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b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☑ I - INCOMING
Date Correspondence Received (YY/MM/DD) 96 / 04 / 17

Name of Correspondent: Mary Brudnick

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: wants POTUS to veto the anti-terrorism bill

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CC Quinn	ORIGINATOR	96/04/17		C	96/04/17
	Referral Note:				
WHTR 21 (Ltr)	A	96/04/19	CPOA	A	96/08/07 DJ
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:
A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure
I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:
A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments:

SCANNED

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

5/81

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PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence
- n - **0** - Unknown
- n - **1** - William J. Clinton
- n - **2** - Bill Clinton
- n - **3** - Bill

CLn - First Lady 's Correspondence
- n - **1** - Hillary Rodham Clinton
- n - **2** - Hillary Clinton
- n - **3** - Hillary
- n - **4** - Mrs. Hillary Clinton

CBn - Presidential & First Lady's Correspondence
- n - **1** - Hillary & Bill Clinton
- n - **2** - Hillary & Bill

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- **X** - Miscellaneous
- **Y** - Study

Withdrawal/Redaction Marker
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. letter	From: Mary Broderick To: President Bill Clinton; RE: Address (partial) (1 page)	04/17/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
JL003
OA/Box Number: 17969

FOLDER TITLE:
162331cu

2009-1006-F
db1552

RESTRICTION CODES

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16233ICU

[001]

Mary M. Broderick

P6/(b)(6)

April 17, 1996

President Bill Clinton
c/o Cris Cerf, Deputy Counsel
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Via Facsimile

Dear President Clinton:

I am writing to urge you to veto the anti-terrorism bill that the House and Senate are poised to pass this week. It is inconceivable to me that you would consider signing a bill that would all but eliminate Federal review of wrongful state court convictions and sentences.

The names of those who have been wrongfully imprisoned or sentenced to death in state courts speak loudly for the importance of preserving meaningful Federal review of state court decisions. There are many victims of lying witnesses; lying and/or racist prosecutors; racist, corrupt, politically motivated, or honest but mistaken judges; and incompetent lawyers who would be languishing in prison or buried in the earth, but for the intervention of the Federal courts. Among them are Rubin "Hurricane" Carter, Joseph Green Brown, Randall Dale Adams (whose story was told in The Thin Blue Line), Frederico Martinez-Macias, Gary Nelson, Kirk Bloodsworth, James Richardson, Clarence Brandley, Walter McMillian, Jimmy Landano and Sonia Jacobs.

Doesn't it give you pause that the major proponent of habeas restrictions is Strom Thurmond, who is waiting for your signature on the bill to finally celebrate the return of the good ole days of states' rights?

And how ironic if your approval of this bill would help the Republicans keep the California Governor's office by ensuring Dan Lungren's election.

The protections afforded by meaningful Federal court review of state court convictions and sentences are one of the features of American democracy envied in countries where the government can imprison or kill people at will.

I urge you to veto the anti-terrorism legislation, and save habeas corpus.

Sincerely,

Mary M. Broderick

Mary M. Broderick

Enc.

Clinton Library Photocopy

LA Times 4/17/96

Playing Politics With Executions

Limits on death row appeals should be removed from bill

Just days before the sad anniversary of last year's horrendous Oklahoma City bombing, Congress seems finally intent on passing anti-terrorism legislation. Tougher measures, such as some of the provisions in this bill, are indeed needed to thwart terrorist activities in the United States. But Congress would have a better bill if it removed from it limitations on the ability of death row inmates to appeal their sentences. Opportunistic legislators have engaged in political gamesmanship on this issue.

President Clinton is pressing the Republican-controlled Congress to support the legislation. But the GOP is taking advantage of the situation to include curbs on habeas corpus appeals in the bill. The GOP knows that Clinton is not likely to veto the legislation even if it contains the appeals amendments. But a responsible Congress would strip away these provisions.

The proposed habeas corpus amendments will have far greater and more troubling ramifications than clauses in the bill applying strictly to terrorism. Supporters say they would end what they regard as endless, frivolous appeals by convicted killers and speed their executions.

The capital punishment appeals process can certainly be lengthy, but speed is not its object. The process is designed to ensure that the state does not mistakenly execute an innocent man.

Habeas corpus reform has already gone far enough. The Supreme Court, in a series of decisions in recent years, has limited the number of federal habeas corpus petitions that death row inmates can bring. Further curbs by Congress threaten to affect the balance between the state's interest in determining the guilt of defendants and the right of each defendant to a fair trial, tipping it toward the state.

The main provisions of the anti-terrorism legislation would expand the ability of federal law enforcement authorities to tap telephone conversations by suspected terrorists and to mark—or "tag"—at least some explosives that can be used in bombs, which would making tracing the source easier. Congress wants to pass the legislation by Friday, the first anniversary of the massive explosion that killed 168 people at the Alfred P. Murrah Federal Building. The country needs a narrow, thoughtfully drawn anti-terrorism bill, free of political machinations on the death penalty. It is not too late for the GOP to get the message.

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. letter	From: Bill Clinton To: Mary Broderick; RE: Address (Partial) (1 page)	08/07/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
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OA/Box Number: 17969

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2009-1006-F
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[001b]

August 7, 1996

Ms. Mary M. Broderick

P6/(b)(6)

Dear Mary:

Thank you very much for your letter concerning the habeas corpus provisions contained in the new anti-terrorism law.

I have long sought a balanced approach to streamline federal appeals for convicted criminals sentenced to the death penalty. I believe, however, that the new provisions achieve finality and fairness while preserving the full scope of habeas review so that it can continue to serve its historic function as the last protection against wrongful conviction.

I understand your concern that certain provisions in the law could be read as undercutting meaningful federal habeas corpus review. I am confident, however, that the federal courts will interpret these provisions to preserve independent review of federal legal claims and the bedrock constitutional principle of an independent judiciary. It is on that basis that I signed the bill.

I appreciate having your perspective on this matter. As my Administration continues working to meet the challenges facing our nation, I'm grateful for your involvement.

Sincerely, BILL CLINTON

BC/JB/DWB/ckb (Corres. #2989153)
(6.habeas)

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NLWJC - KAGAN

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FOIA Number: Kagan

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Subseries:

OA/ID Number: 17970

Scan ID: 225613SS

Document Number:

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S	85	3	8	3

225613 SS
JL003

Crack/Cocaine Sentencing Recommendations

Copied
Reed
Kagan
COS

THE PRESIDENT HAS SEEN
7-7-97

THE WHITE HOUSE

WASHINGTON

July 4, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: PHIL CAPLAN Phil

SUBJECT: Crack/powder cocaine sentencing recommendations

The attached Bruce Reed/Elena Kagan memo recommends that you accept a recommendation from the Attorney General and Director McCaffery and authorize them to work with Congress on legislation to change the threshold for a 5-year mandatory sentence for crack cocaine from 5 grams to 25 grams and from 500 grams to 250 grams for powder cocaine -- a ratio of 10:1 rather than the current 100:1. **You should act upon this before your trip if possible.**

Background. In May 1995, the U.S. Sentencing Commission voted to make the ratio 1:1 at 500 grams for both substances. The Administration opposed these changes and, in October 1995, you signed legislation rejecting them and directing the Sentencing Commission to submit new recommendations to Congress. On April 29, the Commission submitted the new report that suggested a range of 25-75 grams for crack and 125-375 grams for powder. You asked the AG and McCaffery to review the recommendations.

Recommendations. The AG's and McCaffery's recommendations stand upon a three-pronged rationale. First, the revised sentencing structure would help federal prosecutors and law enforcement officials better allocate resources by enabling them to focus on mid- to high-level dealers and permitting state and local prosecutors to focus on lower level dealers. Second, the current 100:1 ratio is outdated because the rates and danger of crack and powder use have narrowed over the years. Third, the current ratio is a symbol of racial bias and that our proposal would reduce the perception of injustice and inconsistency.

Congress. Next week, Senators Hatch and Abraham may offer an amendment to the juvenile justice bill lowering the minimum for powder to 100 grams while leaving crack at 5 grams -- a 20:1 ratio. Other Members have proposed lowering powder to as low as 5 grams for a 1:1 ratio. Bruce/Elena note that addressing the disparity in this manner will increase the federal government's role in low-level drug cases, overwhelm the courts and add billions to the federal prison budget.

Yes - says many Repubs agree with Democrats argument

Views. *Bruce/Elena* believe that the recommended changes represent the middle ground and the best hope of achieving progress on the issue. They advocate getting into the debate now and pushing for sensible legislation, but note that the Congressional Black Caucus will criticize 10:1 and advocate for further reducing the ratio. *Ben Johnson* notes that 10:1 will not sit well with the African-American and Hispanic communities, but that agrees that we need to enter the debate so as to push for sensible legislation. *Rahm* notes that our communications strategy will need

PHOTOCOPY WJC HANDWRITING

refining from the current Reno/McCaffery approach, but agrees with the underlying decision to accept 10:1 and move ahead. *Ann Lewis* concurs. *John Podesta would like to get a sense of where you stand on the issue before you depart, and then meet about the communications strategy on Monday before making any further moves as several relevant senior staffers are out of town for the holiday. Once our strategy is set, he would like to confirm with you on the road.*

Recommendation. Enter the debate based on the Reno/McCaffery recommendation, but move forward only after a communications strategy is set:

✓ Agree _____ Disagree _____ Discuss

Though I would favor further reduction — under Reno is a criminal justice or biological impairment justification that wouldn't wear again. Can't allow raising crack ceiling — cocaine must be lowered.

THE WHITE HOUSE

WASHINGTON

July 3, 1997

'97 JUL 3 PM 7:30

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: CRACK SENTENCING RECOMMENDATIONS

On April 29, the U.S. Sentencing Commission submitted a report to Congress with new recommendations on sentencing policy for trafficking in crack and powder cocaine. In response, you directed the Attorney General and ONDCP Director to review the report and make recommendations to you within 60 days. Today, they submitted a joint recommendation, attached to this memo, that you support changing the threshold for a 5-year mandatory sentence from 5 grams to 25 grams for crack cocaine and from 500 grams to 250 grams for powder cocaine. This change would reduce the current disparity between crack and powder cocaine sentences from a ratio of 100:1 to a ratio of 10:1. The DPC believes that you should accept this recommendation and instruct your advisers to begin working with Congress immediately to enact legislation making these changes in crack and powder cocaine sentencing.

I. Background

Under current law, the same 5-year mandatory minimum sentence applies to a person selling 5 grams of crack cocaine (worth about $300) and a person selling 500 grams of powder cocaine (worth about $30,000). This disparity is often referred to as the "100-to-1" ratio between crack and powder cocaine sentences.

In May 1995, the Sentencing Commission, by a 4-3 vote, issued changes to the sentencing guidelines to reduce crack cocaine penalties to the same level as powder sentences -- a 1:1 ratio at 500 grams. The Administration opposed these changes on the ground that crack is more harmful than powder cocaine. In October 1995, you signed legislation rejecting the changes and directing the Commission to submit new recommendations to Congress.

The Sentencing Commission's revised recommendations, submitted this April, suggested appropriate ranges for the amount of crack or powder cocaine that should trigger a mandatory minimum sentence: between 25 and 75 grams for crack cocaine and between 125 and 375 grams for powder cocaine. In asking the Attorney General and ONDCP Director to review these recommendations, you stated that "the sentencing laws must continue to reflect that crack cocaine is a more harmful form of cocaine," but that "some adjustment to the cocaine penalty structure is warranted as a matter of sound criminal justice policy."

II. Department of Justice and ONDCP Recommendation

After reviewing the Sentencing Commission's report, the Attorney General and ONDCP Director have recommended that the Administration support and work with Congress to enact legislation changing the mandatory minimum thresholds from 5 grams of crack and 500 grams of powder to 25 grams of crack and 250 grams of powder cocaine. These changes would reduce the current ratio between crack and powder sentencing from 100:1 to 10:1.

The Attorney General and ONDCP Director believe that this revised sentencing structure would help to ensure that federal prosecutors focus on the prosecution of mid- and high-level cocaine traffickers, rather than on lower-level traffickers whom state and local authorities can easily prosecute. A mid-level crack dealer typically deals in ounce (28 grams) or multi-ounce quantities. By raising the mandatory minimum to this level, Congress would remove incentives for federal prosecutors to prosecute lower-level dealers and increase the likelihood of their bringing only high-priority cases involving mid- and high-level traffickers.

The Attorney General and ONDCP Director also state that the current 100:1 ratio is outdated because the rates of crack and powder cocaine use, as well as the dangers associated with such use, have narrowed over the years. Finally, they note that the current ratio has become a symbol of racial bias in the criminal justice system and has had a corrosive effect on "respect for the law in certain communities and on the effective administration of justice."

III. Suggested Course of Action

We suggest that you endorse the recommendation submitted by the Attorney General and the ONDCP Director. The proposed 10:1 ratio, with mandatory minimum triggers at 25 grams of crack cocaine and 250 grams of powder cocaine, is fundamentally sound. This recommendation reduces the disparity between crack and powder cocaine sentencing, as well as the perception of injustice and inconsistency that goes with it. At the same time, the recommendation makes sense from a law enforcement perspective by linking the crack threshold to an amount (25 grams) that corresponds with the practice of mid-level crack dealers to traffick in ounce (28 grams) or multi-ounce quantities.

The one downside of this recommendation is that the proposed approach risks placing the Administration in the center of a debate that has no center -- with Members of Congress attacking from both directions. On the one hand, Republicans will accuse the Administration of coddling drug users by raising the mandatory minimum threshold for crack cocaine. Senators Hatch and Abraham support a proposal to drop the threshold for powder cocaine from 500 grams to 100 grams while leaving intact the threshold for crack cocaine (resulting in a 20:1 ratio). Other Republican Members have proposed dropping the powder cocaine threshold to as low as 5 grams, which would reduce the ratio to 1:1, but only at the cost of overprosecuting other low-level drug dealers and adding billions of dollars to the federal prison budget. On the other hand, the Congressional Black Caucus and others in the African-American community will attack the

Administration for failing to go far enough to remove a racial injustice. As you know, many CBC Members favor removing the disparity between crack and powder cocaine entirely -- or at least reducing it far more sharply than the Attorney General and ONDCP Director recommend.

But precisely because it takes a middle position -- and because, as noted above, it can be hooked to law enforcement objectives -- this recommendation offers the best hope of achieving progress on this issue. The CBC approach to this issue will go nowhere in Congress, even with our support. The Republican approach stands a scarily high chance of success, unless we counter it with a credible alternative. We are not particularly optimistic that the recommended approach (assuming you accept it) will prevail, but it stands a better than any alternative approach of leading to a decent outcome.

We also suggest, if you accept the recommendation, that you authorize the Attorney General and ONDCP Director to begin immediate discussions with Members of Congress on this issue. Senators Hatch and Abraham may offer their alternative proposal as early as next week at the Senate Judiciary Committee's markup of the Juvenile Justice bill. We should engage with an alternative proposal as quickly as possible.

_____ Agree _____ Disagree _____ Discuss

'97 JUL 3 PM4:05

Office of the Attorney General
Washington, D. C. 20530

July 3, 1997

The President
The White House
Washington, DC 20500

Re: Crack and Powder Cocaine Sentencing
Policy in the Federal Criminal Justice System

Dear Mr. President:

On April 29, 1997, the United States Sentencing Commission ("Commission") submitted to Congress a report containing recommendations regarding crack and powder cocaine sentencing policy in the federal criminal justice system. The Commission recommended that the triggering amount for a five-year mandatory minimum sentence for crack be changed from the current 5 grams to somewhere between 25 and 75 grams, and that the triggering amount for a five-year mandatory minimum sentence for powder cocaine be changed from the current 500 grams to somewhere between 125 and 375 grams.

In a statement issued on the day the report was submitted to Congress, you commended the Commission for its report, agreeing that "some adjustment to the cocaine penalty structure is warranted as a matter of sound criminal justice policy [because] [f]ederal prosecutors should target mid- and high-level drug traffickers, rather than low-level drug offenders." You recognized that "[t]he disparity between sentences for powder and crack cocaine has led to a perception of unfairness and inconsistency in the federal criminal justice system." You further stated, however, that crack has had a particularly devastating impact on communities across America, and thus "[t]he sentencing laws must continue to reflect that crack cocaine is a more harmful form of cocaine." You directed us to study the Commission's report and to make our recommendations on cocaine sentencing in the federal system.

Recommendation

The Office of National Drug Control Policy (ONDCP) and the Department of Justice (DOJ) have carefully studied the Commission's report, engaged in a comprehensive review of recent literature on this subject, and examined information from the

Commission, DOJ, ONDCP, and the Department of Health and Human Services. Consistent with the Commission's report, we recommend that the threshold for the five-year mandatory minimum sentence for crack be set at 25 grams and the corresponding threshold for powder be set at 250 grams and urge that the Administration work with Congress to adopt implementing legislation.

Rationale

When Congress enacted the current mandatory minimum sentences for a wide range of illegal drugs, it stated that these sentences should be reserved for significant drug traffickers. Accordingly, the federal government should primarily focus its narcotics enforcement resources on mid-level and high-level drug traffickers, generally leaving lower-level traffickers and users for prosecution by state and local law enforcement. Indeed, the overwhelming majority of drug prosecutions in this country are brought by state and local prosecutors.

This division of responsibility makes sense. With its powerful enforcement tools, such as the RICO statute, wiretapping capabilities, and the witness protection program, and with its national and international enforcement programs, the federal government is better situated to target and dismantle major drug trafficking organizations, whether the organizations deal in heroin, LSD, methamphetamine, cocaine, or other dangerous narcotics. Because successful narcotics prosecutions often involve "working up the chain," there is also a federal interest in prosecuting individuals who, if they were to cooperate, could provide information that would lead to the prosecution of these organizations and major drug dealers.

The current sentencing structure for cocaine, however, has undermined this division of responsibility. Today, a defendant who traffics in 500 grams of powder cocaine faces a five-year mandatory minimum sentence. According to the Drug Enforcement Administration (DEA), 500 grams -- a half-kilogram -- of powder cocaine has a street value of approximately $30,000. An individual who deals in $30,000 (or more) of powder cocaine is a serious drug dealer who should, at the minimum, have information relevant to prosecuting even larger individual dealers or organizations.

In contrast, serious mandatory minimum sentences are not reserved for mid-level and high-level dealers when it comes to crack cocaine. Under the current system, a defendant need only traffic in 5 grams of crack in order to face a five-year mandatory minimum sentence. According to the DEA, 5 grams of crack is worth a few hundred dollars at most, and its sale is

characteristic of a low-level street dealer. A mid-level crack dealer typically deals ounce or multi-ounce quantities. (A single ounce equals 28 grams.) Thus, setting the five-year mandatory minimum threshold at 25 grams would ensure that even the very bottom of the mid-level range would be covered; setting the threshold any lower than 25 grams would undermine positive change and would continue, inappropriately, to target low-level street dealers.

Several negative consequences have resulted from the current cocaine sentencing scheme:

- Agents and prosecutors have the incentive to concentrate on cases where less effort can nonetheless result in long sentences. Thus, the current sentencing scheme may lead federal agents and prosecutors to focus on low-level street dealers of crack, who could as easily and appropriately be prosecuted by our state and local law enforcement partners.

- To the extent that law enforcement resources are directed against low-level street dealers, scarce federal law enforcement agents and prosecutors are diverted away from other higher priorities including larger-scale and more serious drug traffickers. Moreover, imprisoning scores of lower-level crack dealers for long periods of time has consumed considerable resources of the Bureau of Prisons.

- The large disparity in the sentencing scheme is outdated insofar as current data show that crack use has stabilized over the past few years; that the violence associated with crack dealing has dropped over the past few years, contributing to the overall crime drop across America; that of all the cocaine consumed in the United States, there is nearly an even split between crack users and powder users; and that treatment programs for crack and powder addicts are similar and have similar success rates.

- A sentencing scheme that treats crack 100 times more harshly than powder undoubtedly has become an important symbol of racial injustice in our criminal justice system. We cannot turn a blind eye to the corrosive effect this has had on respect for the law in certain communities and on the effective administration of justice. When communities lose faith in the fairness of the legal process, our ability to enforce the law suffers.

These problems cannot be solved by increasing powder penalties, while leaving current crack penalties unchanged. Such a change would merely replicate for powder cocaine the major

problem with current law enforcement efforts against crack cocaine -- the diversion of scarce federal resources to the prosecution and incarceration of low-level drug dealers who are more properly the focus of state and local officials. Moreover, simply increasing powder cocaine penalties would do little to address the perception that crack penalties inappropriately target racial minorities for harsh punishment. We support, in conjunction with a change in crack penalties, a change in the triggering amount for powder cocaine from 500 grams to 250 grams recognizing that all crack is brought into this country as powder and the ease by which that powder is converted to crack.

None of this is to say that the federal government should retreat from its vigorous prosecution of crack cocaine offenses. Under our recommended penalty structure, federal law enforcement would continue to prosecute crack cases in the federal system, particularly when there is organized drug dealing, the use of weapons, the use of minors in drug trafficking, drug trafficking near schools and other places, or other aggravating factors. Moreover, crack dealers would continue to be punished more harshly than powder dealers, which appropriately reflects the additional dangers associated with crack cocaine.

Conclusion

In short, we support a revised penalty structure with the five-year mandatory minimum threshold for crack set at 25 grams and the corresponding threshold for powder set at 250 grams because it would:

- Maintain tough federal sentences for serious drug offenders.
- Properly focus federal law enforcement efforts on mid-level and high-level drug traffickers.
- Improve the allocation of scarce federal law enforcement resources.
- Address perceptions of serious unfairness and inconsistency in the current sentencing scheme.
- Continue to reflect an appropriate distinction between crack and powder cocaine.

With your concurrence, we will work with Congress to adopt legislation that will improve federal law enforcement's response to the scourge of powder and crack cocaine trafficking in this country.

Sincerely,

Janet Reno
Attorney General

Sincerely,

Barry R. McCaffrey
Director, Office of
National Drug Control Policy

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THE WHITE HOUSE

WASHINGTON

'97 APR 11 PM8:08

April 11, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Melanne Verveer
Elena Kagan

RE: White House Conference on Early Childhood Development and Learning

As you know, on April 17th, you and the First Lady will host the *White House Conference on Early Childhood Development and Learning: What New Research on the Brain Tells Us About Our Youngest Children.*

Attached as background reading are three documents that discuss recent scientific research on the brain and the implications of this research for parents, caregivers and policy-makers.

- *Starting Points*, Carnegie's seminal 1994 study on the first few years of life;
- *Rethinking the Brain*, the Family and Work Institute's 1997 report which will be released next week; and
- *Newsweek*'s Special Edition, *Your Child*, which is about to hit the stands.

You will also be receiving a memorandum that provides you with a general overview of the Conference.

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THE WHITE HOUSE

WASHINGTON

'97 APR 11 PM8:08

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SPECIAL EDITION

YOUR CHILD

Newsweek

Spring/Summer 199[illegible] $5.0[illegible]

From Birth to Three

What You Need To Know

How Speech Begins

A Baby's Brain

Genes & Emotions

What's Normal, What's Not

Newsweek

SPECIAL EDITION

Spring/Summer 1997

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A LETTER FROM THE EDITOR-IN-CHIEF

IS THERE ANYTHING MORE PRECIOUS—AND MORE vulnerable—than a newborn? Or more deserving of a family's love and a society's care? With this special bonus magazine, NEWSWEEK takes an in-depth look at the exhilarating, exhausting and absolutely critical first three years of life. In the pages that follow, we chart the explosion of scientific information about how infants learn to speak and move, the breakthroughs in brain research and the new thinking on how parents, grandparents—indeed, all of us—can help our youngest citizens get off to a strong and healthy start.

This magazine reflects NEWSWEEK'S longstanding commitment to continuing coverage of family and children's issues. Since we became the first news magazine to introduce a regular section on the family more than a decade ago, NEWSWEEK has produced countless stories and four special issues on this most beloved and sometimes beleaguered institution. These days, of course, we're delighted to have plenty of company. Politicians from the White House on down are professing new interest in early-childhood development. Hollywood's Rob Reiner shared his enthusiasm about the subject with us, and almost singlehandedly mobilized the production of an ABC television special called "I Am Your Child," to air on April 28. And the corporate world has responded as well. We are very pleased, for example, by Johnson & Johnson's immediate and enthusiastic decision to become the exclusive advertiser in this issue.

Assistant Managing Editor Alexis Gelber directed this special project with help from Senior Editors Sharon Begley and Aric Press. Senior Art Director Amid Capeci designed the issue, Lisa Burroughs supervised the photography and Bonnie Scranton was in charge of the graphics. We are immensely proud of the magazine they have produced, but then, the subject deserves our very best.

Richard M. Smith

RICHARD M. SMITH, *Editor-in-Chief and President*

COVER PHOTO: James White—The Agency

THIS PAGE: EXUM. FACING PAGE, FROM TOP: MICHAEL TAMBORRINO—MEDICHROME; NINA BERMAN—SIPA; NICOLE BENGIVENO—MATRIX.

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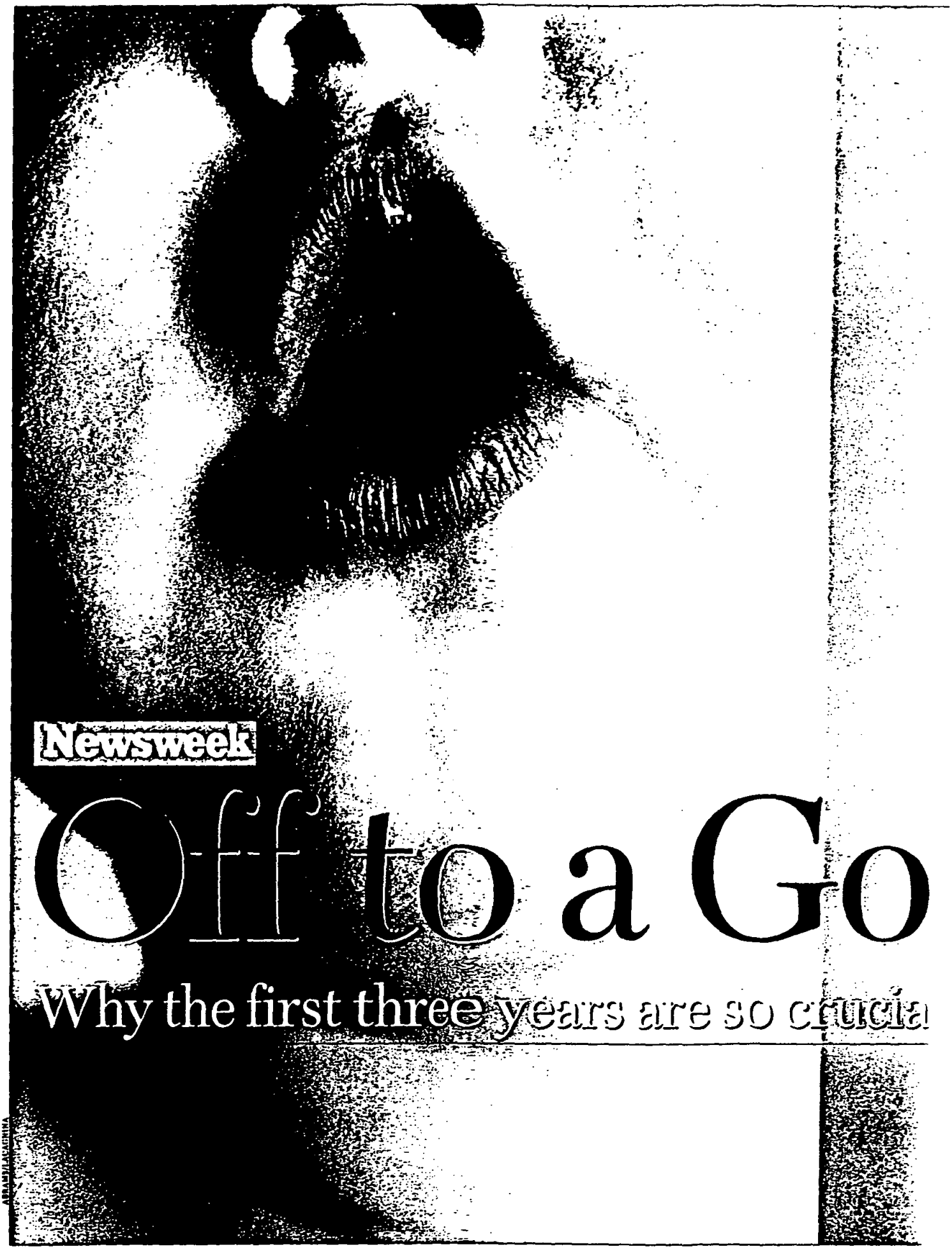

Newsweek
Off to a Go
Why the first three years are so crucia

d Start

o a child's development

By Barbara Kantrowitz

IT IS A MOMENT YOU never forget—the first time you hold your baby in your arms. Who is this mysterious new person? Before long, you will know the difference between a cry of hunger and a cry for comfort, a genuine grin and the grimace produced by an upset stomach. But here's the amazing part: as much as you are learning (and at times it seems like more than any human could handle), your baby is learning a thousandfold more. Every lullaby, every giggle and peek-a-boo, triggers a crackling along his neural pathways, laying the groundwork for what could someday be a love of art or a talent for soccer or a gift for making and keeping friends.

Cutting-edge science is confirming what wise parents have always known instinctively: young children need lots of time and attention from the significant adults in their lives. This does *not* mean that parents have to go out and spend a small fortune on specially designed infant-stimulation toys or flashcards for babies or any of the other dubious developmental aids that prey

Science confirms what wise parents have lo

on parental insecurities. What it *does* mean is that parents should take advantage of their child's natural curiosity. Babies are learning machines; everything is interesting to them. Shadows on the sidewalk, the distant barking of a dog, a voice on the telephone: these are miracles to an infant. If parents share a baby's wonder and laughter, children will grow up feeling that their observations and responses are valid and that people listen to them.

Researchers looking for new answers to old questions about the importance of heredity and environment have discovered that much of what makes a person unique is the result of experiences in the first three years of life. New technology, such as positron emission tomography (PET) imaging of the brain, has provided hard data on the importance of these years. Simple activities, like cuddling and rocking a baby, stimulate growth. The long-term effects of inadequate nurturing can be devastating. In profoundly deprived children—for example, orphans left to languish in an institutional nursery—critical areas of the brain remain undeveloped. Psychologists say that language development begins early, as well.

Even at 9 months, babies are learning machines

The building blocks are games like peek-a-boo, which teach babies about face-to-face communication, and the seemingly incomprehensible babble known as parentese, the beginning of verbal interaction. The first years also shape a child's personality. Although some characteristics, such as a tendency toward shyness, may be genetically determined, studies have shown that babies who are hugged often and feel loved and cared for are much more likely to grow up confident and optimistic. In other words, genetics provides the raw material; life molds the spirit and the soul.

Studies have also shown that family connections are at the core of a child's social development. Despite widespread reports about the demise of the extended family, a new NEWSWEEK Poll of parents of children under 4 showed that grandparents and in-laws still play a huge role in child rearing. The vast majority of parents surveyed said they turned to their own parents or other family members when they needed advice rather than books, videos or classes. Fifty-nine percent said that grandparents were "very" involved in their child's life. Traditional values also seem to be alive and

What Matters Most: A NEWSWEEK Poll

In our poll on this and the following pages, we asked parents of kids under 4 about their goals and worries for the future, how they discipline their kids and how they view their own families.

Which of the following is your most important goal as a parent?

48% Making sure he/she grows up to be a moral person

38% Making sure he/she is happy

9% Making sure he/she does well in school

4% Making sure he/she makes friends and gets along well with others

1% Making sure he/she is good at sports

Do you worry about the following when you think about your child's future?

54% He/she will be kidnapped or the victim of a violent crime

52% You won't be able to afford his/her college costs

51% He/she will have a serious accident or illness

41% He/she will be a victim of sexual abuse

36% You won't have enough money to buy him/her the things he/she needs

35% You won't be able to find or afford good health care for him/her

29% He/she won't grow up to share your values

22% He/she will develop a learning disability

22% You won't be able to find or afford good day care

14% He/she will have trouble making friends at school

Where do you turn for advice and guidance about how to raise your child?

87% Your child's father/mother

69% Your mother or mother-in-law

66% Doctors, nurses and other health professionals

52% Other family members or relatives

PHOTOS: ANNA PALMA. STYLING: JAMES MASSENBURG. GROOMING: KRISTINA FOREMAN FOR MARK EDWARD INC

known: kids need lots of time and attention

healthy. Nearly half (48 percent) of the parents said that making sure that their child grew up to be a moral person was their most important goal.

New attention to the early years presents a challenge for parents, educators and policymakers. According to the landmark 1994 Carnegie Corporation study "Starting Points," only half of infants and toddlers are routinely read to by their parents. The effects are serious: teachers report that more than a third of kindergartners are not ready to learn when they arrive at school. Day care is another pressing issue. Fifty-six percent of mothers of children under 4 are in the work force, yet there are no national child-care standards. As a result, too many children spend their days in unsafe facilities under the supervision of inadequately trained caregivers. Nearly a quarter of families with children under 3 live in poverty. Most of these are families headed by single parents (usually the mother) without access to regular health care or other social services.

Toddlers who feel loved grow up confident and optimistic

According to the NEWSWEEK Poll, more than half of the parents surveyed said they did not believe that the policies of government and business were supportive of families with very young children. But can leaders and legislators break out of their old ways of thinking and be as innovative as the scientists? There are some hopeful signs. In the absence of a clear national mandate, states and municipalities have started their own initiatives. Generally, the goal is to help children by reaching out to the whole family, including parents and often grandparents. Some states target specific groups—at-risk children or teen parents, for example—and offer such services as home visits by nurses, or parenting classes. Schools can also take advantage of the research. In the last few years, many districts have cut art and music classes even though studying these subjects can help children learn in other areas. Art and music are not just luxuries, as financially strapped school administrators sometimes claim.

There are more than 15 million American children under the age of 4. A child born this year will graduate from high school in 2015 and college in 2019. Think of these infants and toddlers as the architects of the 21st century. They are heading toward that future now, one baby step at a time. ■

47% Books about parenting
41% Magazines about parenting
36% Religious leaders like priests, ministers or rabbis
34% Friends or neighbors
23% Babysitters or other child-care workers
19% Television shows or videos

Asked of parents with children 1 to 3 years old: How often do you use the following disciplinary methods when your child misbehaves?

Explaining why behavior is not appropriate:
73% often
16% sometimes
4% hardly ever
7% never

Giving a timeout—that is, making child take a break from whatever activity he/she is involved in:
35% often
36% sometimes
12% hardly ever
17% never

Taking away a toy or treat:
27% often
42% sometimes
16% hardly ever
15% never

Yelling at child:
10% often
31% sometimes
38% hardly ever
21% never

Spanking child:
7% often
24% sometimes
36% hardly ever
32% never

Compared with your own father/mother, how do you think you rate as a parent?
46% the same
27% better
21% much better
4% worse

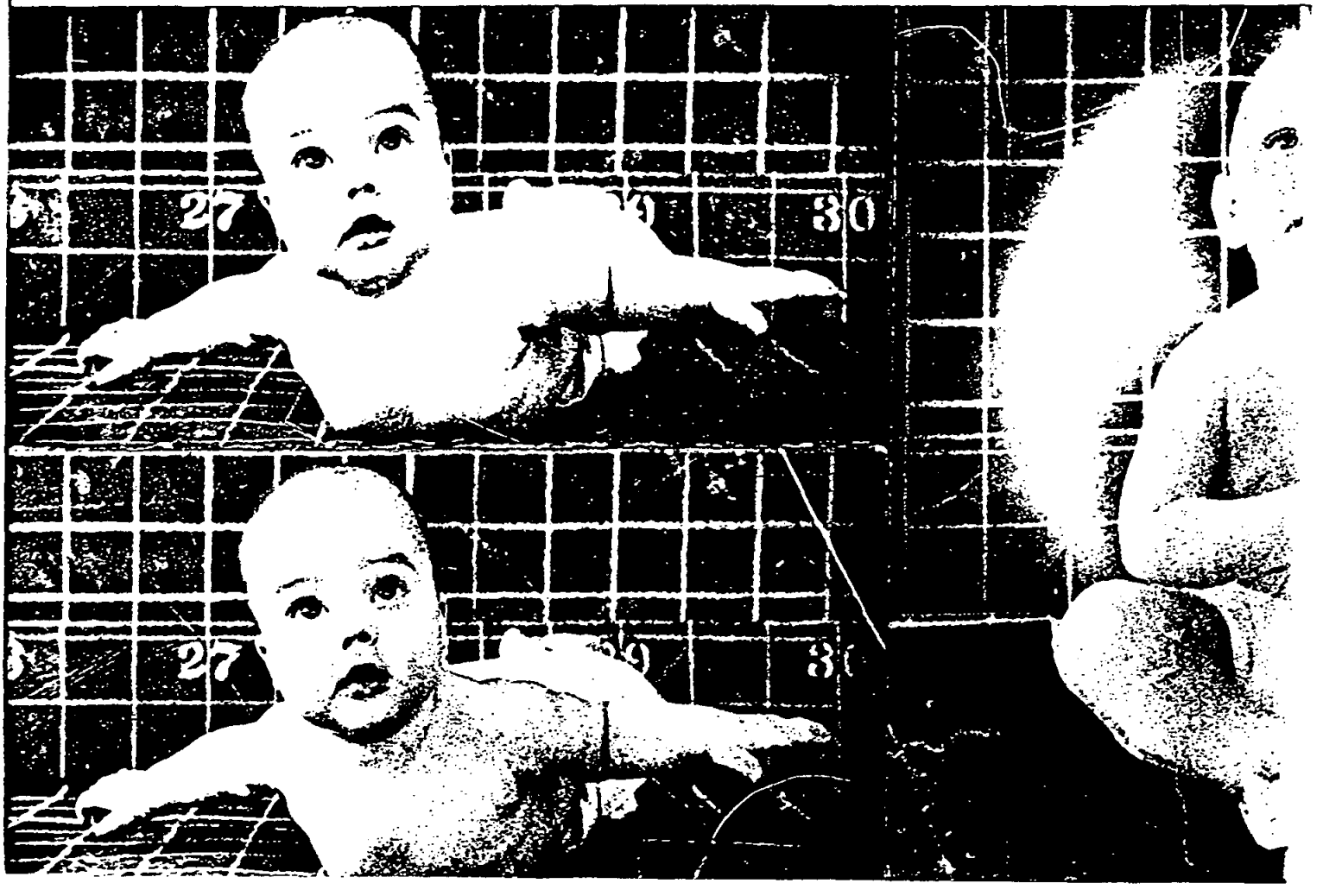
Are the policies of government and businesses generally supportive of families with very young children?
55% Not supportive
39% Supportive

FOR THIS NEWSWEEK POLL, PRINCETON SURVEY RESEARCH ASSOCIATES INTERVIEWED 506 PARENTS BETWEEN THE AGES OF 18 AND 44 WITH CHILDREN 0–3 YEARS OLD (322 MOTHERS AND 184 FATHERS) BY TELEPHONE FEB. 25–MARCH 2, 1997. THE MARGIN OF ERROR IS +/– 5 PERCENTAGE POINTS. THE NEWSWEEK POLL. © 1997 BY NEWSWEEK, INC.

FIRST STEPS

Scientists now understand in greater detail than ever before the various anatomical and neurological changes that allow children to develop motor and sensory abilities. The new research findings are calling into question the very idea of developmental milestones.

Hey—Look World, Here I

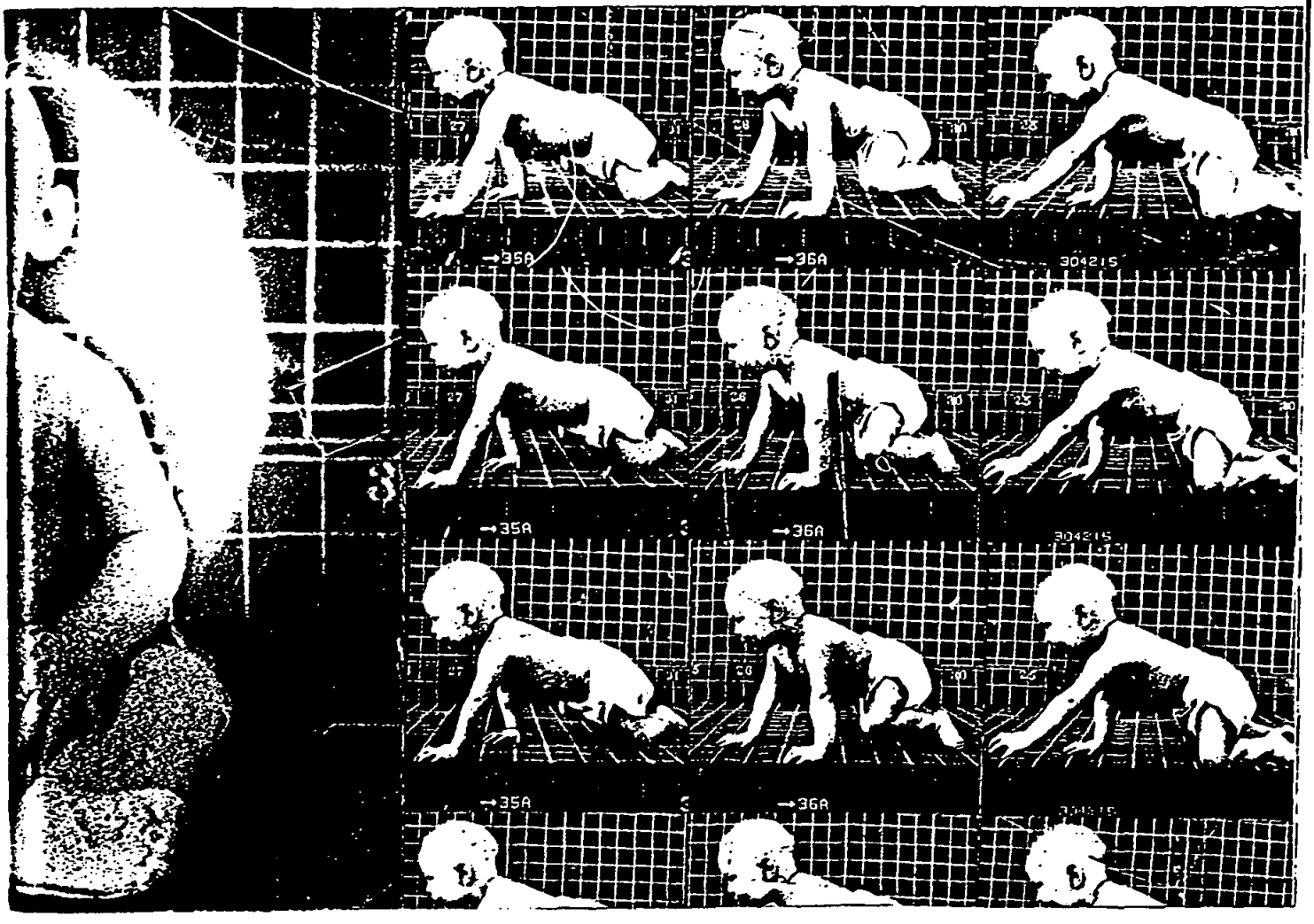


Out, Come

ELIANA, 14 MONTHS OLD, REFUSES TO WALK. SHE has never attempted to stand alone, much less take a step. The other four children in her play group, however, have all earned the right to be called toddler: they started staggering on two feet right around their first birthdays. Even Eliana's friend Rachel, not yet 10 months old, has taken a few precarious steps. But Eliana is seemingly oblivious to her playmates' advanced locomotion. A demon crawler, she is still perfectly content to navigate her Washington, D.C., house on hands and knees. Her parents, of course, are certain that they have the first healthy kid in human history who will never learn to walk.

They shouldn't worry. And not only because the annals of child development are replete with stories of "late walkers" or "delayed talkers." For generations, anxious new parents have sat up nights comparing their child's accomplishments with the all-important "milestones" mapped out by pediatricians and development researchers. Babies sit up at 6 months, for instance; they blurt out "ma-ma" and "da-da" by 9 months, and start walking at a year. But scientists now understand in more detail than ever before how motor and sensory skills develop. The new findings call into question the very idea of developmental milestones and suggest that it is not meaningful to

By Pat Wingert & Anne Underwood



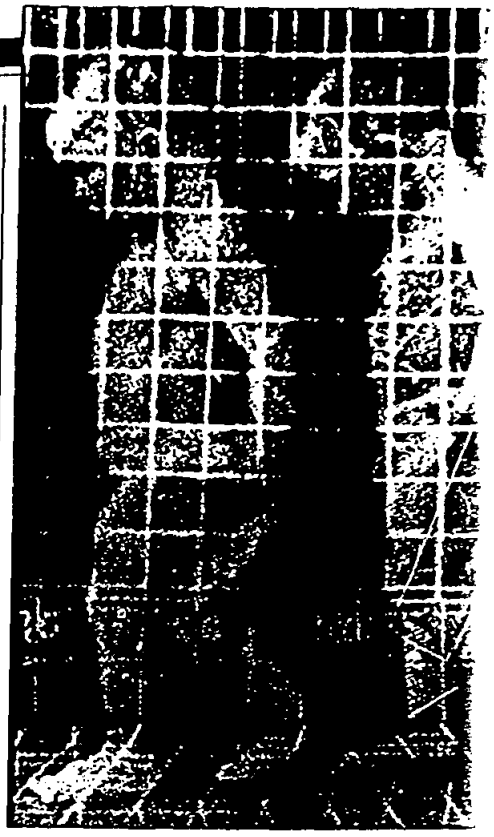
use the labels "early" and "late" when it comes to a baby's accomplishments. That isn't to say broad guidelines are useless. Parents should be concerned if, say, their 10-month-old can't sit up by himself. But the best evidence now shows that each young brain forms the neuronal and muscular connections required for sitting and crawling, walking and talking, at its own pace. There is no prize for finishing first—and, in most cases, no need to panic just because your tot isn't keeping up with the junior Joneses.

Considering how cruelly uncoordinated humans are at birth, it's a wonder babies learn to walk at all. A newborn has virtually no control over his limbs. Except for the most primitive reflexes, like sucking and grasping, he cannot will his arms or legs in any direction. These reflexes originate in the brain stem, the only part of the brain that is fully functional at birth. But between the fourth and seventh months, as the cortex of the brain develops, these reflexes become inhibited. After a while, the primitive reflexes seem to disappear altogether, allowing an increasingly sophisticated progression of motor skills to take their place.

Before that can happen, the brain must learn to deliver precise commands to the muscles. And for that, neurons must be myelinated. A white, fatty substance that coats nerve cells like the plastic insulation on telephone wires, myelin keeps electrical signals traveling along a neuron rather than leaking out and dissipating. Myelin also prevents "cross talk," in which the electrical signal in one neuron interferes with that of a nearby one: thanks to myelin, a nerve impulse telling the right hand to reach up and scratch the nose doesn't accidentally move the left foot instead. At the same time that nerves are being myelinated, the rapidly maturing brain is forming and pruning synapses (junctions between neurons), creating well-organized networks out of a chaotic jumble of billions of nerve cells. It will be two years before all of a child's nerves are fully myelinated.

Sensory skills at birth are just as rudimentary. Newborns can usually distinguish between faces and other objects—and they can recognize their parents' voices even in the womb. A newborn can focus on objects no farther than 13 inches away, about the distance to his mother's face when he's bottle- or breast-feeding. He can track slow-moving objects, but loses them if they are more than 18 inches away. For the first few weeks, this is all the vision he needs—and about all his brain can handle. From there, vision improves gradually. By the seventh month, he has developed binocular vision, the ability to see in three dimensions. But it will take seven to nine years before he can score 20-20 on an eye chart.

As her neuromuscular and sensory systems mature, a baby at last gains some control over her wayward body by the age of 1 or 2 months. Placed on her stomach, she'll struggle to hoist her bowling ball of a head from the floor. Not long after that she will bring her chest off the ground. It makes intuitive sense that children develop control over their heads first. Without a steady visual field, they cannot develop hand-eye coordination and balance, both of which are prerequisites for crawling and walking. At 3 or so months, the baby will prop herself up on her forearms. She'll get control of her upper arms before her lower arms, her wrists before her fingers, her legs before her feet.



Papa, don't push: Violin prodigy Yeou-Cheng Ma (left) 'traded my childhood'

Little Artists and Athletes

Fine and gross motor skills may not forecast the future

CRADLING A NEWBORN, said playwright Sebastian Barry in "The Steward of Christendom," is like "holding a three-pound bag of loose corn": the baby has about as much motor control as the sack of kernels and is equally incapable of any intentional movement. Yet to many parents it seems like only an instant between this period of almost comic uncoordination and the moment their teenage violinist masters the precise fingering required for rapid arpeggios, or their adolescent jock musters all the coordination in her quadriceps to nail the triple jump. How much do these later feats owe to early-childhood practice and precocity?

The development of fine and gross motor skills proceeds independently. Although they require the same physical foundations—formation of brain synapses, myelination of nerves (main story)—the two skills proceed in fits and starts. If a baby is putting lots of effort into gross motor skills one week, he won't be working much on fine motor skills. And every new move has to be repeated over and over to strengthen neural circuits that wind from the brain's thinking areas into the motor cortex and out to nerves that move muscles. But how quickly a child acquires motor skills is hardly a harbinger of achievement. "How early a baby walks has little to do with future athletic ability," says Laurie Walther Nathanson, author of "The Portable Pediatrician for Parents."

Yet stories abound of how athletic greatness was foreshadowed by childhood flair. Olympic soccer gold medalist Mia Hamm says she "began kicking a ball at the age of 2." She lived in Italy and copied the older kids in the park. And the story of how Tiger Woods swung his first golf club at 10 months has taken on the status of legend. Whether such preco-

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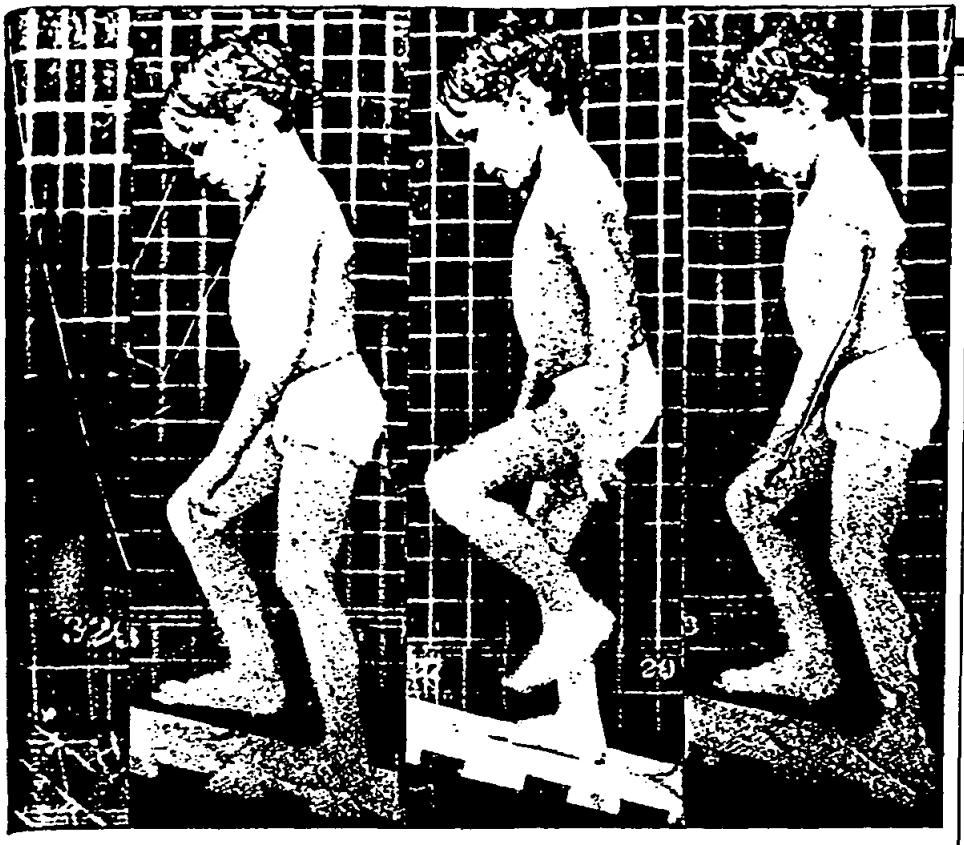


Overriding reflexes, a baby's nerves and muscles master sophisticated moves

All of this is good practice for the next big step: rolling over, which a baby usually masters at anywhere from 2 to 6 months. To get it right, she must develop the ability to rotate her spine, something she's prepared herself to do with all the kicking and flopping over she's been doing since her earliest days. Eventually she shifts her weight so far to one side that momentum takes her completely over. The first few rolls are usually accidents. But by now she has enough control to repeat actions she likes. Much to her delight—and her parents'—she can soon flip at will. Using muscles repeatedly gives them the strength and elasticity known as "muscle tone," which is as important as the development of the nervous system in producing intentional movement.

With muscles and coordination working in concert, babies can start working up to more demanding skills, like sitting up and crawling. This requires much more strength and balance than the relatively simple movements they've done up until now. Once they get the hang of it, typically by 7 or 8 months, it's usually not long before they're tipping forward on all fours for a little crawling practice. Most kids start out by rocking back and forth on their arms and legs. Eventually, they learn to put enough weight on one side that they free up one arm, then the other. Some never quite master the traditional crawl. They scoot along on their bottoms or drag their bellies across the floor using only their arms. "It's all part of baby problem solving," says Esther Thelen, professor of psychology at Indiana University. The point isn't to crawl for its own sake, "but to get someplace." About 15 percent of kids skip crawling altogether and move right on to walking. "Rather than go through gross motor development in some specific sequence," says Johns Hopkins neurodevelopmental researcher Bruce Shapiro, toddlers often "reach for their functional threshold"—even if that means skipping milestones. In the case of early walkers, he says, "by the time the muscle tone comes in, they're ready to stand up."

THE PHYSICAL AND CONCEPtual leap to walking can happen anywhere from 10 to 17 months. Why such a long span? It's a feat of balance and coordination that the brains and bodies of some children simply need longer to master. "It takes everything, including the big toe," says John Hopkins pediatrician Paul Lipkin. To prepare for the big step, most kids spend a few months "cruising" from one piece of furniture to the next, before shoving off from the coffee table and taking those first drunken steps.

What makes this elegant succession of skills all the more impressive is that otherwise helpless babies do so much of it completely on their own. "Blind children learn to walk," says Harold Klawans, a neurologist at Chicago's Rush Medical College. "They're not imitating anyone. The nervous system acquires that skill all by itself, as the body develops the anatomical and physiological sophistication to perform these tasks." Children are motivated by an irrepressible desire to reach beyond themselves. Sure, some get there a little quicker than others; but five years down the road you won't be able to tell which ones they were. ■

ious moments set Hamm and Foods on the road to stardom debatable, but there is no estion that down the road ere is a "too late." No world-ampion skater or golfer took the sport after 12. And in his 96 book "Why Michael uldn't Hit," neurologist rold Klawans of Rush Medal College in Chicago describes how, at 31, basketball egastar Jordan couldn't retool visual-motor synapses ough to whack a curve ball. he brain has to learn how to ognize the spin and speed d direction of the [pitched] ll," explains Klawans, "and n to swing the bat at just the t speed and in precisely the per location." If the brain's sual and motor neurons are not trained between the ages of 2 and 11 to do that, by adulthood the neurons are simply not "plastic" enough to be rewired for the job.

If parents want to raise a prodigy, the best they can do is make experiences available to the child. Kids who get to handle paintbrushes and Prince racquets early on figure out that art and tennis are considered cool in the household, for instance. But sometimes it is not the obvious experiences that sculpt excellence: Walter Payton, one of the NFL's greatest running backs, took ballet as a child. Still, physical skill is only one ingredient in artistic or athletic achievement; the rest is mental. Olympic swimmer Amy van Dyken says, "You can't teach mental toughness. You can teach concentration, but the child won't be happy if that's not what the kid wants to do."

Ambitious parents might heed the case of Yeou-Cheng Ma. She started the violin at 2½ and, tutored by her father, won youth-competitions galore. Then younger brother Yo-Yo, who took up the cello at 4½, eclipsed her. Yeou-Cheng suffered a breakdown at 15 over the loss of a solo career. Now a pediatrician, she doesn't hate music—she also runs New York's Children's Orchestra. But Ma has little patience with parents who push their children. "The job of a child is to play," she says. "I traded my childhood for my left hand."

ANNE UNDERWOOD *and* PETER PLAGENS

The Langua

By Geoffrey Cowley

Barry is a pixie-faced 3-year-old who can't yet draw a circle or stack his blocks in a simple pattern. There is little chance he will ever live independently. He may never learn to tie his own shoes. Yet Barry is as chatty and engaging a person as you could ever hope to meet. He knows his preschool classmates—and their parents—by name. When he wakes his mom in the morning, he strokes her cheek and tells her how beautiful she is. Then he asks her how she slept. Barry has Williams syndrome, a rare congenital disorder caused by abnormalities on chromosome 7. Children with the condition share an array of distinctive traits, including weak hearts, elfin faces and extremely low IQs. But they're unusually sociable, and often display an extraordinary feeling for language. Ask a Williams child to name an animal, says Dr. Ursula Bellugi of the Salk Institute's Laboratory for Cognitive Neuroscience, and you may get a fanciful discourse on yaks, koalas or unicorns.

If we learned language in the same way that we learn to add, subtract or play cards, children like Barry would not get much beyond hello and goodbye. Nor, for that matter, would normal toddlers.

Whether they emerge speaking English, Spanish, Czech or Hindi, children all travel the same road as they learn to speak and understand words

As anyone who has struggled through college French can attest, picking up a new language as an adult is as simple as picking up a truck. Yet virtually every kid in the world succeeds at it—and without conscious effort. Children attach meanings to sounds long before they shed their diapers. They launch into grammatical analysis before they can tie their shoes. And by the age of 3, most produce sentences as readily as laughter or tears.

Scholars have bickered for centuries over how kids accomplish this feat, but most now agree that their brains are wired for the task. Like finches or sparrows, which learn to sing as hatchlings or not at all, we're designed to acquire certain kinds of knowledge at particular stages of development. Children surrounded by words almost always become fluent by 3, whatever their general intelligence. And people deprived of language as children rarely master it as adults, no matter how smart they are or how intensively they're trained. As MIT linguist Steven Pinker observes in his acclaimed 1994 book "The Lan-

PHOTOS BY NICK CARDILLICCHIO

ge Explosion

guage Instinct," "Language is not a cultural artifact that we learn the way we learn to tell time or how the federal government works. It is a distinct piece of [our] biological makeup." Whether they emerge speaking Spanish, Czech or Hindi, kids all acquire language on the same general schedule. And as a growing body of research makes clear, they all travel the same remarkable path.

Sound

THE JOURNEY TOWARD LANGUAGE STARTS NOT IN THE nursery but in the womb, where the fetus is continually bathed in the sounds of its mother's voice. Babies just 4 days old can distinguish one language from another. French newborns suck more vigorously when they hear French spoken than when they hear Russian—and Russian babies show the opposite preference. At first, they notice only general rhythms and melodies. But newborns are also sensitive to speech sounds, and they home in quickly on the ones that matter.

Each of the world's approximately 6,000 languages uses a different assortment of phonemes, or distinctive

Kids attach meanings to sounds before they shed their diapers and analyze grammar by age 3

sounds, to build words. As adults, we have a hard time even hearing phonemes from foreign languages. The French don't notice any real difference between the *th* sounds in *thick* and *then*—and to most English speakers, the vowel in the French word *tu* (*ee* through rounded lips) is just another *oo*. Researchers have found that month-old infants register both of those distinctions and countless others from the world's languages. But at 6 and 10 months, they start to narrow their range. They grow oblivious to foreign phonemes while staying attuned to whatever sounds the speakers around them are using.

Acquiring a set of phonemes is a first step toward language, but just a baby step. To start decoding speech, you have to recognize words. And as anyone listening to a foreign conversation quickly discovers, people don't talk one ... word ... at ... a ... time. Real-life language—even the melodious "parentese" that parents use with infants—consists mainly of nonstop streams of sound. So how do babies suss out the boundaries? Long before they recognize words, says Peter Jusczyk, a cognitive scientist at Johns Hopkins University, they get a feel for how their language uses phonemes to launch syllables. By the time they're 7 months old, American babies are well accustomed to hearing *t* joined with *r* (as in *tram*) and *c* with *l* (as in *clam*), but they've been spared combinations like *db*, *gd*, *kt*, *ts* and *ng*, all of which oc-

cur in other languages. And once they have an ear for syllables, word boundaries become less mysterious. *Ten / groaning / deadbeats / are / cleaning / a / train on / blacktop* makes acoustic sense in English, even if you don't know the words. *Te / ngroanin / gdea / dbea / tsare / cleani / nga/ traino / nbla / cktop* isn't an option.

As children start to recognize and play with syllables, they also pick up on the metrical patterns among them. French words tend to end with a stressed syllable. The majority of English words—and virtually all of the *mommy-daddy-baby-doggie* diminutives that parents heap on children—have the accented syllable up front. Until they're 6 months old, American babies are no more responsive to words like *bigger* than they are to words like *guitar*. But Jusczyk has found that 6- to 10-month-olds develop a clear bias for words with first-syllable accents. They suck more vigorously when they hear such words, regardless of whether they're read from lists or tucked into streams of normal speech. The implication is that children less than a year old hear speech not as a blur of sound but as a series of distinct but meaningless words.

Meaning

BY THEIR FIRST BIRTHDAY, MOST KIDS start linking words to meanings. Amid their streams of sweet, melodic gibberish, they start to name things—ball, cup, bottle, doggie. And even those who don't speak for a while often gesture to show off their mastery of the nose, eyes, ears and toes. These may seem small steps; after all, most 1-year-olds are surrounded by people who insist on pointing and naming every object in sight. But as Pinker observes, making the right connections is a complicated business. How complicated? Imagine yourself surrounded by people speaking a strange language. A rabbit runs by, and someone shouts, *"Gavagai!"* What does the word mean? "Rabbit" may seem the obvious inference, but it's just one of countless logical alternatives. *Gavagai* could refer to that particular creature, or it could have a range of broader meanings, from "four-legged plant eater" to "furry thing in motion." How do kids get to the right level of generalization? Why don't they spend their lives trying to figure out what words like "rabbit" mean?

Because, says Stanford psychologist Ellen Markman, they come to the game with innate mental biases. Markman has shown that instead of testing endless hypotheses about each word's meaning, kids start from three basic assumptions. First, they figure that labels refer to whole objects, not parts or qualities. Second, they expect labels to denote classes of things (cups, balls, rabbits) rather than individual items. Third, they assume that anything with a name can have only one. These assumptions don't always lead directly to the right inference ("I'm not a noying," Dennis the Menace once told Mr. Wilson, "I'm a cowboy"). But they vastly simplify word learning. In keeping with the "whole object" assumption, a child won't consider a label for "handle" until she has one for "cup." And thanks to the "one label per object" assumption, a child who has mastered the word *cup* never assumes that *handle* is just another way of saying the same thing. "In that situation," says Markman, "the child accepts the possibility that the new word applies to some feature of the object."

Using innate linguistic software, kids assume that labels refer to wholes rather than parts, and to classes (cups, balls), not individual items

Words accrue slowly at first. But around the age of 18 months, children's abilities explode. Most start acquiring new words at the phenomenal rate of one every two hours—and for the first time, they start combining them. Children don't all reach these milestones on exactly the same schedule; their development rates can vary by a year or more, and there's no evidence that late talkers end up less fluent than early talkers. But by their second birthdays, most kids have socked away 1,000 to 2,000 words and started tossing around two-word strings such as "no nap," "all wet" or "bottle juice."

NICK KELSH, NICK CARDILLICCHIO (OPPOSITE PAGE)

How to Talk 'Parentese' to Your Child

Enunciate, repeat new words and don't forget your pronouns

PEOPLE THE WORLD over alter their way of speaking when they address infants and toddlers. The effects of "parentese" (originally called "motherese") continue to be hotly debated, but "a number of [its] features are likely to facilitate language learning," says linguist Naomi Baron of The American University. Among them:

Higher **pitch** captures a child's attention. Speaking more slowly, and with careful enunciation, makes it easier for the baby to distinguish individual words; emphasizing or repeating one word ("Isn't that a *huuuuuge* huge doggie?") also helps.

Short utterances help the child grasp grammar more readily than Faulknerian monologues. Don't abandon complex sentences entirely, though: toddlers whose parents use many dependent clauses ("because ..." and "which ...") learn to do so earlier than the children of parents who do not.

Repeating a child's utterances ("That's right! It's a birdie") assures her she's been understood. Recasting what the child says ("Want cookie?" "Would you like a cookie?") expands her repertoire. The only aspect of parentese that may impede language development: substituting proper nouns for **pronouns** ("Does Billy want to swing?"). These are tricky to master (your "you" is my "I"), and toddlers should be exposed to them.

Red Flags

Even normal children whose ears are filled with parentese may refuse to speak. Some delays can be harmless, but those after the age of 3 may affect how well a child will read, write and even think.

- **0–3 months** Does not turn when you speak or repeat sounds like coos.
- **4–6 months** Does not respond to "no" or changes in tone of voice, look around for sources of sound like a doorbell, or babble in speechlike sounds such as p, b and m.
- **7–12 months** Does not recognize words for common items, turn when you call her name, imitate speech sounds or use sounds other than crying to get your attention.
- **1–2 years** Cannot point to pictures in a book that you name or understand simple questions ("Where is your Teddy?").
- **2–3 years** Can't understand differences in meaning ("up" vs. "down"), follow two requests ("please pick up the bottle and give it to me"), string together two or three words or name common objects.
- **3–4 years** Does not answer simple "who," "what" and "where" questions. Cannot be understood by people outside the family, use four-word sentences or pronounce most phonemes correctly. If delays persist until kindergarten, most pediatricians recommend speech therapy.

Grammar

ONCE KIDS CAN PASTE TWO WORDS TOgether, it's not long before they're generating sentences. Between 24 and 30 months, "no nap" may become "I don't want nap," and "bottle juice" may blossom into "I want juice." When kids hit that stage, their repertoires start expanding exponentially. Between 30 and 36 months, most acquire rules for expressing tense (*walk* versus *walked*) and number (*house* versus *houses*), often overextending them to produce statements like "I bringed home three mouses." They also start using "function words"—the *somes*, *woulds*, *whos*, *hows* and *afters* that enable us to ask either "Do you like milk?" or "Would you like some milk?"

More fundamentally, they discover that words can have radically different meanings depending on how they're strung together. Even before children start combining words on their own, most know the difference between "Big Bird is tickling Cookie Monster" and "Cookie Monster is tickling Big Bird." That awareness marks the zenith of language development. A chimp can learn to label things, and a high-powered computer can process more information in a minute than any person could handle in a lifetime. But neither a chimp nor a mainframe is any match for a runny-nosed 3-year-old when it comes to reporting who did what to whom. When a chimp with a signboard signals "Me banana you banana you," chances are he wants you to give him one, but the utterance could mean almost anything. Three-year-olds don't talk that way. The reason, most linguists agree, is that natural selection has outfitted the human brain with software for grammatical analysis. As MIT linguist Noam Chomsky realized more than 30 years ago, the world's languages all build sentences from noun phrases ("The big dog") and verb phrases ("ate my homework"). And toddlers who have never heard of grammar identify them effortlessly.

To confirm that point, psycholinguists Stephen Crain and Mineharu Nakayama once invited 3-, 4- and 5-year-olds to interview a talking "Star Wars" doll (Jabba the Hutt). With a child at his side, one researcher would pull out a picture and suggest asking Jabba about it. For example: "Ask Jabba if the boy who is unhappy is watching Mickey Mouse." You can't compose the right sentence—"Is the boy who is unhappy watching Mickey Mouse?"—unless you recognize *the-boy-who-is-unhappy* as a single noun phrase. As Chomsky would have predicted, the kids got it right every time.

If children's minds were open to all the possible relationships among words, they would never get very far. No one could memorize 140 million sentences, but a kid who masters 25 common recipes for a noun phrase can produce more than that number from scratch. Too much mental flexibility would confine children, Pinker observes; "innate constraints set them free." Not everyone is blessed with those constraints. Kids with a hereditary condition known as Specific Language Impairment, or SLI, never develop certain aspects of grammar, despite their normal IQs. But those are rare exceptions. Most kids are so primed for grammatical rules that they'll invent them if necessary.

Consider hearing adults who take up American Sign Language so they can share it with their deaf children. They tend to fracture phrases and leave verbs unconjugated. Yet their kids still become fluent,

grammatical signers. "Children don't need good teachers to master language," says Elissa Newport, a cognitive scientist at the University of Rochester. "They pick up whatever rules they can find, and sharpen and extend them." That, according to University of Hawaii linguist Derek Bickerton, is why the crude pidgins that crop up in mixed-language communities quickly evolve into fully grammatical creoles. When language lacks a coherent grammar, children create one.

That's not to say language requires no nurture. Children raised in complete silence grow deaf to grammar. "Chelsea," whose correctable hearing problem went untreated until she was 31, eventually learned enough words to hold a job in a vet's office. Yet her expressive powers have never surpassed those of a chimp with a signboard. She says things like "The woman is bus the going" or "I Wanda be drive come." Fortunately, Chelsea is a rare exception. Given even a few words to play with, most kids quickly take flight. "You don't need to have left the Stone Age," Pinker says. "You don't need to be middle class." All you need to be is young.

With DONNA FOOTE *in Los Angeles*

Advise and Consent

There are baby books galore. A guide to the best of the lot.

ROB KIMMONTH

Eisenberg (left) and Murkoff tell parents 'what to expect'

BY WESTON KOSOVA

THE SHELVES OF many homes groan under the weight of parenting books. Some are truly awful—ponderously written and clumsily organized. Others offer little more than what most parents would have figured out without much effort. But the best among them are more than mere owner's manuals. Their authors have wisdom and humor about the inner lives of children, and a near-telepathic ability to anticipate and clearly answer even the most arcane questions. Each gets there by a slightly different way, and none covers everything. But any of the books below will unravel the mystery behind most blooming rashes, teething bouts and crying jags.

Clear-eyed

In the beginning, there was Dr. Benjamin Spock. Fifty years and five editions later, his **Baby and Child Care** *(Pocket Books. $18)* is still one of the most thorough and clear-eyed of the guides. In briskly titled chunks ("Reasons for weaning from the bottle at one year," "Joint and growing pains"), he says what he thinks and why, then moves on. He is against walkers, in favor of two or three hours of fresh air each day and prefers pacifiers over thumbsucking. Skeptical of professional advice givers, he tells new parents, "Don't be overawed by what the experts say. Don't be afraid to trust your own common sense." Ironically, though, he is particularly good on illnesses and other questions where common sense alone won't cut it.

Just as good are the "What to Expect" books, by Arlene Eisenberg, Heidi E. Murkoff and Sandee E. Hathaway *(Workman Publishing. $12.95)*. **What to Expect the First Year** and **What to Expect the Toddler Years** are organized chronologically by month—helpfully letting you in on what the devious little tyke has in store next. There are excellent sections on topics ranging from breast-feeding to special-needs children, and a handy chart detailing common child illnesses (see if yours can get them all!). What makes these books stand out are the long question-and-answer sections. "My baby suddenly turned two colors—reddish blue on the bottom and pale on the top. What's wrong with her?" At one time or another every parent is convinced his kid is breaking new ground in weirdness. It's reassuring to learn that plenty of others have been there before.

Good Q&A

Penelope Leach's classic, **Your Baby & Child** *(Knopf. $19.95)*, is by far the most pleasurable to read. Unlike the others, Leach explains things from the baby's point of view. This leads her to reject some of the advice in other books. Take getting the kid to sleep. Spock advises letting him cry it out. Leach finds that ridiculous. Sending a baby the message that "it's no good crying because I'm not going to come back no matter how sad you are," she writes, "can only make him more sure that it is dangerous to let you go at all." Leach is particularly good on fussy children, and coaxing hunger-strikers to eat.

Kid-centric

T. Berry Brazelton's best seller, **Touchpoints** *(Addison Wesley. $14.95)*, is becoming a night-stand staple. Don't turn to this "map of behavioral and emotional development" when your kid has the mumps. It isn't a medical guide. But if you're going nuts because she won't stop saying "no" or refuses to speak to anyone but her imaginary cat, Brazelton can help. Drawing on his own pediatric practice and research, he elegantly explains how children learn to interact with the people and things around them—and how to tell a potential problem from behavior that may seem odd, but is actually normal.

A staple

When a Child's Silence Isn't Golden

Some toddlers don't say a word. Should their parents simply be patient—or send them to 'speech-language' therapy?

By Claudia Kalb and Tessa Namuth

Malinda Boyd is increasingly worried about her 18-month-old son, Ryan. At 15 months, Ryan said absolutely nothing. Now he has a *handful* of words—"mama," "dada," "duck," "ball"—but far fewer than the norm for his age. Ryan's pediatrician has suggested that he be tested for a speech delay, but Boyd has resisted, concerned that her son will be labeled developmentally impaired simply because he's not talking as much as his playmates. "I think he'll talk when he's ready," she says. "You've got to give kids a little room to grow and be themselves."

Not long ago, giving children like Ryan a little room would have been routine. Parents of 2-year-olds who were barely saying single words, let alone simple two-word sentences, were reassured that the child would "outgrow it." Speech therapy was reserved for severely disabled children, such as those with autism or cerebral palsy. But today toddlers who have what developmental specialists call "expressive language delay" are at the center of a heated debate over whether they need speech therapy. Research has shown that early speech and language disorders can lead to later difficulties learning to read, write and spell. As a result, some pediatricians and preschools have abandoned the wait-and-see attitudes and are recommending intervention for children whose language development raises red flags (page 21). "Now if we see a child faltering at all," says Jean Mandelbaum, director of All Souls, a Manhattan nursery school, "we recommend an evaluation." But others see speech-language therapy as unwarranted treatment for a problem that will likely clear up on its own. "It can get them talking a lot faster," says Grover Whitehurst, a specialist in language delays, "but after a couple of years you can't tell the difference between kids who had early intervention and kids who did not."

NINA BERMAN—SIPA

Speech work: Joe Riccardo, 3; New York therapist Sima Gerber

No one knows why children like Ryan (the majority of late talkers are boys) don't speak. "It's often a big mystery," says Patricia Walsh Kaye, a Manhattan speech-language pathologist. Hearing is an obvious suspect: even mild loss from ear infections can slow comprehension and thus the ability to speak. High-risk pregnancies involving drugs or alcohol interfere with normal brain development. Environment may play a role, too: some children do not speak because nobody speaks to them.

For parents, the mystery is less what caused the problem than how to know when it's serious. There can be huge variability in speech and language development. By 18 months most children have a vocabulary of about 20 words. By 2 they're forming two-word sentences ("Mommy juice"). What if the child is nowhere close to passing these milestones? If she shows good comprehension and uses gestures to communicate, she is probably still on target for language development, lack of words notwithstanding. Talking will almost certainly come soon. Doctors' real concern centers on toddlers who do not understand simple questions or instructions.

Proponents of early intervention worry that kids who appear to be just delayed speakers may end up having more severe speech and language problems later. They're also concerned that toddlers who are frustrated at not being able to express themselves could develop behavior problems. Denying treatment, they say, is not the answer. "I'd rather err on the side of putting a kid in therapy who might outgrow it," says Pamela Rollins of the Callier Center for Communication Disorders in Dallas, Texas.

Not all would agree. It is difficult to tell, argue researchers, whether in the long run speech therapy actively helps or simply goes along for the developmental ride. One speech and language specialist, Rhea Paul at Portland State University in Oregon, found that of children under 2 who were not talking, about two thirds showed continued delays at 3. At 4, half did. But by kindergarten 75 percent of the children had caught up with their peers, scoring within the normal range—albeit at the low end—for language expression. "They are making slow progress all along," says Paul. "It's likely they will be able to function more or less OK by the time they get to kindergarten—even without intervention."

The debate is far from over. In the meantime, Malinda Boyd is hoping Ryan will outgrow his problem—and that soon enough he'll be talking her ear off. ■

Turning On the Motor

Babies start their engines at the same time, but some may be crawling while others are tottering across the room. No matter what speed, they all cross the finish line.

Growing Up, Step by Step

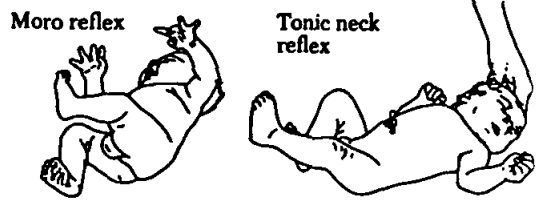
As any parent can attest, children grow at their own pace. Some babies walk at eight months, others start at fifteen months. Some speak at a year, others a few months later. The step-by-step graphics throughout this issue, like the one below, track an average child's development from zero to three. Please consider them a guide, not a dictum.

AGE (IN MOS.) ACHIEVED BY PERCENTAGE OF CHILDREN

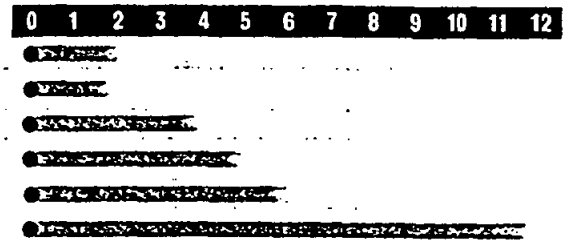
	50%	75%	90%
On back: turns head freely from side to side, head centered most of the time	2	2½	3
On stomach: lifts head strongly, face straight ahead	2	2½	3½
Rolls completely over: any direction	2½	3½	4½
On stomach: raises head and chest, supporting self on forearms or arms	3	3½	4½
Sitting, supported: holds head erect and steady	3	3½	4½
Sits alone for 30 seconds or more	6	7	8
Pulls self to stand by furniture	7	9	10
Prewalking progression: creeping on hands and knees or hands and feet; sit-and-hitch	7	10	11
Gets from lying to sitting without aid	8	9½	11
Stands alone: 10 seconds or more	10½	13	14
Walks well alone	12	13½	14

En Garde! Fencing and Other Early Reflexes.

Primitive reflexes dominate a newborn's movement. Place a nipple in his mouth and he will automatically suck. During the first year, reflexes fade and are replaced with intentional actions:



AGE (IN MONTHS) WHEN REFLEX DISAPPEARS



Moro reflex: When startled, throws arms and legs out and extends neck.
Walking/stepping reflex: When soles touch a flat surface, places one foot in front of the other.
Rooting: When stroked on cheek, turns head toward hand in search of food.
Tonic neck (fencing) reflex: When head is turned to one side, arm on same side straightens while the opposite arm bends.
Palmar grasp: When hand is stroked, immediately grabs finger.
Plantar grasp: When sole of foot is touched, foot flexes and toes curl.

0–2 months old

1 month old
Gross motor Jerky movement smoothens as nervous system and muscle control improve. Most actions are reflexive, like sucking and bringing closed fists up to his mouth. Thrusts arms and legs. Head flops backward if unsupported.

2 months old
Fine motor Opens and closes hands carefully. May hold object for a few moments.
Gross motor Legs start to straighten from inward-curving newborn position. Struggles to raise head. Some reflexes fade near month's end.

3–8 months old

3 months old
Fine motor May swipe at dangling objects. Should move both arms equally well when lying on back.
Gross motor Pushes down on legs when standing on firm surface. Learns to bounce. May raise head and chest when lying on stomach. Kicks gain force, as flexibility in hip and knee joints develop.

4 months old
Fine motor Reaches with arms. Clenches rattle and puts it in mouth.
Gross motor May learn how to shift weight from side to side and flip over. Upper body and arms strengthen; child may sit up with support. Often leans for balance.

5 months old
Fine motor May swap object from hand to hand. May hold bottle.
Gross motor Developing better control of trunk, head and neck. Raises head and holds it up while lying on stomach. May also rock like an airplane. Grabs feet and brings them to mouth when resting on back.

6 months old
Fine motor Reaches out when sitting, often in a raking motion.
Gross motor Rolls over in both directions. Maintains balance while sitting due to stronger abdominal and back muscles. May move forward on stomach, pushing with legs.

7 months old
Fine motor Clasps hands and enjoys banging objects together. May grab for a toy with one hand.
Gross motor Supports entire weight on legs; likes to bounce. Sits with light support from pillows. Pivots when sitting to reach objects. May get into sitting position by pushing up on arms.

8 months old
Fine motor Learns to open fingers at will and drop or throw objects.
Gross motor Coordination improves, and child may start to crawl, often pushing backward at first. Some babies scoot across the room on their bottoms instead of crawling.

A Workout for Little Ones

In between feeding and sleeping, babies need a daily dose of exercise to strengthen their muscles and improve coordination. Workout time should be playful and relaxed; stop immediately if baby seems distressed:

Birth–1 year	1–2 years old	2–3 years old
• Put baby on back, rotate legs as if he were pedaling. • Place child on stomach to encourage him to lift his head. • Lay baby on a blanket on the floor so he can move body and reach for toys. • Hold baby upright, supporting his weight.	• Practice kicking with balls. • Make simple obstacle courses to improve coordination. • Play follow the leader together. • Help child move along monkey bars, climb up slides. • Let child push stroller. • Climb stairs by holding hands.	• Teach child how to pedal and maneuver tricycle. • Throw balls into large basket to improve aim. • Practice balance by walking on tiptoe and standing on one leg. • Play simple game of Simon says.

8–16 months old

9 months old
Fine motor Puts objects in containers then takes them out. May finger holes on a pegboard and enjoy toys with moving parts like wheels or levers.
Gross motor Near the end of the first year, baby may begin to pull up on furniture and stand. Learns how to bend knees and sit down after standing.

10 months old
Fine motor May hold crayon and try to scribble. Intrigued by tiny things.
Gross motor May walk while holding on to furniture. May let go momentarily and stand without support. Sits confidently.

11 months old
Fine motor Likes to turn pages, often not one by one. Fascinated by hinges and may swing door back and forth.

12 months old
Gross motor Children walk at about their first birthday, although some start earlier or later. First steps will be shaky; stumbles, and an occasional bump, are very likely.

13 months old
Fine motor Points with index finger. Accurately picks up small objects with thumb and index finger.
Gross motor May walk with feet wide apart, toes pointing out. Uses arms for balance when walking.

14 months old
Fine motor Holds two or three objects in one hand. Turns containers over to dump contents.
Gross motor May stoop to pick up toy and carry it across the room.

15 months old
Fine motor Builds small towers of blocks and then knocks them down.
Gross motor Climbs stairs on hands and knees; descends by crawling and sliding. Pushes or pulls a toy while walking.

16 months old
Fine motor Puts round peg into correct hole. Tries to fit things inside each other.
Gross motor May try to kick ball but steps on it instead. Walks sideways and backwards. Quickens pace when excited or being chased.

Learning Motor Lingo

Open a parenting book and you may feel you need a translator to understand what you're reading. A few key motor terms, deciphered:

Combat crawling: Uses only arms to push forward on stomach.
Creeping: Moves on stomach by pushing with feet and steering with outstretched arms.
Cruising: Walks while holding on to furniture.
Pincer grasp: Picks up objects with thumb and index finger.
Raking: Reaches out and grabs many objects.

17–24 months old

17 months old
Fine motor May roll ball to others and pick up objects in motion. Throws balls. Drinks regularly from cup.
Gross motor Has more control over stopping and turning when she walks. Likes to push carriage, rather than sit in it.

18 months old
Fine motor Sorts many shapes and drops them in matching holes. Takes toy apart and puts it back together. Unzips zippers.
Gross motor Keeps feet closer together when walking; gait becomes much smoother. May walk up stairs with parents.

19 months old
Fine motor May stack three or four blocks. Loves to inspect new objects and places. Tries to climb out of bed. May take off socks and shoes.
Gross motor Active and adventuresome throughout the day. Walks, climbs, trots and runs whenever possible.

20 months old
Fine motor Throws ball overhand instead of tossing it.
Gross motor May kick ball without falling or tripping. Likes to hang from bars by her hands. May climb onto an adult-size chair, pivot around and sit down. Running may look stiff; child may have trouble stopping and maneuvering corners while running. Tries to jump with both feet, but may not get off the ground.

21 months old
Fine motor May turn pages one at a time. Enjoys finger painting and scribbling with big crayons. Loves to inspect tiny objects, especially bugs. Shows hand preference.
Gross motor Looks down to dodge obstacles while walking. May walk up stairs, holding on to rail, both feet on one step.

22 months old
Fine motor May put on shoes but often on the wrong foot. Tries to buckle car seat belt.
Gross motor Alternates easily between walking and running, sitting and standing. Likes to be pushed on a swing and enjoys other playground activities.

23 months old
Fine motor Likes to play with clay. May draw a crude circle if shown how.
Gross motor Shows greater coordination in movement. Often runs rather than walks. Can seat self at table and climb into car seat on own. May throw ball into a basket.

24 months old
Gross motor Moves with greater efficiency by end of second year. Child is sturdier on feet and less likely to fall. Some toddlers may walk up and down stairs by themselves; others may feel more comfortable crawling on steps. May enjoy dancing to music and learns how to move according to tempo.

2–3 years old

25–29 months old
Fine motor Child learns to coordinate movements of his wrist, fingers and palm. May unscrew lids, turn knobs, unwrap paper.
Gross motor Constantly on the move. Loves to be chased. Enjoys going down slides, swinging and running around playgrounds. May pedal small tricycle. Learns to walk on tiptoe and may be able to stand on one foot. May count stairs and jump off the final step. Jumping in place still takes great effort and coordination.

30–36 months old
Fine motor Learns how to hold a pencil in writing position. Loves to draw with chalk and crayons. Imitates vertical and horizontal strokes, but may have difficulty making a cross with two lines. May use small scissors with parent supervision. Rotates jigsaw pieces and completes a simple puzzle. By the age of 3, child will have enough muscle coordination to play a simple musical instrument.
Gross motor Walking becomes more adultlike with a heel-to-toe gait. Likes to try out new types of movement like galloping and trotting. May alternate feet when going up stairs. Capable of multiple actions when moving. May throw a ball while running or eat ice cream while walking. Bends over easily without falling. Kicks ball in an intended direction. May hit a baseball if it's placed on a stand. Pedals and steers a tricycle well.

By Jennifer Lach

SOURCES: "THE EARLY CHILDHOOD YEARS: THE 2 TO 6 YEAR OLD," "THE SECOND TWELVE MONTHS OF LIFE" AND "THE FIRST TWELVE MONTHS OF LIFE" BY THERESA AND FRANK CAPLAN; "CARING FOR YOUR BABY AND YOUNG CHILD" BY STEVEN P. SHELOV, M.D.; "YOUR BABY & CHILD" BY PENELOPE LEACH; PARENTS AS TEACHERS NATIONAL CENTER, INC.; GROWING CHILD; INFANT REFLEX ILLUSTRATIONS BASED ON DRAWINGS BY WENDY WRAY

A baby is born with a head on her shoulders and a mind primed for learning. But it takes years of experience—looking, listening, playing, interacting with parents—to wire the billions of complex neural circuits that govern language, math, music, logic and emotions.

How to Build a Baby's Brain

By Sharon Begley

YOU CANNOT SEE WHAT IS GOING ON INSIDE YOUR newborn's brain. You cannot see the electrical activity as her eyes lock onto yours and, almost instantaneously, a neuron in her retina makes a connection to one in her brain's visual cortex that will last all her life. The image of your face has become an enduring memory in her mind. And you cannot see the explosive release of a neurotransmitter—brain chemical—as a neuron from your baby's ear, carrying the electrically encoded sound of "ma," connects to a neuron in her auditory cortex. "Ma" has now commandeered a cluster of cells in the infant's brain that will, as long as the child lives, respond to no other sound.

53% of all parents say that they read to their child every day; 55% of parents say they sing to or play music for their child every day

You cannot see any of this. But Dr. Harry Chugani can come close. With positron-emission tomography (PET), Chugani, a pediatric neurobiologist at Wayne State University in Detroit, watches the regions of a baby's brain turn on, one after another, like city neighborhoods having their electricity restored after a blackout. He can measure activity in the primitive brain stem and sensory cortex from the moment the baby is born. He can observe the visual cortex burn with activity in the second and third months of life. He can see the frontal cortex light up at 6 to 8 months. He can see,

WILLIAM DUKE

NCE UP
Pat the bunny
BY DOROTHY KUNHARDT
6

The native languages a baby hears will cre

in other words, that the brain of a baby is still forming long after the child has left the womb—not merely growing bigger, as toes and livers and arms do, but forming the microscopic connections responsible for feeling, learning and remembering. For doing, in short, everything that a brain is born to do but that it is born without knowing how to do.

Scientists are just now realizing how experiences after birth, rather than something innate, determine the actual wiring of the human brain. "Only 15 years ago," reports the Families and Work Institute in the just-released study "Rethinking the Brain," "neuroscientists assumed that by the time babies are born, the structure of their brains [had been] genetically determined." But by last year researchers knew that was wrong. Instead, early-childhood experiences exert a dramatic and precise impact, physically determining how the intricate neural circuits of the brain are wired (NEWSWEEK, Feb. 19, 1996). Since then they have been learning how those experiences shape the brain's circuits.

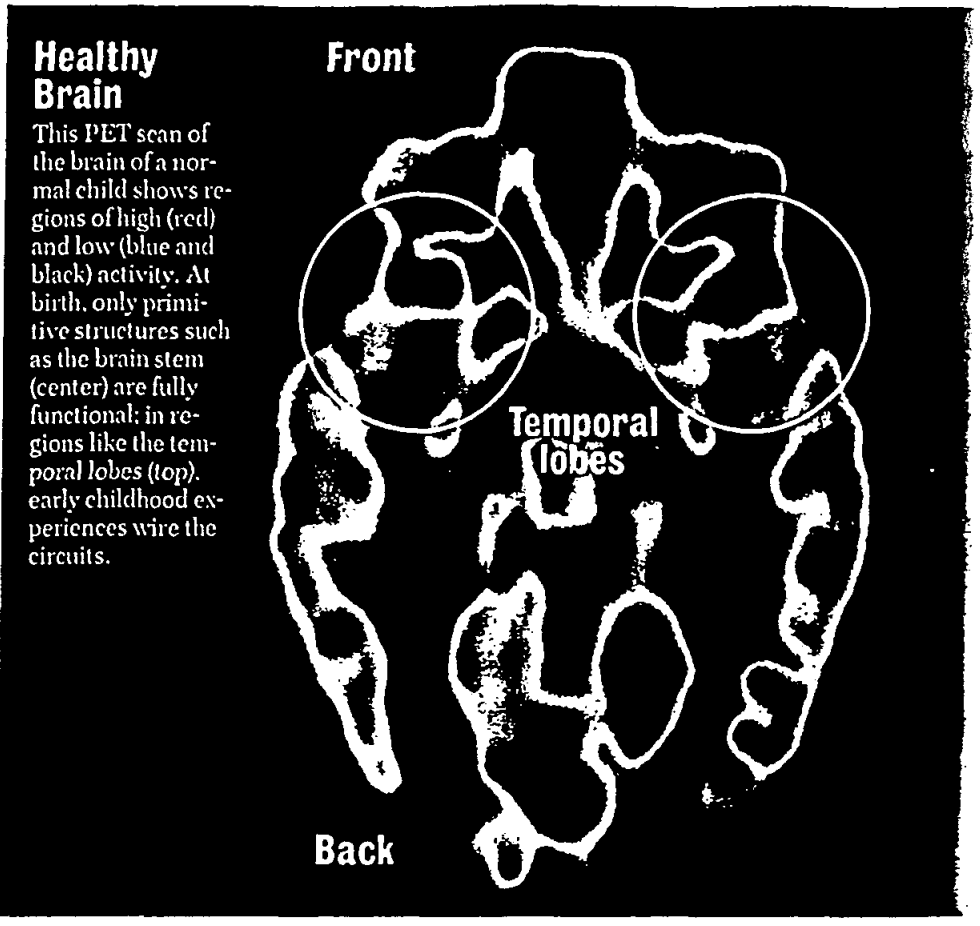
At birth, the brain's 100 billion or so neurons form more than 50 trillion connections (synapses). The genes the baby carries—from the egg and sperm that made him—have already determined his brain's basic wiring. They have formed the connections in the brain stem that will make the heart beat and the lungs respire. But that's all. Of a human's 80,000 different genes, fully half are believed to be involved in forming and running the central nervous system. Yet even that doesn't come close to what the brain needs. In the first months of life, the number of synapses will increase 20-fold—to more than 1,000 trillion. There simply are not enough genes in the human species to specify so many connections.

That leaves experience—all the signals that a baby receives from the world. Experience seems to exert its effects by strengthening synapses. Just as a memory will fade if it is not accessed from time to time, so synapses that are not used will also wither away in a process called pruning. The way to reinforce these wispy connections has come to be known as stimulation. Contrary to the claims of entrepreneurs preying on the anxieties of new parents, stimulation does not mean subjecting a toddler to flashcards (page 34). Rather, it is something much simpler—sorting socks by color or listening to the soothing cadences of a fairy tale. In the most extensive study yet of what makes a difference, Craig Ramey of the University of Alabama found that it was blocks, beads, peekaboo and other old-fashioned measures that enhance cognitive, motor and language development—and, absent traumas, enhance them permanently.

29% of all parents of kids 2 to 3 years old say their child plays with a computer or computer game three or more times in a week

The formation of synapses (synaptogenesis) and their pruning occurs at different times in different parts of the brain. The sequence seems to coincide with the emergence of various skills. Synaptogenesis begins in the motor cortex at about 2 months. Around then, infants lose their "startle" and "rooting" reflexes and begin to master purposeful movements. At 3 months, synapse formation in the visual cortex peaks; the brain is fine-tuning connections allowing the eyes to focus on an object. At 8 or 9 months the hippocampus, which indexes and files memories, becomes fully functional; only now can babies form explicit memories of, say, how to move a mobile. In the second half of the first year, finds Chugani, the prefrontal cortex, the seat of forethought and logic, forms synapses at such a rate that it consumes twice as much energy as an adult brain. That furious pace continues for the child's first decade of life.

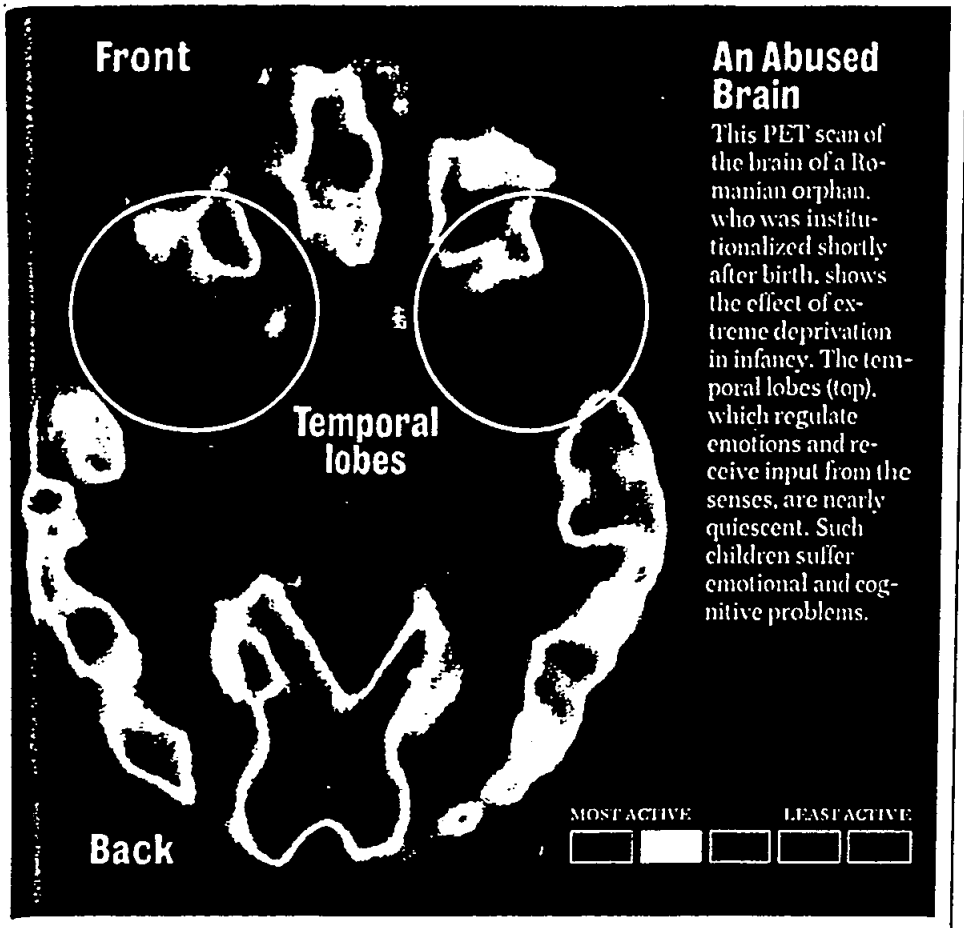
Research on language has shown how "neuroplastic" an infant's brain is, and how that plasticity lessens with age. Patricia Kuhl of the University of Washington studies the "auditory maps" that infants' brains construct out of phonemes (the smallest units of sound in a language, such as "ee" or "l"). At first, neurons in the auditory cortex are like laborers to whom jobs have not yet been assigned. But as a newborn hears, say, the patter of English, a different cluster of neurons in the auditory cortex is recruited to respond to each phoneme. Each cluster then fires only when a nerve from the ear carries that particular sound, such as "pa" or "ma." If one sound is clearly distinct from another, as "ra" and "la" are in English, then the neurons whose job it is to hear one will lie far from those whose job it is to hear the other. (Kuhl makes noninvasive electrical measurements, through the ba-



Healthy Brain
This PET scan of the brain of a normal child shows regions of high (red) and low (blue and black) activity. At birth, only primitive structures such as the brain stem (center) are fully functional; in regions like the temporal lobes (top), early childhood experiences wire the circuits.

COURTESY OF CHILDREN'S HOSPITAL OF MICHIGAN—DETROIT NEWS

te a permanent auditory map in his brain



An Abused Brain

This PET scan of the brain of a Romanian orphan, who was institutionalized shortly after birth, shows the effect of extreme deprivation in infancy. The temporal lobes (top), which regulate emotions and receive input from the senses, are nearly quiescent. Such children suffer emotional and cognitive problems.

bies' scalps, to identify which neurons fire in response to a particular sound.) But if the sounds are nearly identical, as "ra" and "la" are in Japanese, then the two sets of neurons are so close that the baby will have trouble distinguishing the two phonemes. By 12 months, an infant's auditory map is formed. He will be unable to pick out phonemes he has not heard thousands of times for the simple reason that no cluster of neurons has been assigned the job of responding to that sound. And the older he gets, the more he will struggle to learn a new language: fewer unassigned neurons are available for the job of hearing new phonemes.

Experience counts in building vocabulary, too, and at a very young age. The size of a toddler's vocabulary is strongly correlated with how much a mother talks to the child, reports Janellen Huttenlocher of the University of Chicago. At 20 months, children of chatty mothers averaged 131 more words than children of less talkative mothers; at 2 years, the gap had more than doubled, to 295 words. "The critical factor is the number of times the child hears different words," says Huttenlocher. The effect holds for the complexity of sentence structure, too, she finds. Mothers who used complex sentences (those with dependent clauses, such as "when ..." or "because ...") 40 percent of the time had toddlers who did so 35 percent of the time; mothers who used such sentences in only 10 percent of their utterances had children who did so only 5 percent of the time.

ONLY "LIVE" LANGUAGE, not television, produced these vocabulary- and syntax-boosting effects. Why doesn't all the gabbing on TV stimulate language development? Huttenlocher suspects that "language has to be used in relation to ongoing events, or it's just noise." That may hold for other sorts of cognition, too. Information embedded in an emotional context seems to stimulate neural circuitry more powerfully than information alone. A child will more readily learn the concept of "more" if it refers to the happy prospect of more cookies, and "later" if it is attached to a frustrating wait for a trip to the playground, than if the word is presented in isolation from things the baby cares about. There is nothing mysterious about this: adults form a memory much more readily if it has emotional content (how did you hear that the space shuttle had exploded?) than if it doesn't (what's the difference between a sine and a cosine?). Causality, a key component of logic, is also best learned through emotion: if I smile, Mommy smiles back. A sense that one thing causes another forms synapses that will eventually support more abstruse concepts of causality. Feelings, concepts and language begin to be linked in this way in the months from 7 through 12.

Another route to brain wiring seems to be tapping into its natural harmonies. In the last year, new studies have nailed down how music affects spatial-temporal reasoning—the ability to see a disassembled picture of, say, a rabbit and mentally piece it back together. Such reasoning underlies math, engineering and chess. In a study published in February in the journal Neurological Research, scientists report how spatial-temporal reasoning in 3- and 4-year-olds was affected by weekly piano lessons. After six months, the budding Horowitzes—all of whom scored at the national average on tests of spatial recognition—scored 34 percent *above* average on this reasoning skill. None of the other children (who had received computer keyboard and mouse lessons, singing lessons or nothing at all) had improved. What explains the effect? Physicist Gordon Shaw of the University of California, Irvine, suspects that in playing the piano, "you are seeing how patterns work in space and time." When sequential finger and key patterns make melodies, neural circuits that connect positions (keys) to sounds in space and time (the melody) are strengthened. "Music training produces long-term modifications in neural circuitry," says Shaw. What scientists do not know is whether the effects of early music training endure—whether the preschoolers will be math wizards in high school.

The downside of the brain's great plasticity is that it is acutely vulnerable to trauma. "Experience may alter the behavior of an adult," says Dr. Bruce Perry of Baylor College of Medicine, but it "literally provides the organizing framework" for the brain of a child. If the brain's organization reflects its experience, and the experience of the traumatized child is fear and stress, then the neurochemical responses to fear and stress become the most powerful architects of the brain. "If you have experiences that are overwhelming, and have them again

and again, it changes the structure of the brain," says Dr. Linda Mayes of the Yale Child Study Center. Here's how:

■ Trauma elevates stress hormones, such as cortisol, that wash over the tender brain like acid. As a result, regions in the cortex and in the limbic system (responsible for emotions, including attachment) are 20 to 30 percent smaller in abused children than in normal kids, finds Perry; these regions also have fewer synapses.

■ In adults who were abused as children, the memory-making hippocampus is smaller than in nonabused adults. This effect, too, is believed to be the result of the toxic effects of cortisol.

■ High cortisol levels during the vulnerable years of zero to 3 increase activity in the brain structure involved in vigilance and arousal. (It's called the locus ceruleus.) As a result the brain is wired to be on hair-trigger alert, explains Perry: regions that were activated by the original trauma are immediately reactivated whenever the child dreams of, thinks about or is reminded of the trauma (as by the mere presence of the abusive person). The slightest stress, the most inchoate fear, unleashes a new surge of stress hormones. This causes hyperactivity, anxiety and impulsive behavior. "The kids with the higher cortisol levels score lowest on inhibitory control," says neuroscientist Megan Gunnar of the University of Minnesota. "Kids from high-stress environments [have] problems in attention regulation and self-control."

Trauma also scrambles neurotransmitter signals, ratcheting up some and depressing others. Since neurotransmitters play key roles in telling growing neurons where to go and what to connect to, children exposed to chronic and unpredictable stress—a mother's boyfriend who lashes out in fury, an alcoholic uncle who is kind one day and abusive the next—will suffer deficits in their ability to learn. "Some percentage of capacity is lost," says Perry. "A piece of the child is lost forever."

That is tragedy enough, of course, but it is made even greater by the loss of what could have been. Babies are born into this world with their brain primed to learn. But they cannot do it alone.

With ANDREW MURR *in Los Angeles*

Rooting for Intelligence

Breast-feeding is good for health and bonding. And mother's milk may have another payoff: boosting a child's IQ scores.

BY DANIEL GLICK

BREAST MILK MAY be Mother Nature's ultimate food. It's potent enough to keep babies alive for the first 16 weeks of life. It contains antibodies to ward off illness; breast-fed babies suffer fewer ear infections, respiratory infections, rashes and allergies than bottle-fed babies. For mothers, nursing lowers the chance of getting breast cancer later in life, accelerates weight loss after pregnancy and may act as a natural (though imperfect) contraceptive.

But can breast-feeding also make a baby smarter?

The answer is still uncertain. But a series of studies shows everything from "small but still detectable" increases in cognitive development to an eight-point IQ difference between breast- and bottle-fed babies. Various measurements, including standard infant testing and even report cards from grade-school children, all give a statistically significant nod to babies who nursed. In one widely publicized 1992 study by Alan Lucas of the Dunn Nutrition Unit in Cambridge, Mass., preterm infants who were tube-fed breast milk scored much higher on developmental tests than babies who were tube-fed formula. "It's hard to come out and say, 'Your baby is going to be stupider or sicker if you don't breast-feed'," says Dr. Lawrence Gartner, chair of the American Academy of Pediatrics' working group on breast-feeding. "But that's what the literature says." (The academy recommends that infants be fed breast milk for the first 6 to 12 months of life, with appropriate solid foods added between the ages of 4 and 6 months.)

HOWARD SCHATZ

Nature has its own formula for success

No one can explain exactly why breast milk may be such good brain food. The precise mix of enzymes, long-chain fatty acids and proteins that make up breast milk is so complex that no human engineer could ever duplicate it. And each ingredient has a purpose. Specific fatty acids found in breast milk have been shown to be critical for neurological development. Certain amino acids are a central component for the development of the retina, which could account for breast-fed babies' increased visual acuity—another way of measuring advanced brain development.

Critics say that trying to quantify the developmental advantages of breast-feeding is an epidemiologist's nightmare. Confounding factors include race, age, socioeconomic status and parental intelligence. But even formula makers acknowledge that their product will always be a pale imitation. Cow's-milk-based formula, even fortified with iron or fatty acids, simply can't match the complexity of nature's own. "Breast milk gives you things we don't even know about," says Dr. William Goldman, medical director of Wyeth Nutritionals International. The U.S. Food and Drug Administration is currently assessing a fierce debate over adding to formula a polyunsaturated fat that has been shown in some studies to stimulate eye and brain development—and in others to stunt growth.

Food for thought: The controversy will likely get louder, as breast-feeding advocates seize on the latest studies to bolster their case. Some researchers, on the other hand, suggest that different factors, like a loving home environment, may ultimately prove to be more important than what a child is fed. In a 1996 commentary in the British journal Lancet, William and Mark Feldman of the Hospital for Sick Children in Toronto wrote: "The best evidence is that intelligent, loving and caring mothers are more likely to have intelligent children, irrespective of how they feed their babies." But wouldn't it be something if mother's milk turns out to be, ahem, the mother's milk of intelligence?

DR. ALVIN F. POUSSAINT & SUSAN LINN

FRAGILE: HANDLE WITH CARE

Shaken-baby syndrome can cause blindness, developmental delays and permanent brain damage

EACH YEAR, THOUSANDS OF YOUNG CHILdren suffer brain injury or die from being violently shaken. Children as old as 5 are vulnerable to shaken-baby syndrome (SBS), but infants between 2 and 4 months are especially at risk. Although inflicting SBS is a crime punishable by imprisonment, rates continue to rise. Since 1980 annual reported incidents of child abuse and neglect have risen threefold, to more than 3 million.

Children under 1 account for one third of reported physical-abuse cases, with head trauma the most frequent cause of disability or death. Clearly, the threat of criminal prosecution is not enough: any plan to prevent this kind of abuse must include public-education and intervention programs.

SBS, first described as a syndrome in 1974, can be lethal: approximately one shaken baby in four dies from the injuries. Those who survive may suffer blindness caused by bleeding around the brain and eyes, or disabling brain damage, including mental retardation, paralysis, seizure disorders, and speech and learning disabilities. SBS is especially tragic because it often stems from ignorance. According to a nationwide study by Dr. Jacy Showers of the SBS Prevention Plus Program, 37 percent of parents and other caregivers are unaware that shaking babies is dangerous. Many people who injure babies in this fashion are not chronic abusers but adults overwhelmed by the demands of child care.

RICHARD SCHULTZ—MATRIX

Nearly one in four shaken babies dies from injuries, say Linn and Poussaint

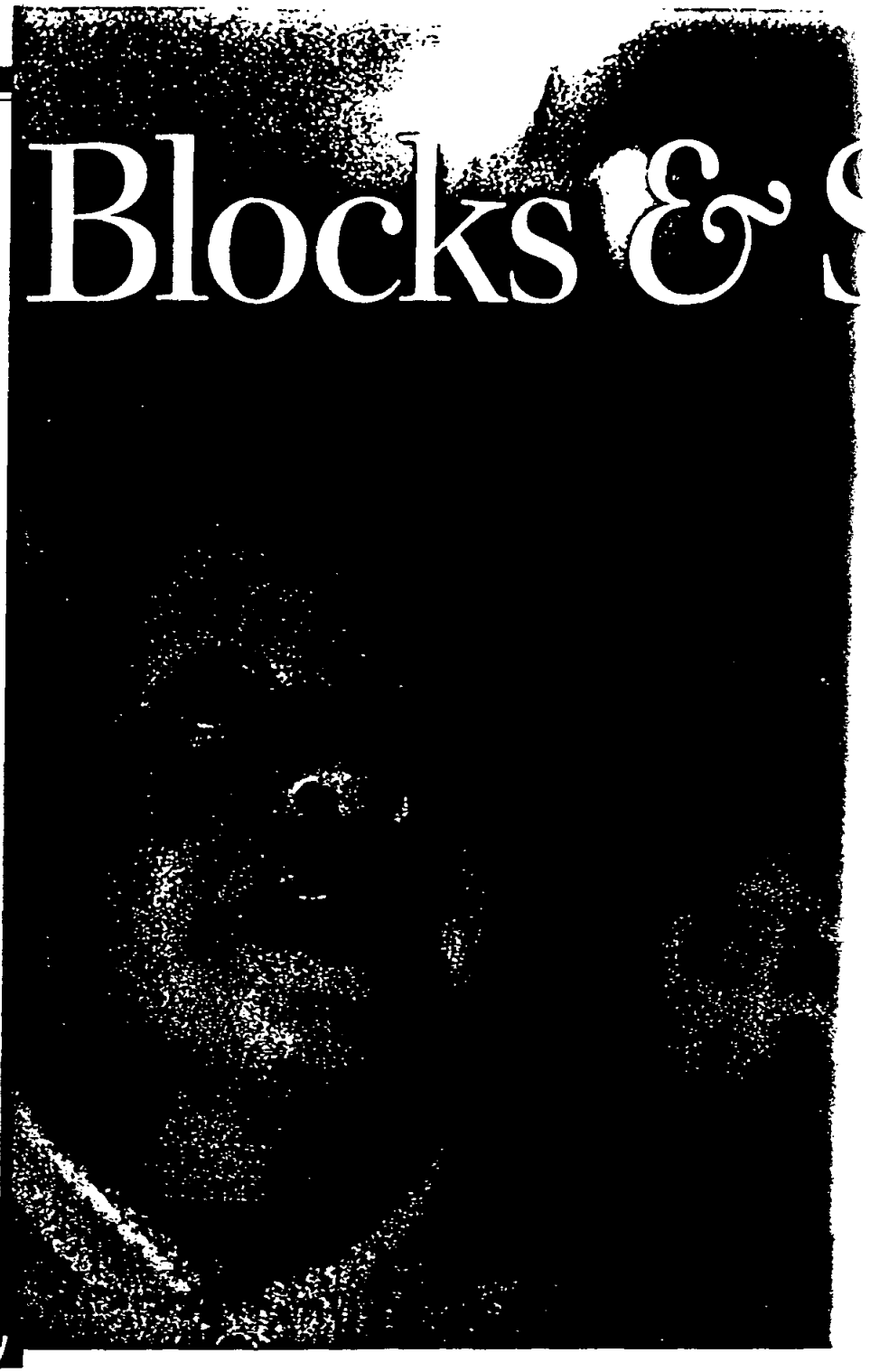
It is no easy task to care for an infant. Newborns cry an average of one to four hours a day. Not surprisingly, the vast majority of SBS incidents occur when an infant is crying: people who violently shake babies cannot tolerate their inability to control the infant's cries, and may even believe that the baby is purposely crying to be annoying or to get attention. Others interpret sustained crying as a sign that the baby is "spoiled," and think that he needs to be physically disciplined. A vicious cycle begins when a caregiver becomes ever more exasperated and angry and shakes the baby in a misguided effort to stop the crying. Anyone can experience transient anger toward a crying baby. But if the impulse to shake or hit is strong and recurrent, call an agency such as CHILDHELP (800-4-ACHILD) or the National Child Abuse Hotline (800-422-4453).

Helping parents and caregivers better understand infant behavior and manage their frustrations could significantly reduce the occurrence of SBS and other abuse. Since a major precursor to SBS is loss of control, caregivers who believe they are "losing it" should avoid touching the child. Instead, after making sure the baby is safe, step back or leave the room briefly to cool down. Consider possible causes for the crying. Is she ill, hungry, soiled, teething, injured or frightened? Try proven soothing techniques, such as patting, holding, talking or singing. Parents who know which calming techniques work for their baby should share the information with others caring for the infant. When a baby's crying sounds unusual or seems excessive, contact the pediatrician.

Of those charged with shaken-baby abuse, 60 percent are either the baby's father or the mother's boyfriend and are mostly young, in their 20s. Clearly, prevention efforts must reach out to men—through prenatal classes, clinics and schools and with information provided in workplace and recreational sites. Home visiting programs by social agencies show an impressive success rate for families at risk for child abuse and neglect. Hawaii's Healthy Start program has reduced abuse to 1 percent in high-risk families, compared with 20 percent in such families nationwide. Shaken Baby Syndrome Prevention Plus (800-858-5222) can provide information about starting local prevention programs. The small start-up cost pales beside the cost of a single case of SBS: up to $1 million in medical care, special-education programs and other public services over the first few years of a child's life. Protecting our most helpless children is the least we can do for them.

POUSSAINT *is director of the media center of the Judge Baker Children's Center and clinical professor of psychiatry at Harvard.* LINN *is associate director of the center.*

Pots, Blocks &



By Debra Rosenberg and Larry Reibstein

The baby is due soon, so you're out buying the normal stuff—diapers, receiving blankets, towels, powder, creams. Think you're done? Only if you're immune from guilt. Nowadays you'd be hard pressed to call yourself a conscientious parent unless you've also laid on black-and-white toys, flashcards, "scientifically designed" playthings and at least a dozen Mozart CDs—thereby supposedly guaranteeing a life full of ivy-covered diplomas and other accouterments of success.

Does any of this really make a difference? Can you stimulate your child into becoming another Einstein? Not likely. All of this obsessive parenting is based on the notion that a baby properly stimulated will develop faster, learn languages or music better and all in all be a smarter kid. The key phrase here is "properly stimulated," which is not the same as expensively stimulated or the worse fate, overstimulated.

Most experts advise parents to calm down. Sure, a baby requires certain stimulation to learn basic tasks, whether to speak or to use motor skills to build Lego bridges. But short of being raised in isolation, a baby will encounter enough stimulation in most households to do the trick—anything from banging pots and pans together to speaking to a sibling. There's no evidence that specific kinds of toys or environments will somehow speed up skills or groom a child for the Olympics. "You could stimulate until the

A Century of Bringing Up Baby

Parenting, even with the best advice, has never been easy. The child-raising experts of one generation are often denounced by the children of the next. Here's a look at how much has changed since the beginning of the century.

1920s: Education pioneer Maria Montessori lets a child's own interests set the pace at her new schools; Swiss psychologist Jean Piaget rethinks how children learn.

1930s: The Depression forces kids to grow up fast. Behaviorist John Watson says stoicism builds character; never hug or kiss the child.

1940s: The war ends and a baby boom begins. Dr. Benjamin Spock's best-selling book on child raising advises a new generation of parents to replace schedules and scoldings with humor and hugs.

1950s: Nuclear families colonize the suburbs. Parents seek cues from science and monitor Johnny's progress

NINA BERMAN—SIPA (TOP). LEFT TO RIGHT: FPG (2). PHOTO RESEARCHERS. ROBERT CRUMP—GLOBE PHOTOS. EVERETT COLLECTION. JODI BUREN

ocks

When experts in child development talk about 'stimulation,' they're not suggesting flashcards. Instead, most of them recommend reaching inside your cupboard for educational toys.

cow comes home and it's not going to make any difference," says David Henry Feldman, a developmental psychologist at Tufts University. "Evolution has made sure that the baby's brain is going to develop certain neural pathways."

Researchers also caution parents against expecting that they can make their kids smarter. "The fact is, it's very, very hard to raise anybody's IQ," says Edward Zigler, a Yale psychologist and a founder of Head Start. And even if a child learns to read early, there's no evidence that that accomplishment translates into higher grades, intelligence or later success, according to John Bruer, president of the James S. McDonnell Foundation, which studies cognitive science. Besides, he says, trying to determine a child's right age, or "critical period," to learn a skill is futile—no one agrees on when or even whether such windows occur in the brain.

If any stimulation is effective, it's plain old talking. Language development results from a child's talking to a mother or other caretaker—not from flashcards, says Zigler. Mothers worldwide naturally pick up a way of speaking that Zigler calls "motherese." They pause between words so that babies can concentrate on language sounds. Their voices rise in pitch and their cadence fluctuates almost melodically. There's nothing fancy about this.

22% of all parents of children 2 to 3 years old say their kids went to a show, a library or a story reading three or more times during one week

To be fair, there are some experts who say kids can be specially stimulated into success. One of the more controversial is Glenn Doman, head of the Institutes for the Achievement of Human Potential, also known as the Better Baby Institute, near Philadelphia. His theory—strongly disputed by most experts—is that babies can learn anything and it's easiest to start at birth. "Every child has the potential to be the next Leonardo," he says. His technique, embodied in the book "How to Teach Your Baby to Read," first published in 1963, exposes babies to flashcards of words and phrases. Doman concedes he's gained little scientific recognition but says he has 20,000 supporting anecdotes. One of them is from Jo Ann Loeliger, a 43-year-old Philadelphian who began teaching her three children to read at the ages of 3 years, 9 months and at birth. She says her older kids were reading difficult books early, and her youngest could read single-word flashcards at 9 months. The older kids also started learning violin at the ages of 4 and 3. "It comes so easily to them," says Loeliger.

Some researchers also think that particular toys are more effective than others in stimulating children. Dr. Richard Chase, founder of Child Development Corp., says his company's age-appropriate toys, like the Rattle Cat, which contains high-contrast colors with a simple face for babies, can heighten kids' development. "We can make most children smarter and more interesting than we make them now," says Chase, an adjunct professor of psychiatry at Johns Hopkins University.

But most experts say that more important than a particular toy is that parents be attuned to the kind of stimulation that interests their child. Sue Cima, who lives in Orlando, Fla., found that when her daughter Niki was 3 months, she was fascinated by black-and-white cardboard flashcards. "She just loved them. She was mesmerized," Cima recalls. Pots and pans? Niki hardly looked. Beth Crim, a librarian in Manassas, Va., noticed that as a newborn her son David seemed intrigued by patterns of light. She would place him on his back where he could watch the sunlight making shadows through the trees. "That's about as low-tech as you can get," says Crim. So one kid will grow up to be a great blackjack dealer in Las Vegas and the other the next Claude Monet. But which one? ■

A 6-month-old getting her daily dose of stimulation. Is more really necessary?

Against the development charts of Arnold Gesell, founder of Yale's Child Development Clinic.

1960s: The anti-establishment generation attempts to revolutionize nearly everything, including family relations.

1970s: Divorce divides a record number of families and the women's movement questions traditional parenting roles for both men and women.

1980s: More moms enter the work force than ever before, pushing some companies to provide day care. Feminists like Carol Gilligan ask why researchers largely ignore girls' development.

1990s: Researchers examining cognitive development tap new technologies to see the exciting world inside a child's brain.

Teaching nursery school is not about formal lessons. It's about listening and guiding, helping little children to make sense of the big world they're entering.

The New Preschool

KATHLEEN FLANNERY

BY LYNNELL HANCOCK AND PAT WINGERT

LISTEN TO THE SNAP, crackle, pop of baby neurons. Teacher Martha Rodriguez crouches near the 2-year-old sand diggers at Manhattan's Bank Street Family Center, gently negotiating the rights to a suddenly special yellow rake. As Rodriguez bargains, the toddlers spin new connections to the brain area that controls "gimme now" impulses, connections that could very well later be used to ratchet up their SAT scores or their job-interviewing skills. Head teacher Lisa Farrell explains that the doll in Cammy's hot grip is really Caroline's from home, hence her classmate's avalanche of tears. Cammy's brain is wiring up to read other people's feelings, a skill she'll need to navigate through future relationships. A third teacher leads the diaper-dependent kids, one by one, to the changing table, exchanging coo for coo, babble for babble. Each child's neural circuits are carving highways in the brain where future vocabulary words will later travel with ease.

33% of all parents say that they plan to start sending their child to school by the age of 3; an additional 30% say their child will start by age 4

In the "superbaby" '80s, the preschool debate centered on how soon was too soon for children to be coached in the ABCs or one-two-threes. Now the discussion has become more about nurturing neurons, less about drilling for facts. Brain research underscores what educators have long argued: early social and emotional experiences are the seeds of human intelligence. Time spent flipping flashcards—at the age of 1 or 3—is precious time wasted. Instead, teachers need to tune in to each child's daily experiences and needs, helping them feel safe and loved while encouraging them to explore and experiment. "Children are born hard-wired," says Sue Bredekamp of the National Association for the Education of Young Children. "Experience provides the software."

Is this nation's haphazard collection of nurseries and day-care centers—which accommodate nearly half the 15 million infants and toddlers whose parents are working—up to such a task? According to a 1995 national study conducted by the University of Colorado Economics Department, the answer is clearly no. Many programs are unlicensed. Most are staffed with untrained, poorly paid adults. Ninety-one percent don't have basic toys, books, hygiene or enough adults to respond to each child. A full 40 percent are downright hazardous, both to a child's health and safety as well as to her social and intellectual development.

The formula for preschool success mirrors a child's upbringing in a good home. Whether in pricey private preschools or Head Start-like programs, American educators agree on the simple elements that add up to quality: one trained, well-paid teacher assigned to every three to four infants or half-dozen toddlers; safe, stimulating surroundings and strong ties between staff and families, so children know there is loving continuity in their lives. This is neuroscience, not rocket science. The well-regarded Bank Street Family Center, for children 6 months to 4 years, has been perfecting this family-friendly formula for nearly three decades. There is no Mozart training, no foreign-language tapes, no work sheets to ponder. Instead, its unassuming rooms are filled with big, lumpy armchairs for reading, a kitchen for cooking, tables for drawing, blocks for building forts, stairs for building muscles. Children (about 12 per class) are free to visit other classrooms, as they would go from bedroom to den at home.

Education at this age is not about imparting facts and imposing strict schedules. It's about listening, guiding, helping individual children to make sense of the real world. The "curriculum" is learning to say goodbye to Mom, forming relationships to others, feeling competent exploring their world. With these emotional skills rein-

At the Model Early Learning Center in Washington, kids size up the shapes of things to come

dren under 3 only has 22,000 slots for 2.9 million eligible children. With federal welfare reform pushing more mothers of young children into the work force, demand is expected to reach record levels. More parents will have to patch together a makeshift sitter system. "There is too much freelancing with these kids already," says Ron Lally, director of the Center for Child and Family Studies in San Francisco.

Although some child-development experts believe the best solution would be for more parents to stay home with young kids, that clearly isn't a reality for many families, especially since many women bring home half the family income. Unlike families in Germany or Sweden, American parents do not receive government subsidies to replace one parent's paycheck. Instead, we rely on the kindness of strangers. "We require licenses for beauticians and caterers," says Sharon Lynn Kagan, author of "Reinventing Early Care and Education." "It's ludicrous that we don't require licenses for child-care workers."

Licenses will not rescue Washington, D.C.'s Model Early Learning Center, home away from home to 20 children and their pudgy cat, Coco. The richly outfitted preschool, modeled after the pioneering Reggio Emilia nurseries in northern Italy, has served some of the capital's poorest children for the past four years. But last year local public funding shriveled, and the school may close in June.

Still, the Model Center children go about their projects, oblivious to the school's fate. A small group recently hatched a plan for a "flying machine" for the peripatetic Coco. The cat's contraption would have a magic button to convert it into a submarine, and wings made of dried leaves and feathers. Whether or not this ambitious plan is ever completed, it already has produced enough brainstorming to electrify the minds of its young designers. These tots are wired for ideas, the ultimate head start. ■

forced, says director Margot Hammond, reading, writing and physics will come more easily when kids are ready. And, since children's brains are so malleable at this age, supportive care can even repair neurological damage created by depressed, distracted or abusive parents. Heavy doses of love, attention and proper signaling between caregiver and toddler forge new connections.

Parents are known to scramble for a spot on Bank Street's lengthy waiting list while their children are still in utero. They start saving then, too: tuition is $16,000 a year for an all-day program. The vast majority of families can't afford such sticker prices. The new Early Head Start for chil-

Who's Watching the Kids?

Parents rely on relatives or paid sitters to help mind even their smallest children. With 1-year-olds, 50 percent of families use some nonparental arrangement. By the time they are 5, just 16 percent of children are watched only by their parents.

PERCENTAGE OF CHILDREN IN EACH AGE GROUP*

	less than 1	1 year old	2 years old	3 years old	4 years old	5 years old
Children in relative care	24%	24%	19%	21%	18%	15%
Children in non-relative care	17%	19%	20%	19%	15%	17%
In center-based program	7%	11%	19%	41%	65%	75%

*COLUMNS DO NOT ADD UP TO 100 BECAUSE SOME CHILDREN PARTICIPATED IN MORE THAN ONE TYPE OF DAY CARE. SOURCES: U.S. DEPARTMENT OF EDUCATION, NATIONAL CENTER FOR EDUCATION STATISTICS

Cultivating the Mind

Children come preprogrammed to learn. How can parents help? Be patient, keep talking and soon you will hear those magic words: Dada, can I borrow the car?

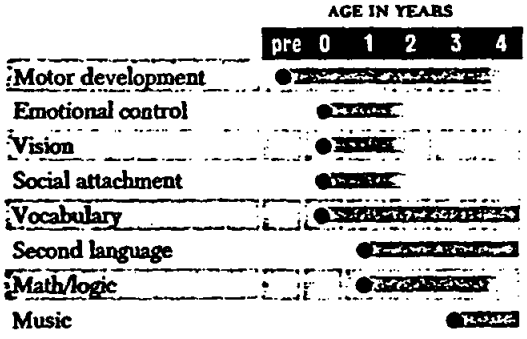
The Baby's Brain ...

When a baby is born, primitive structures in the brain—those controlling respiration, reflexes and heartbeat—are already wired. But in higher regions of the cortex, neural circuits are rudimentary at best; the vast majority of the 1,000 trillion connections (synapses) that the newborn's billions of neurons will eventually make are therefore determined by early experience.

Connections that are reinforced by a baby's exposure to language, images, sounds, facial expressions and even lessons in cause and effect (Baby smiles, Mommy smiles back) become permanent. Tentative connections that are not reinforced by early experience are eliminated. To maintain such a large number of connections requires so much metabolic energy that a child's brain consumes twice the energy of an adult's. And because no two babies have the same experiences, no two brains are wired the same.

The Windows of Opportunity

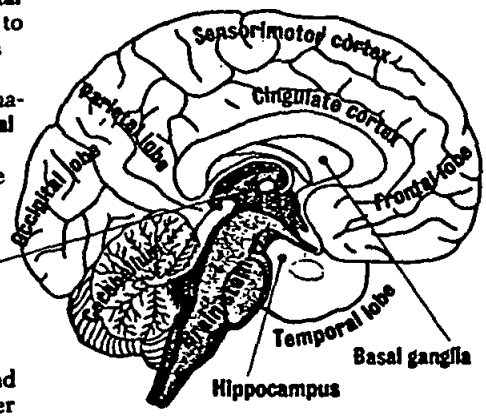
Circuits in different regions of the brain mature at different times. As a result, different circuits are most sensitive to life's experiences at different ages. What a child is best able to learn when:



... Is Greater Than the Sum of Its Parts

Divided into four lobes, the **cerebrum** represents 70 percent of the central nervous system. A person's ability to remember, feel and think depends on this region.

Active from the second or third month, the **parietal lobe** allows child to recognize objects and have better eye-hand coordination. The **temporal lobe** assists with hearing, language and smell.



Along with the **sensorimotor cortex**, the **thalamus** regulates a newborn's basic movement and is already wired at birth. The **cingulate cortex, hippocampus** and **basal ganglia** are also just about fully formed and control basic functions.

The **frontal lobe** develops gradually at the end of the first year. It coincides with the arrival of higher cognitive abilities such as reasoning and speech.

The **cerebellum** controls a newborn's balance and muscle tone. Later this large region of the brain coordinates motor, sensory and other functions.

The **brain stem** controls the necessary functions of the body, such as breathing, circulation, heartbeat and reflexes. It is one of four regions of the brain already completely wired at birth.

0-2 months old

1 month old
Language Small throaty sounds may turn into cooing by end of first month. Responds to voices.
Memory Some babies may start to expect feedings at regular intervals.
Tips Use simple, lively phrases and address baby by name.

2 months old
Awareness Begins to make simple associations—if he cries, he gets picked up. Awareness of outside stimuli increases.
Language Communicates mainly by crying. Grunting noises sound more vowel-like, such as "ooh-ooh" and "ahh-ahh."

3-8 months old

3 months old
Awareness May respond to mirror image by smiling. Stops sucking to listen to parent's voice.
Language Whimpers, squeals, chuckles, gurgles at back of throat. Stimulated to make sounds by hearing others talk.

4 months old
Awareness May sense strange places or people.
Language May babble routinely to himself or to others. May raise voice as if asking a question.
Memory Distinguishes who's who in his life. May recognize mother in a group of people.
Tips Engage child in face-to-face talk. Mimic his sounds to show interest.

5 months old
Awareness May drop object just to watch parent pick it up. Looks at where object falls from and where it lands on the floor.
Language Watches mouths intently and tries to imitate inflections. May start to utter consonant sounds like "m" and "b."
Memory May anticipate a whole object after seeing only part of it.

6 months old
Awareness May perceive cause and effect: wave the rattle and it makes a noise.
Language Learns to make new sounds by changing shape of mouth.
Tips Try to phase out baby talk and use more adult language around child.

7 months old
Awareness May sort toys like blocks by size.
Language May make several sounds in one breath. Recognizes different tones and inflections.
Memory Improves memory by playing hiding games and by observing the comings and goings of others. Remembers that a jack-in-the-box pops up at the end of a song.

8 months old
Language Starts to imitate a broader range of sounds. Responds to familiar noises by turning head and torso.
Tips Remembers how to respond to specific phrases: raises his arms when he hears "so big."

One Word at a Time

Babies understand more than they can say at first, so don't be discouraged if your child's first words take time. Speak to your child constantly. During the second year, a toddler discovers that everything has a name, and vocabulary explodes:

Age	Average number of words
12 months	3
18 months	22
2 years	272
3 years	896

Age	Sounds mastered
4–7 months	First language-like sounds: "eee-eee," "ooo-ooo"
7–9 months	First well-formed syllables: "ma-ma," "da-da"
9–12 months	Melodic babbling
Around 12 months	First words
18–20 months	First word combinations
Around 2 years	First sentences

9–16 months old

9 months old
Language May respond to his name and other words, like "no." Listens intently to conversations. May say "ma-ma" and "da-da."
Likes to imitate coughs.
Memory Notices when someone leaves room and anticipates their return.

10 months old
Awareness May be able to determine heights and edges of objects.
Language Adds gestures to words: waves when saying "bye-bye" or shakes his head while saying "no."

11 months old
Language Imitates word sounds as well as actions. Learns the meaning of words by hearing them used in different situations.
Tips Games like peekaboo and pat-a-cake stimulate baby's memory skills.

12 months old
Language May babble short sentences that only he understands. Shows more control over intonation and inflection. May say two to eight words like "bow-wow" or "hi."

13 months old
Awareness By imitating adult actions, she learns that objects have functions. Uses toy telephone like a real phone.
Language May not say full words yet but gestures to complete idea. Says "ba" and points to ball.

14 months old
Awareness Understands that she can make things happen by her actions.
Language Enjoys rhymes and jingles. Expresses needs mainly through gestures: brings books to parent to read.

15 months old
Language May follow simple commands like "come here." Points to familiar objects when requested. Recognizes names of major body parts.
Tips Develop associations by giving word labels to everyday objects and activities.

16 months old
Language May say six or seven words clearly. Enjoys word games and singing songs like "Pop Goes the Weasel."

Stimulating Solutions

Holding a child's interest for more than two minutes can be a challenge, but there's no need to dash to the toy store for a cure. Some of the best learning tools are right in your house:

Socks: Teach colors by sorting socks with child.
Fabrics/materials: Stimulate baby's touch with materials like fur, tissue, felt and sandpaper.
Old magazines: Test memory by asking baby to point out familiar objects like animals and food.
Stairs: Practice counting when climbing with child.

17–24 months old

17 months old
Language May start to use words to express needs: says "up" to be held. Enjoys pointing at pictures in books. May understand more words than can say.
Tips Speak slowly and give child time to respond.

18 months old
Awareness May grasp the idea of "now."
Language Vocabulary explodes. Child starts learning as many as 12 words a day. "No" is chief word. Points to own body parts or to pieces of clothing when asked. May refer to self by name.
Tips Asking child simple questions stimulates decision-making process.

19 months old
Awareness May be aware of cause and effect but not of potential dangers. Realizes doors open and shut, but may not know to keep hands from getting caught.
Language Focuses on words and objects that are central to her life.

20 months old
Language Near end of second year, she learns that everything has a name and constantly asks, "What's that?" May combine two words like "all gone."
Memory May be able to recall a familiar object or person without seeing or touching it.
Tips Do not pressure a child to speak. Acknowledge her body language but let child hear the words that complement the gesture.

21 months old
Awareness Improving memory skills may allow child to make right associations. Matches shoes with the correct family member.
Tips Explain safety in simple terms. Feeling the heat from a stove teaches the meaning and danger of "hot" objects.

22 months old
Awareness Recognizes when a picture book is upside down. Learns to turn pages one at a time.
Language Enjoys listening to simple stories. May take the lead in conversations and use words to express feelings or ideas.

23 months old
Language May use words to express frustration or anger. At times, still relies on facial expressions or an occasional scream to communicate feelings.
Memory May follow simple directions, but attention span is fleeting.
Tips Have genuine two-way conversations with child. Try not to respond with "uh-huh." A child will recognize when you are not listening.

24 months old
Language By end of second year, some children may have a vocabulary of more than 200 words. Mimics adult inflections and actions.
Memory May grasp meaning of "soon" and "after dinner..." but has limited knowledge of days and time.

2–3 years old

25 - 29 months old
Awareness Starts to solve problems in his head. May understand number concepts like ordination (one dog, two dogs) and the process of classification (a cat is an animal).
Language Vocabulary grows rapidly and child starts combining nouns with verbs to form three- to four-word sentences. Begins to use pronouns, such as "I" and "me," and other parts of speech. May begin to ask "why" questions. Pays attention to what others say, whether to him or to someone else.
Tips To keep his attention, choose books that encourage touching and pointing to objects.

30 - 36 months old
Awareness Understands relationship between objects. May sort out toys by shapes and colors. By the age of 3, has very one-sided reasoning and still cannot see an issue from two angles.
Language May grasp two- or three-part command. Can follow story line and remembers many ideas presented in books. May correctly name colors.
Memory Becomes more focused on activities like reading and drawing. May tell people his age but has no sense of the length of a year.
Tips Do not expect child to use perfect diction. If he stutters, set an example by talking calmly and correctly. Slow down speech and try not to draw attention to his difficulties. Help child use words to describe emotions.

By Jennifer Lach

SOURCES: "THE EARLY CHILDHOOD YEARS: THE 2 TO 6 YEAR OLD," "THE SECOND TWELVE MONTHS OF LIFE" AND "THE FIRST TWELVE MONTHS OF LIFE" BY THERESA AND FRANK CAPLAN; "CARING FOR YOUR BABY AND YOUNG CHILD" BY STEVEN P. SHELOV, M.D.; "YOUR BABY & CHILD" BY PENELOPE LEACH; "THE BABY BOOK" BY WILLIAM SEARS, M.D., AND MARTHA SEARS, R.N.; PARENTS AS TEACHERS NATIONAL CENTER, INC.; HARRY T. CHUGANI, M.D., WAYNE STATE UNIVERSITY'S CHILDREN'S HOSPITAL; DORLING KINDERSLEY'S "ULTIMATE VISUAL DICTIONARY"

Few areas of medicine have changed as dramatically as pediatrics. Just a couple of generations ago, parents of young children worried about polio, measles, rubella and whooping cough. Today's concerns are different: asthma, antibiotics and new vaccines.

You've Come a Long Way, Baby

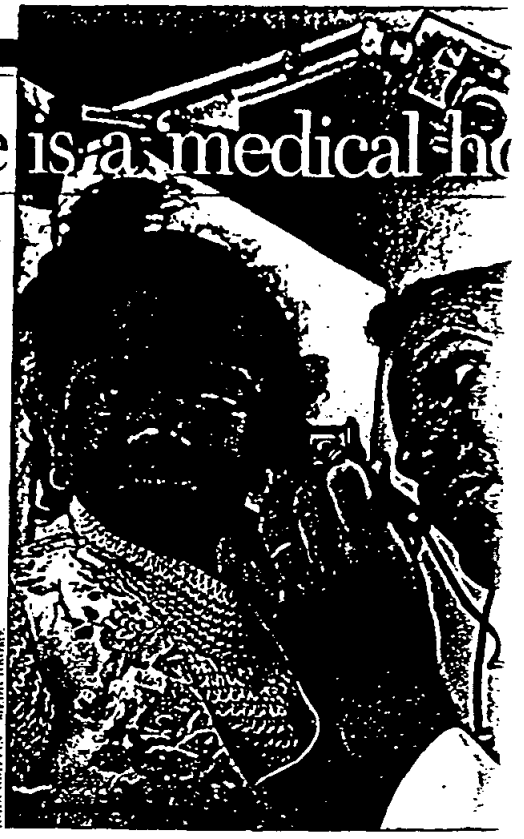
By Russell Watson and Brad Stone

VICKI AND ARTHUR WOHLFEILER OF BEACHwood, Ohio, had two children, the younger one 11, when their daughter Carly was born in the spring of 1994. Carly turns 3 this June, and already she has given the Wohlfeilers a broader perspective on child rearing; they have now done it in the 1970s, '80s and '90s. A lot has changed. There are new medicines—the Wohlfeilers are particularly grateful for over-the-counter ibuprofen—and toys are generally safer. It's much easier now to raise a healthy baby, they say. Some changes have made the job more difficult; health insurance, for one, is maddeningly more complicated. "It's a trade-off," says Vicki, 46. "But it's generally easier, especially since, this time, we know what to expect."

Everyone goes into child rearing with a medicine chest full of folk wisdom: Feed a cold, starve a fever. Don't give your baby a bath when she has a cold. Teething can cause a high fever; aspirin is a

JIM COOPER—AKA REPS

The ideal pediatric practice is a medical h



JOHN GRIFFIN—MEDICHROME

good way to bring it down. Today pediatricians would quarrel with those bromides—and even with some of the advice they themselves may have dispensed a decade ago, for few areas of medicine have changed as drastically as pediatrics. Here is a look at some of the new thinking that affects the health of every child.

The immunization push: The most important thing parents can do is make sure their children are properly vaccinated. But getting the right shots, in the right sequence, at the right time isn't always easy, because the immunization cookbook keeps changing. Currently, the American Academy of Pediatrics (AAP) recommends that, in the first 18 months of life, children receive 10 vaccines, some in multiple doses, some in combination with others. Many are familiar: measles, mumps, rubella, polio, diphtheria, tetanus and hepatitis. Among the newer vaccines is *Haemophilus influenzae* b, known as "Hib," which immunizes against bacteria that can cause several dangerous ailments, including meningitis; it was approved for infants under 1 year of age only in 1990. And just last year, the Food and Drug Administration approved a new toxoid against pertussis (whooping cough) that has fewer side effects than the previous one.

51% of all parents worry that their child will have a serious accident or illness; 35% worry about finding good health care for their kids

One of the more controversial immunizations is the two-year-old vaccine for chickenpox. Some parents argue that because the disease is a normal and relatively harmless affliction of childhood, their kids should be spared this particular needle. But the AAP recommends the vaccine for all children between 12 and 18 months who have not already had chickenpox. The disease is more severe if it occurs after puberty, often turning into pneumonia. And at any age a poxy child is trouble for parents. "It's more of an economic issue," says Dr. Harry R. Lubell, a pediatrician in Sleepy Hollow, N.Y. "With two parents working, they're going to lose a week of work for each child who gets chickenpox."

Overall, American children are better protected by vaccines than ever. According to the federal Centers for Disease Control and Prevention (CDC), 75 percent of children between 19 and 35 months are up to date on their shots, compared with only 55 percent five years ago. And new vaccines are on the way. "I fully expect we'll have vaccines for all common ailments in 10 years' time," says Lubell.

The age of asthma: But for now, kids still get sick. The leading chronic illness among American children is asthma. It affects about 4.8 million youngsters under the age of 18, and the number of cases has risen nearly 80 percent in the last 15 years, calculates the American Lung Association. The reason isn't entirely clear. The cause may be envi-

The Top 10 Health Worries

Babies don't break, but some symptoms are cause for real alarm

YOU'VE JUST BEEN HANDED your seven-pound bundle of joy and your first reaction is: Help! How do I keep from breaking it? Take heart. Babies may not bounce, but neither do they get a fatal infection if they suck a dirty thumb. Here are the top 10 conditions that parents of 0-to-3s should look out for:

1. It isn't called **the common cold** for nothing. In their first two years, most children will have eight to 10 colds, complete with runny nose, sneezing, decreased appetite, cough and sore throat. Most toddler colds aren't serious. But in infants under 6 months, colds can develop into bronchiolitis (see worry No. 2), croup (a distinctive barky cough) or pneumonia. If the baby is irritable, feverish, coughing, breathing rapidly or uninterested in eating, her cold could be developing into something worse. Parents should call the pediatrician.

JOHN GRIFFIN—MEDICHROME

A little boy shows the telltale spots of itchy chickenpox

2. "All that wheezes is not asthma," says Dr. Joseph Zanga of the American Academy of Pediatrics. In infants, **wheezing**, accompanied by rapid breathing, is more often a symptom of bronchiolitis, a viral infection of the lungs' small breathing passages. Treatment includes saline drops in the nose and a nasal aspirator. Parents should keep the home free of cigarette smoke and use clean humidifiers (dry air aggravates nasal passages and sore throats). Severe cases, where babies turn blue around the lips and fingertips from lack of oxygen, may require hospitalization.

3. Two thirds of all children will have at least one **ear infection** ("acute otitis media") by their second birthday. Most pediatricians prescribe antibiotics; left untreated, infections can lead to scarring and hearing loss. But recently, questions have been raised about whether antibiotics fight ear infections any better than the body's natural immune system does (page 44).

4. High temperatures make kids miserable and parents nervous. But **fevers** are the body's natural defense against infection, so some pediatricians let them run their course. Others prescribe acetaminophen. (Aspirin is out because of its link to Reye's syndrome—a rare but serious illness that can damage the brain and liver.) Because newborns' immature immune systems make them more suscepti-

e that offers parents round-the-clock help

Vaccines work wonders, but they don't stop ear infections

ronmental—air pollution, tobacco smoke, allergens in poorly ventilated homes, even cockroach droppings—or it may be that more kids are in day care, where they are exposed to other kids' germs.

Asthma restricts breathing by clogging the airways; an attack can be treated with inhalers that dilate the bronchial passages. Asthma cannot be prevented entirely, but its effects can be diminished in several ways. Cleaning up children's surroundings—rugs vacuumed, bedding laundered—and the air they breathe (no tobacco smoke) is an obvious step. As long as they manage the disease properly, parents don't have to treat asthmatic children like babies all their lives. "People should realize that asthma is common, and children don't have to live sedentary lives because of it," says Dr. Richard Evans of Children's Memorial Hospital in Chicago.

Fighting crib death: Sudden infant death syndrome (SIDS), the dreaded "crib death," kills about 3,000 babies a year, 95 percent in the first six months of life. The cause of SIDS isn't known. Some kids have a slightly higher risk than others. They include premature babies and those with breathing problems arising from the way their brains regulate respiration. Researchers also think some crib deaths may be caused by placing babies face down on blankets or other soft bedding.

Several methods have been suggested for reducing the risk of SIDS. The most promising is to lay babies on their sides or backs. The AAP began to recommend that five years ago, and between 1993 and 1995 the number of crib deaths dropped 30 percent. Researchers also recommend breast-feeding, which helps fight respiratory ailments and allergies. Parents also should keep their babies away from tobacco smoke, which can clog breathing passages.

Other precautions are more controversial. Electronic monitors can warn of changes in breathing and heart rate, but they also produce frequent false alarms. Some researchers suggest that mothers should sleep with their babies, arguing that the mother will be more alert to any crisis, while her presence alone may help to rouse a child who has stopped breathing. Other researchers oppose the practice, citing the danger of rolling over on the baby.

Heading off trouble: Doctors are more aware than ever of the need for preventive measures. That's partly because of the move to cost-conscious managed care. But in addition to saving money, prevention produces healthier babies. Parents still

le to unusual infections, their vers should be monitored osely: temperatures above 00.3 need immediate medical tention. "We hop on it very ickly," says Dr. Alan Woolf of hildren's Hospital in Boston. a toddlers, fevers that reach 03 or linger for more than a ay or two also concern docs.

5 The most common cause of **vomiting** in young children is a stomach or testinal infection. But vomitg can also be a symptom of a ore serious illness like pneuonia, meningitis or appendicia. Danger signs include severe bdominal pain, repeated voming that lasts more than 24 ours and blood or bile. Most omiting will cease on its own, ut doctors recommend extra uids to prevent dehydration.

6 Symptoms of **dehydration** include a parched, dry mouth, less urination, irritability and listlessness. Children should be given small amounts of "rehydrating" liquids—electrolyte solutions that contain a balance of salt, sugar and minerals. Liquids should be administered slowly—first teaspoons, gradually tablespoons. Dehydration is dangerous because it can lead to kidney failure, shock and even death: severe cases may require hospitalization for intravenous rehydration.

7 **Diarrhea** generally goes away by itself within a few days. "Except for a somewhat sore bottom, the infant will be fine," says the AAP's Zanga. Sweet liquids like juices and Jell-O should be avoided: sugar aggravates diarrhea. Give small amounts of liquid to prevent dehydration.

8 Diaper **rash**, usually caused by wet diapers that stay on too long, is easy to identify because of where it appears. Impetigo, a **skin infection** characterized by pimply, crusty, itchy sores, is common in 2- and 3-year-olds. Rashes and skin irritations are seldom dangerous unless accompanied by other symptoms, especially a high fever. "That's a child I want to see immediately," says Woolf, because it can indicate a more serious bacterial infection.

NINA BERMAN—SIPA PRESS

A cold aggravates a 3-year-old's asthma

9 When a baby or toddler **falls** from a height much greater than a bed, watch for repeated vomiting, clumsiness or dizziness. Any could indicate a brain injury and require immediate medical attention.

10 Parents often worry that their child is growing too fast or too slow or taking too long to walk or talk. But many delays simply reflect a child's unique developmental schedule. "There isn't a single age that a child has to develop a particular trait," says Dr. Ron Kleinman of Massachusetts General Hospital. "There's a range for all of us."

CLAUDIA KALB *in Boston*

have a lot to learn. Though most know good hygiene is essential, few wash hands—their own or their children's—as often as they should. Many germs spread more readily by hand than through the air.

The best thing parents can do to ensure preventive care is to maintain a strong relationship with a pediatrician—which isn't easy in underserved poor areas or when health-insurance or managed-care arrangements mandate a change of doctors. The AAP calls the ideal pediatric practice a "medical home," a 24-hour-a-day service to which parents can comfortably turn, by telephone if not in person, whenever they need help. "The closer the relationship parents have with a pediatrician, the more potential there is for children to stay healthy," says the AAP's Dr. Thomas Tonniges.

Early diagnosis is one benefit. "If hearing loss is detected in a child between the ages of 4 and 6 months, the outcome is significantly improved," says Tonniges. "A dislocated hip can be identified in a newborn and treated conservatively with a sling. But wait until the child is walking, and he may need surgery." Without a primary physician, parents of sick kids all too often end up in hospital emergency rooms, where they generally encounter long waits, high costs—and a doctor who has never seen their child before. With all the recent advances in medical science and those still to come, today's toddlers have unequaled prospects for long-term health. But their parents have to know how to make the system work for them. ■

To Dose or Not to Dose?

New studies suggest that antibiotics may be no more effective than the body's immune system in battling ear infections

THE INTRODUCTION of antibiotics during World War II represented perhaps the greatest medical advance since the discovery that drinking water should not be taken from a dirty well. So what better to sic these miracle drugs on than middle-ear infections, that scourge of childhood? Otitis media accounts for more visits to pediatricians than any other illness (24.4 million in 1990, up almost 150 percent since 1975). Sure enough, the usual treatment for otitis media these days is a 10-day course of the antibiotic amoxicillin. Yet it remains such a confusing illness that doctors continue to argue about how to treat it, and even about whether antibiotics make any difference.

Otitis media may be a consequence of children's anatomy (diagram). Most of the time, the eustachian tube allows air to flow into the middle ear. In infants and toddlers the tube's geometry allows it to be blocked by, say, a cold. Bacteria in the nose can then ride a river of mucus upward to infect the middle ear. The outward symptoms of pain and fever mark this as acute otitis media (AOM).

In 1994 a group of researchers at George Washington University and the University of Minnesota looked into just how good antibiotics are at curing AOM. Using a statistical technique called meta-analysis, they combined the results of 33 earlier studies evaluating the efficacy of various antibiotics. It turned out that the drugs have only about a 14 percent advantage over the body's own immune system. In other words, for every child who needs antibiotics to clear the infection, six can recover without them.

How can this be? Cells lining the middle ear produce proteins called immunoglobulins that interfere with the bacteria's ability to infect; enzymes and killer cells destroy bacteria outright. "You're overtreating six patients to capture the seventh who's going to get in trouble," says Dr. Charles Bluestone, the director of pediatric otolaryngology at Children's Hospital in Pittsburgh. "The problem is, we don't know which is which."

So doctors treat them all. That avoids complications like meningitis, an infection of the lining of the brain, and mastoiditis, an infection of the bony space next to the middle ear. Both virtually vanished with the use of antimicrobials. Today all the common AOM bugs are becoming more and more resistant, but few doctors—and fewer parents—will leave a child's ear infection up to her immune system.

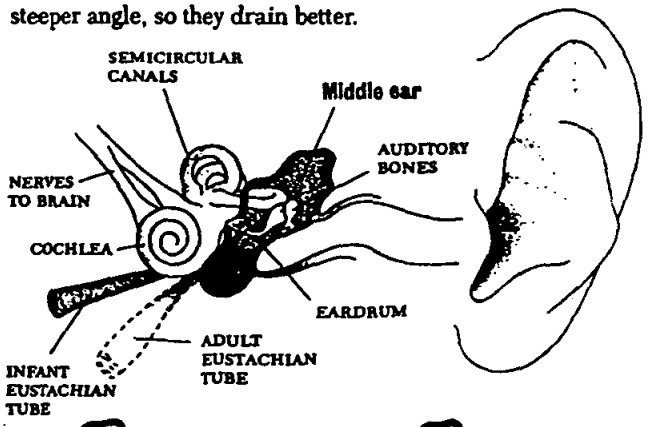
The confusion extends to otitis media with effusion (OME), a painless condition in which the eustachian tubes are blocked and the middle ear fills up with fluid. It almost inevitably follows AOM, and can result in mild hearing loss. In 90 percent of cases hearing is back to normal in three months or less—antibiotics neither help nor hinder. Whether that loss affects a child's language development is hotly debated, as are possible complications of surgery to implant drainage tubes.

At least OME has government guidelines for treatment, like waiting three months before surgery. No such guidance exists for AOM. "We're still at a point where the risks of not treating outweigh the risks of treating," says Jack Paradise, a pediatrician at the University of Pittsburgh. "That's a delicate balance that could change." Meanwhile, parents watch and wait.

ADAM ROGERS

Listening to the Middle Ear

The shape and position of their eustachian tubes make infants vulnerable to ear infections. Adult tubes are narrower and at a steeper angle, so they drain better.



Acute otitis media: The middle ear fills with gunk; it may get better on its own, but doctors generally prescribe the antibiotic amoxicillin.

Otitis media with effusion: Clear fluid fills the ear and can impair hearing. After three months, doctors may implant tubes to drain the blockage.

DIAGRAM BY CHRISTOPH BLUMRICH—NEWSWEEK

Giving Infants a Helping Hand

Of course kids need hugs. But physical contact may also help preemies gain weight faster and healthy babies digest food better.

BY SARAH VAN BOVEN

IN BETWEEN CRUSADES AND IDEOlogical battles with the pope, the Holy Roman Emperor Frederick II had time to conduct a little 13th-century-style child-development research. He removed a group of babies from their families and handed them over to nurses who attended only to their most basic needs—feeding but not holding them, bathing but not hugging them. Frederick wanted to learn what language the infants would speak if they never heard adults talk or sing a lullaby. He learned something else instead: the children all died. As one 13th-century historian explained, Frederick "laboured in vain ... For they could not live without the petting."

Fortunately, scientists now do more compassionate research. But their work with fragile neonates and classrooms full of romping preschoolers points toward much the same conclusion: touch is vitally important to the development of healthy, happy children. Whether bolstering the immune system or simply increasing communication between parents and children, an extra dose of cuddling and massage appears to have many positive effects.

At the University of Miami's Touch Research Institute, director Tiffany Field can rattle off study after study on the effects of touch. Premature babies given daily massage gain 47 percent more weight and are discharged from hospitals six days earlier—at a savings of $10,000 each in medical costs. Cocaine-addicted and HIV-infected newborns show lower levels of stress as well as better weight gain and motor skills with touch therapy. From colic to sleep disorders to hyperactivity, therapeutic touch seems beneficial. Says Field, "Most of us think touch only has psychological benefits, but it's actually an important stimulus to the central nervous system."

91% of all parents say that they hug and cuddle their young child every day; 88% say that they play with their child every day

This stimulus works in several ways. Biological psychologist Saul Schanberg of Duke University found that newborn rat pups failed to grow when taken away from their mothers. Without regular maternal licking, pups showed decreased levels of important growth hormones. But when a lab assistant imitated the tongue strokes with a wet paintbrush, hormone levels rose and the pups resumed growing. Similarly, studies have shown that touch therapy can also lead to weight gain in human babies. "The pressure stimulates a branch of a cranial nerve called the vegetative vagus," says Field. "It activates the gastrointestinal tract, releasing hormones like insulin." The higher insulin levels make food absorption more efficient—and babies can grow faster. According to Field, touch also decreases stress. Infants who receive massage show lower levels of the stress hormone cortisol in their urine—a hormone that kills important immune cells at high levels.

HOWARD SCHATZ

Feel the power: In case parents need another excuse to cuddle a baby, science shows it's therapeutic, too

Little 3-month-old Alexandra Reynolds doesn't know anything about cortisol levels. She just knows that she likes the strokes her mother, Tracy Reynolds, is practicing on her chubby arms and torso during an infant-massage class at New York City's 92nd Street Y. "At home I massage her after her bath, or when she's a little crabby, and she calms right down," says Reynolds as Alexandra coos and waves her fists, never taking her eyes off her mother. An estimated 10,000 parents learned baby massage last year, says Mindy Zlotnick of the International Association of Infant Massage. The association considers massage a way for parents to get to know their babies' nonverbal cues, and for both to relax together. "I'm glad brain research is documenting the power of touch," says Zlotnick. "But for parents who take my classes, the baby's reaction is all the proof they need."

While Alexandra and her mother easily grasp the power of touch, the medical establishment isn't always quite as enthusiastic. Many doctors who heartily endorse the idea of extra hugs and back rubs stop short of prescribing regular massage for the purpose of helping babies to grow or reducing their stress. After all, touch research is still a relatively new field. Cautions Dr. Neena Modi, a pediatrician at London's Hammersmith Hospital, "It is very correct for the medical establishment to be skeptical. We're only at the beginning stage of addressing basic research questions." Still, more and more neonatal ICUs like those at Presbyterian Hospital in Dallas and the University of New Mexico Hospital in Albuquerque are beginning to utilize touch therapy, and the popularity of parental infant massage continues to grow. And if it doesn't accomplish anything else, touch research certainly gives parents a good justification for extra hugs and kisses.

Schanberg still laughs when he recalls his elderly grandmother's reaction to his discovery of a link between touch and growth. "She said, 'You went to Yale to get a Ph.D. and to get an M.D., and that's what you've learned? To touch a baby is good?' I told her, 'Grandma, sometimes science is slow'." But after seven centuries, at least science is catching up with Frederick II. ■

'Your Baby Has a Problem'

Three out of 100 newborns suffer birth defects. But more and more of them can now hope to lead normal lives.

BY ROBINA RICCITIELLO AND JERRY ADLER

"THERE IS A PROBLEM," THE doctors say. But even before the words are out you've seen it in their eyes, sensed it in the way they peered at the baby as it struggled into life, bearing the mark of a moment when, in the twining dance of chromosomes that we call conception, something microscopic stuck or came undone. A problem. Two soft folds of tissue, groping toward one another in the darkness of the womb, failed to meet, somewhere in the three-dimensional complexities of the embryonic heart. Or the skein of nerves, spreading intricately from the bulb of the brain, left an unaccountable gap where no sensations flow, no muscles feel the impulse to move. And of all the things you might have wished for your child—wisdom or beauty or simple happiness—you are left forever after with one simple desire, a word that now embodies all your hope and longing: normal.

But these problems are a part of the human condition, exactly as prevalent now as they were when the United States began keeping detailed statistics in the 1960s, or for that matter in studies that go back to the 1890s: out of 100 babies, on average three are born with anomalies that will seriously affect their health. In one sense, this should be reassuring for expectant mothers who get nervous driving under electrical-power lines: while there is no doubt that drugs, radiation or industrial chemicals are capable of causing birth defects, these events are so rare as to be statistically negligible. (To the degree that birth defects are caused by environmental toxins, says Dr. Godfrey Oakley, head of the division of birth defects and developmental disabilities at the federal Centers for Disease Control, danger is more likely to be found in molds, vegetables or something else that has been with humanity for much longer than Alar or saccharin.) On the other hand, the great advances of the last 25 years in genetic science and embryology haven't done much to bring the rate of birth defects down, either. Surprisingly little research has been done on birth defects specifically, as distinct from human genetics; it was just last year that the CDC committed a modest $3 million to set up five centers to study the estimated 75 percent of birth defects whose causes remain a mystery.

NINA BERMAN—SIPA

Benjamin Ford Krifka (above and right), a Down syndrome child, attends preschool with normal kids

Some problems are very well understood and can be prevented, although the prevention in some cases takes the form of an abortion. Abolishing fetal alcohol syndrome, which afflicts one baby in 1,000 with developmental problems, is as easy, and as difficult, as getting pregnant women to control their drinking. Four hundred micrograms daily of folic acid, taken before and during pregnancy, cuts by two thirds the risk of having a baby with neural-tube defects such as spina bifida, a crippling failure of the spinal cord to close. Yet "the best evidence we have is that only one out of four women is actually following that advice," Oakley says. One problem: the vitamin must be taken in the very first weeks after conception; starting only after a preg-

NINA BERMAN—SIPA

When Things Go Wrong: Birth Defects

Birth defects can arise from inherited genetic abnormalities as is the case with sickle cell anemia, from viruses such as those responsible for rubella, from poor prenatal care—or from reasons so mysterious they can only be labeled fate:

Most common birth defects*	Occurrence
Congenital heart defects	1/110
Narrow stomach/intestine junction	1/250
Congenital hip dislocation	1/400
Sickle cell anemia	1/400†
Cerebral palsy	1/500
Cleft lip/cleft palate	1/730
Clubfoot	1/735
Down syndrome	1/900
Fetal alcohol syndrome	1/1,000
Hearing impairment	1/1,000

Other birth defects	Occurrence
Spina bifida	1/2,000
Cystic fibrosis	1/2,000**
Fragile X syndrome	1/2,000††
Congenital HIV infection	1/2,400
Missing/underdeveloped limbs	1/2,500
Duchenne muscular dystrophy	1/3,500***
Anencephaly	1/8,000†††
Congenital rubella syndrome	1/100,000

*LIVE BIRTHS. †BLACK BABIES. **WHITE BABIES. ††MOSTLY BOYS. ***BOYS. †††OCCURS IN 1/2,000 TOTAL PREGNANCIES, BUT BABIES ARE OFTEN STILLBORN OR ABORTED.
SOURCES: THE MARCH OF DIMES, CENTERS FOR DISEASE CONTROL

nancy is confirmed may be too late. In the last four years, Oakley adds, there were more preventable birth defects resulting from folic-acid deficiency in the United States than in the infamous epidemic of thalidomide poisoning in Europe 40 years ago, when a drug prescribed to ease morning sickness turned out to cause babies to be born with flippers for arms and legs.

A more complicated case is that of cerebral palsy, a nerve disorder that can affect voluntary movements including walking, writing and speech. Many cases result from maternal infections during pregnancy, and when doctors began controlling these a generation ago they expected cerebral palsy to eventually disappear. Instead, the rate has increased by 20 percent in 20 years, to approximately two in 1,000 births. This is because doctors are now keeping alive many more very premature and low-weight babies, who are prone to brain damage from lack of oxygen at birth. Yet a recent study showed a virtual elimination of cerebral palsy in at-risk babies whose mothers received the drug magnesium sulfate, which appears to protect the brain against the toxic effects of oxygen deprivation. Thus the partial conquest of this crippling condition may yet be at hand, allowing for the fact that it can also be caused by lead poisoning, head injuries, encephalitis and probably several other things that we don't even know about yet.

But cerebral palsy is far from the worst problem a baby can be born with. The very worst things that can go wrong with an embryo are never encountered, because they are lethal long before birth, in some cases before the woman even knows she has conceived. By definition, a fetus born alive is a survivor, although sometimes the parents have no choice but to start mourning there and then. Babies born without brains (anencephaly) or with extra copies of chromosomes (trisomy) rarely live for more than a few days or weeks, except in some special cases, of which the best known is Down syndrome.

These conditions are rare, however. The most common lethal defects, although still accounting for only a fraction of 1 percent of all births, are malformations of the heart. Fortunately, these are problems that surgeons have learned to treat (chart). Few conditions are more devastating than hypoplastic left-heart syndrome, in which the main pumping chamber fails to develop, and as recently as 15 years ago it was invariably fatal. But a three-stage operation developed by Dr. William I. Norwood, in which the right ventricle is made to do the job of its undeveloped partner, now keeps some of these children alive, at least until they can receive a transplant. Transposition of the aorta and pulmonary artery, which results in the heart's recirculating unoxygenated blood out to the body, used to be fatal about 90 percent of the time, but now has a 90 percent survival rate after surgery. Advances such as these, plus better neonatal intensive care generally, have contributed to what Dr. Richard B. Johnston, medical

director of the March of Dimes, says is a 50 percent drop in deaths from birth defects since the 1960s.

Down syndrome in theory is completely preventable, in the sense that there is a reliable test for the extra chromosome known to be its cause, after which the pregnancy can be terminated. Of course, that's not a solution to everyone's taste, and around 10 percent of women who know their babies will be born with Down syndrome go on to have them anyway, says Dr. Barbara K. Burton, director of the genetics center at Columbia Michael Reese Hospital in Chicago. But even though the other 90 percent do have abortions, the number of Down syndrome babies born each year is not declining, because more women are becoming pregnant later in life, when the chance of having a Down syndrome child rises dramatically. Burton estimates that only 6 to 8 percent of pregnant mothers get the tests—amniocentesis or chorionic villus sampling—that can detect the extra chromosome. Some of them may be put off by the slight risk of miscarriage, but a new test that may be available as early as next year promises to end that danger, according to Dr. Allen Horwitz of the University of Illinois College of Medicine. The procedure involves locating the infinitesimal quantity of fetal cells that cross the placenta into the mother's bloodstream, so only a sample of her blood would be required. "It's a way of finding samples of genes or chromosomes of the fetus without invading the uterus," says Horwitz.

And what of the mothers who have their babies anyway? A generation ago they would have been told that their child might never learn to speak, was certainly ineducable and probably should be sent to an institution—where, says David Patterson, president of the Eleanor Roosevelt Institute (which promotes genetic research), life expectancy was around 9 years. Unnumbered thousands of children perished in neglect that way, before an astounding paradigm shift that began in the 1970s, with parents who insisted on taking their Down syndrome babies home with them. With adequate care, it turned out, Down syndrome children didn't have to die before the age of 10; life expectancy now is 58 and rising, according to Patterson. With someone willing to teach them, most could learn to read, and some, says Lori Atkins of the National Down Syndrome Society, even have driver's licenses. It is possible, in short, for a Down syndrome child to hold a job and live at least a version of the sort of life that every parent dreams of from the moment he or she hears the fateful news that a child has "a problem."

A normal life. ■

Finding a Web of Support

Online sites offer information and a sense of community

By Carla Koehl

Park benches will always be great places to pick up parenting tips. So will back fences, doctors' offices and boardrooms. But for families of children with disabilities, all the chats in the world can't begin to provide the depth of information—and, often, the level of understanding and sympathy—that's available online. Which is why, for every major disorder and disease, it seems there's a Web site or online support group. It's also why some of the best Internet resources are created and maintained by the very parents who need them most.

Case in point: Portia Iversen. When her son, Dov, was diagnosed with autism at 21 months, Iversen feverishly hunted for information about the disease. "I would just spend all night going on different neuroscience Web sites," she says. A relief? Sort of. Like so many mothers before her, she found it wasn't enough, especially for narrowing down the best research studies and finding the most plugged-in parents. So in November 1995, when Dov was 3¼, the Los Angeles sitcom writer put her career on hold to cofound **Cure Autism Now** with her husband, movie producer Jonathan Shestack. From CAN's Web site (http://www.canfoundation.org/), users can now get updates on research studies and grant proposals, and hyperlink to autism newsgroups.

ILLUSTRATION BY PAUL THEISSEN

Double strand of hope: 'A Child's DNA Helix' marks a home page

Dozens of other top parent-created sites on everything from **Down syndrome** (http://www.epix.net/~mcross/down-syn.html), **Sturge-Weber syndrome** (http://www.centex.net/~huntjul/index.html) and **Infantile Refsum's disease** (http://www.pacifier.com/~mstephe/) are connecting families to one another, going far beyond the fare offered in health sections of online services or even online parenting magazines. Along with **Parents Helping Parents** (http://www.php.com/) and the Usenet's hundreds of special-interest bulletin boards, they're creating a sense of community among families who—either because they live in remote areas or because they're coping with such rare diseases—would otherwise feel nothing but isolated.

Also keep in mind: some of the best sites are those whose sole purpose is to link users to as many different childhood-disability and disease pages as possible. **Internet Resources for Special Children** (http://www.irsc.org/) was created by Julio G. Ciamarra, whose son was born with cerebral palsy, epilepsy and moderate retardation. **Rare Genetic Diseases in Children** (http://mcrcr4.med.nyu.edu/~murphp01/homenew/htm) is maintained by staffers at the New York University Medical Center. **WellnessWeb** (http://wellweb.com/index.htm) pays such close attention to issues like treatment options, drug dosages and physician selection that it won a 1996 Best Site of the Year award from Net Magazine. Its **sickle cell anemia** link (http://wellweb.com/index/qsickle.htm) goes a lot further than other sickle cell sites to focus on the disease in African-American children. Another excellent site is the **National Institutes of Health** home page (http://www.nih.gov), where just typing "childhood" into the search engine field pulls up dozens of links to highly specialized research studies, including papers on acute lymphocytic leukemia. Try finding those on a park bench.

With Jeanne Gordon *in Los Angeles*

DR. C. EVERETT KOOP

THE TINIEST PATIENTS

Fetal and pediatric surgery can save babies who once didn't have a chance

WHEN I BEGAN MY SURGICAL CAREER 55 years ago, there was no such thing as "pediatric surgery." Back in the 1940s there were only a handful of us who were devoted to what was then called child surgery, and we had to fight the medical establishment for many years before pediatric surgery was recognized as a surgical specialty. Now pediatric surgery is not only a vital specialty but it has also given birth to a host of subspecialties including pediatric orthopedics, pediatric cardiovascular surgery, pediatric urology and pediatric plastic surgery—a list that indicates the range of conditions that can now be treated before a child is 3.

In the beginning we learned, from innovative surgeons like Robert Gross and William Ladd, the basic principles: that pediatric tissues are extremely delicate and easily traumatized, that children are not small adults and that you cannot control their physiology and pharmacology by just using fractions of adult measures. One of the most important lessons was on pediatric anesthesiology. Back in the beginning doctors knew they could put children to sleep, but they were not sure they could wake them up. Once we mastered that, a new world of possibilities opened up.

KATHERINE LAMBERT

C. Everett Koop: Witness to miraculous advances and everyday triumphs

The first major accomplishment of pediatric surgery was convincing pediatricians and parents that some of the most deadly congenital problems could be corrected. When I entered the field the mortality rate for many of these birth defects was 95 to 100 percent. When I left pediatric surgery 35 years later, the former mortality rate of 95 percent had become the *survival* rate. Once, a pregnant woman sought my advice about the child she was carrying. She had already lost three children to a form of congenital bowel obstruction. We brought her to live with our family toward the end of her pregnancy and operated on the baby a few hours after birth, with great success. I can't think of anything in medicine that brings more joy than intervening surgically in the life of an otherwise doomed newborn, and changing a congenital death sentence into the prospect of more than 70 years of life.

Our ability to do this for youngsters under 3 has grown dramatically in the 1990s. Perhaps the most striking recent innovation is fetal surgery, operating on babies even before they are born. Fetal surgical repair of diaphragmatic hernias and lung cysts makes it possible for mothers to deliver healthy babies who otherwise would have been born in acute and possibly fatal respiratory distress. Recently Dr. Scott Adzick of Children's Hospital in Philadelphia removed a diseased lobe of the lung of a 22-week-old fetus, making it possible for the baby to be born at 35 weeks without heart failure and what would have been fatal lung problems. And pediatric-transplant surgeons, who only a few years ago were frustrated by the shortage of pediatric donor livers, have learned how to transplant only a portion of an adult liver into a baby and get it to grow along with the child, restoring full organ function.

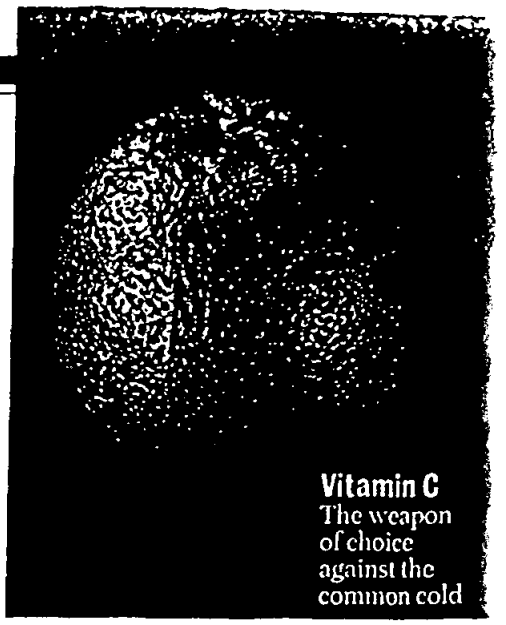
As in all medicine, technology offers new possibilities, such as laparoscopic surgery: using a flexible scope and other instruments inserted through an infant's navel, rather than traditional scalpel surgery. Advances in ventilation and oxygenation make it possible to turn blue babies pink in minutes. Lasers can remove birthmarks that traditional surgery never could. And advances in pain management have been extended to newborn surgery. Years ago, people never paid much heed to the effect of pain on newborns; some doctors believed that newborns did not even feel pain. Now aggressive pain management in babies, including epidural and local anesthesia in addition to general anesthesia, lessens their pain and thereby quickens their postoperative recovery.

Just in my lifetime pediatric surgery has witnessed almost miraculous advances. And while the press often pays attention to the high-drama surgery of newborns, there are thousands of daily triumphs of pediatric surgery. We can repair simple hernias, correct deformed limbs and treat hydrocephalus. We can close spina bifida and repair cleft lips and palates. The women and men of pediatric surgery have made life not only longer but better for children and their families.

KOOP *was surgeon general from 1981 to 1989 and is now senior scholar at the C. Everett Koop Institute at Dartmouth College.*

Don't fret if your toddler throws broccoli. When children choose their own menus, they do surprisingly well.

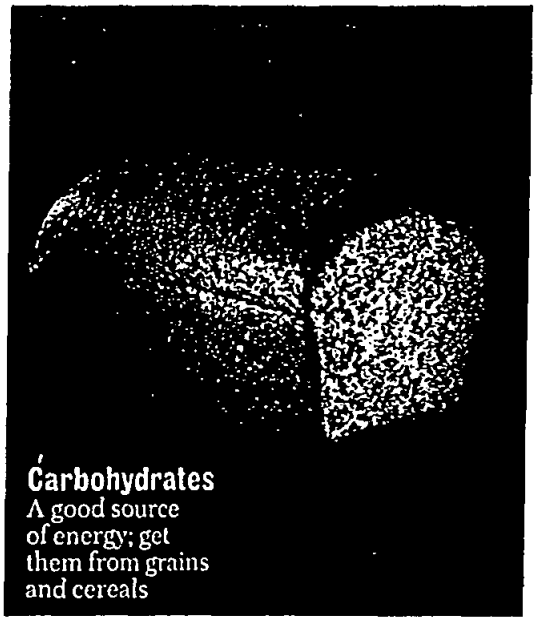
Beyond an Apple a Day



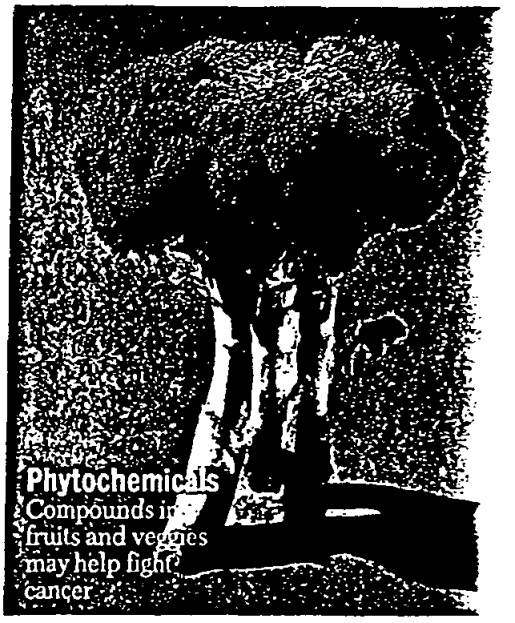
Vitamin C
The weapon of choice against the common cold

By Laura Shapiro

Ellyn Satter, a dietitian and family therapist in Madison, Wis., likes to remember the small boy whose mother brought him into Satter's office because he was overweight. He sat miserably scrunched in a chair while Satter and his mother discussed his eating habits. Finally his mother groaned and said, "I've got another one at home who's too skinny. How am I supposed to get her to eat more, and him to eat less?" Satter's answer was blunt. "That's not your job," she said. "Deciding what they want to eat, and how much, is *their* job." At that, the little boy sat up straight in his chair for the first time and gave a huge smile.



Carbohydrates
A good source of energy; get them from grains and cereals



Phytochemicals
Compounds in fruits and veggies may help fight cancer

The notion that children can and should take charge of their own hunger still makes parents uneasy. After all, who else is going to keep a toddler from eating nothing but Marshmallow Fluff sandwiches all day? But many experts now believe that we've badly underestimated kids' capacities for regulating wisely what and how much they eat. Satter, author of the influential guide "How to Get Your Kid to Eat ... But Not Too Much," advises parents to be gatekeepers, not food police. "Parents are responsible for choosing what foods to have in the house, and what to put on the table," she says. "Kids are responsible for what they eat."

Excruciating though it may be to sit calmly through dinner while your toddler ignores the chicken and carrots in favor of two bread sticks and a cookie, research bears out Satter's dictum. "We've done studies over 10 years that show most little kids are pretty good at being responsive to the energy content of the diet," says Leann Birch, professor of family studies and nutrition at Pennsylvania State University. In one study, children selected their own lunch, but it was preceded by either a low-calorie or a high-calorie yogurt. Sure enough, over a period of days they tended to balance the two courses so that they got roughly the same number of calories every time. "If parents impose too much control over what kids eat, it impedes this ability to self-regulate," says Birch.

Unfortunately, children's marvelous regulatory mechanism does not appear to recognize the importance of cauliflower or leafy greens. On the contrary, under-3s have a finely honed "yuck" response that is readily activated by a single bite of any new food, particularly bitter-tasting ones. "We're omnivores, so we're programmed to eat lots of different things but to be very suspicious of anything new," says Linda Bartoshuk of the Yale University School of

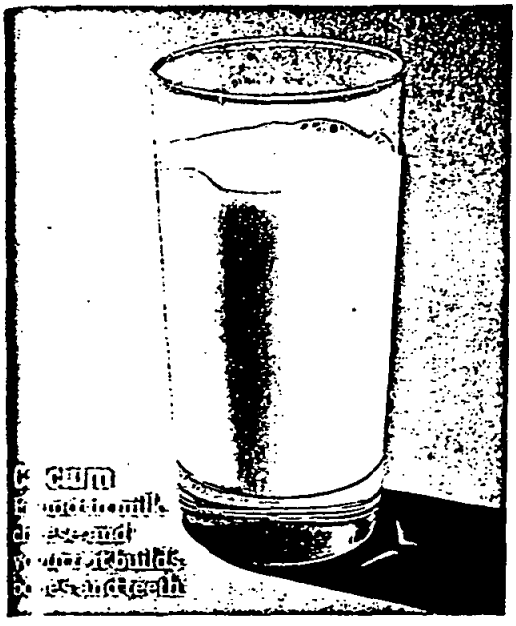
Fiber
It can prevent later disease; kids don't get nearly enough

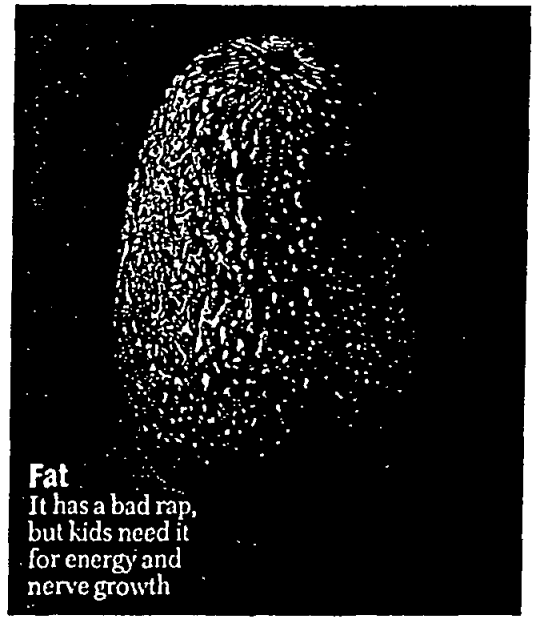
PHOTOS BY SKIP CAPLAN

Medicine. That suspicion, which probably saved many a prehistoric tot from poisoning, now serves merely to drive parents crazy. Nutritionists agree that offering a new food up to a dozen times will usually wear down a child's resistance. There's also evidence that breast-fed babies may be a bit more open-minded than formula-fed babies, since the flavor of formula never changes. "We know from animal research that the more varied the mother's diet during nursing, the more likely a young animal would accept novel foods during weaning," says Julie Mennella of the Monell Chemical Senses Center in Philadelphia. A strongly flavored diet, of course, is just what many experts tell nursing mothers to avoid, for fear the babies won't like the milk. But Mennella found that when mothers consumed garlic, for example, their babies liked the novelty and stayed longer on the breast. "When a new food is introduced in mother's milk, you don't see aversions develop," says Mennella. "Mother's milk is a flavor bridge to the foods of the culture."

The most important reason to help kids learn to enjoy new tastes is that a varied diet of foods eaten for pleasure is likely to be a healthful diet. "Children love sweet tastes, and they like salty tastes. That's all hard-wired," says Yale's Bartoshuk. So kids need no encouragement to make fast food and junk food their favorites. Our national addiction to those foods contributes heavily to our rates of chronic disease. "Cancers form over 20 to 30 years, and heart disease builds up over time, too," says Tara Liskov, a registered dietitian at Yale-New Haven Hospital. "That's the reason you want to start early with good habits."

Pediatricians have argued for years about whether to recommend low-fat diets for small children. It's clear that infants and toddlers grow so fast they need every calorie they can pack in. But a recent Finnish study showed that babies as young as 13 months did fine on a diet slightly restricted in fat. (In their first year, children need fat for neuronal and brain development, so dietary fat intake in the form of breast milk, formula or, later, cow's milk should not be restricted.) In addition, we know that heart disease can get started at an early age. Researchers at the Bogalusa Heart Study in Louisiana, where more than 17,000 young people have been examined in the past 23 years, conduct autopsies on children killed in accidents. They have found aortic fatty streaks—early precursors of atherosclerosis—in children as young as 3. "And there's new data that children with high levels of bad cholesterol in their blood have stiffer carotid [neck] arteries," says Christine Williams of the American Health Foundation in Valhalla, N.Y., where a three-year project is underway to reduce cardiovascular risk among children at nine Head Start centers. Cutting the saturated fat in their diets is a key goal. For children under 2, the American Academy of Pediatrics still recommends no restrictions. After that the AAP encourages a gradual reduction in fat over the next





Fat
It has a bad rap, but kids need it for energy and nerve growth

Eating Well for Two

PAYING ATTENTION TO the nutrients a baby receives should begin well before conception. Smart prenatal care now means "preconceptual care": because embryonic organ development begins about 17 days after sperm and egg unite—before many women realize they're pregnant—it is vital to eat the right things and avoid the bad things even before conceiving.

Women should get into shape before becoming pregnant, losing **weight** if necessary and developing a moderate **exercise** routine. They need a well-balanced **diet** with sufficient protein and calcium, and should replace any **prescription drugs** that could harm a fetus with safer ones. High on the danger list is Accutane (for acne and wrinkles), plus certain medications for high blood pressure, diabetes, epilepsy and manic depression.

The B vitamin **folic acid** is essential for the developing spinal column. A maternal deficiency can dramatically increase the risk of devastating "neural tube" defects such as spina bifida (the failure of the spinal column to close completely, with resulting paralysis or even death) and anencephaly (a fatal absence of brain growth). There's also evidence that folic acid and other **vitamins** may help reduce the risk of heart defects and cleft lip and palate. Very few women get enough folic acid in their normal diet to prevent such problems. The U.S. Public Health Service therefore recommends that women take an extra 400 micrograms of folic acid daily, either as a supplement or in fortified cereal, starting a month before attempted conception and continuing through the first trimester. (The FDA has approved adding folic acid to baking flour as of 1998, but women will not get enough of the vitamin through bread alone.)

There is no evidence that low intake of **alcohol** harms a fetus, though heavy drinking is associated with severe problems of growth and brain development. Obstetricians don't know what a "safe" level of alcohol is, so the easy fallback is to say don't drink at all. Smoking **cigarettes** during pregnancy unquestionably increases the risk of prematurity and low birth weight. And it's never too early to kick the habit.

few years, until the child is getting about 30 percent of calories from fat—the level recommended for adults. "With younger children, often all you have to do is change to 1 percent milk and lighter cheeses," says Williams.

Scientists have long believed that a diet high in fruits and vegetables can help prevent many cancers, and both adults and kids are supposed to be eating at least five servings a day. It's not hard to do. A serving is only half a cup of cooked anything, or a whole fruit. But according to a recent study by Susan Krebs-Smith of the National Cancer Institute, most kids from 2 to 18 are falling short. Only one in five children under 5 gets the recommended five servings, and nearly half eat less than a single serving of fruit a day. "And we counted *everything*," says Krebs-Smith. "We counted the raisins in the raisin bread." More than a third of children eat less than a single serving of vegetables a day, and that includes french fries, which account for nearly a quarter of the total vegetables consumed by kids. These paltry levels of consumption also indicate that children are not getting enough fiber. "We have a new formula—the child's age, plus five grams, per day," says Williams. "That's about double what most kids are taking in." A 3-year-old could get eight grams of fiber by eating an apple, a slice of whole-wheat bread, a serving of broccoli and a carrot.

Fruit juice, which many kids seem to swig all day, is a poor substitute for whole fruit, water or milk. "Juice is really no different in calories from soda, and some kinds don't have much more nutrition than soda," says Liskov. "Apple juice has very few nutrients. I wouldn't give a child juice until 12 or 18 months, and little kids don't need more than about four ounces a day."

But let's face it, the federal guideline that could persuade a resistant toddler to give the time of day to a lima bean hasn't been written. Can little kids thrive if they never eat anything green? "I think they can—mine did," says William Tamborlane, chief of pediatric endocrinology at Yale-New Haven's Children's Hospital and editor of "The Yale Guide to Children's Nutrition." "Look what's in vegetables: they're good sources of fiber, vitamins and minerals. But kids can get all that in a balanced diet from other foods. The main thing is not to make it an issue. Don't force-feed."

So, yes, it's important for little kids to eat right. But it's even more important for them to like food, enjoy being at the table, know when they're hungry and quit when they're full. Parents may not be able to exert much control over the consumption of squash, but they have lots of influence over kids' emotional and psychological associations with food. That's where healthy patterns starting in childhood will last a lifetime. ■

Preventing a

Should babies be left to cry themselves to sleep? Should they sleep with you? Not even experts agree on the best bedtime formula.

By David Gordon

Ever wish your infant or toddler would learn to sleep like a baby? You're not the only one. Sheryl and Steve Hersch, of Wilton, Conn., tried a little of everything to help their daughter Melissa, now almost 2, settle into a good sleep schedule. They tried having her sleep in their bed. Wrong move: "Melissa's a noisy sleeper. She laughs and cries in her sleep. It's cute, but it also kept us up all night," says Sheryl. They tried Dr. Richard Ferber's best-selling techniques, in which parents let the child cry and wait for ever longer intervals before comforting her. "It was hard to wait before going in," says Sheryl. "Then when we did, she'd cry even more. After three days we gave up on it." In the end, the couple inadvertently ended up where most parents of the last 50 years have begun: with Dr. Spock. "We found it was better to just let her cry it out. One night she just started sleeping well, and we haven't had a problem since." So Spock's the answer? Not so fast. "I think every child is different," says Sheryl. "You can't really learn it in a book. There's no magic formula."

How to get a child to go to sleep—and sleep through the night—can be an exasperating riddle. It's certainly one of the most important to solve. Good sleep is crucial to good health: most growth occurs during sleep. Children who don't get enough sleep are less alert during the day and therefore more prone to accidents. And a sleep-deprived child is going to be crabby and impatient. Half of all children under 6 have, at one time or another, some kind of sleep difficulty, according to the nonprofit National Sleep Foundation, an informational clearinghouse. Small wonder that parents scarf up books, gadgets, videos—*anything*—to help get their children to sleep. They'll find, unfortunately, that even the "experts" can't agree on the best strategy.

For years, Dr. Benjamin Spock's classic "Baby and Child Care" supplied the conventional wisdom on all aspects of child rearing, including putting fussy children to bed. If they won't sleep, Spock suggested, let them cry it out. Fifty years later, Spock's advice hasn't changed much. Even the 1992 revised edition recommends putting a fussy baby to bed, leaving the room and letting him "cry furiously" until he falls asleep. In three nights, Spock promises, Baby will have learned his lesson. Make exceptions, and you're asking for a hard day's night.

Tough Love

Now Ferber, head of the Center for Pediatric Sleep Disorders at Children's Hospital in Boston, has taken over as top guru on children's sleep issues. His 1985 book, "Solve Your Child's Sleep Problems," has, over time, become *the* strategy manual for bleary-eyed parents flummoxed by bedtime battles. In a sense, Ferber preaches a gentler version of Spock's tough love. Infants and toddlers learn by association, he says: teach a child he can fall asleep only while being held, rocked or fed, and he'll insist that those conditions be met night after night. Teach him he can sleep on his own, and he'll do that. If an otherwise healthy child fusses in the crib instead of going to sleep, Ferber advises parents to give the child a reassuring pat (not a comforting cuddle) and leave the room. If the crankiness continues, they should return and calmly reassure the child. Ferber suggests doing this at increasing intervals—5 minutes at first, then 10, then 15 and so forth. Within a week,

PHOTOS BY NICK KELSH

Hard Day's Night

the child should be trained ("Ferberized," as fans call it) to fall asleep on his own. "Bedtime should be a happy time," says Ferber. "Not just for babies, but for parents, too."

Not everyone is sold on Ferber's methods. Some doctors, like pediatrician and child-care author William Sears, criticize the seeming insensitivity of letting a child cry himself to sleep. Sears, coauthor of "The Baby Book," argues that babies should be "parented to sleep, not just put to sleep." Parents who resort to a strict bedtime program, he warns, fail to address the reasons for a baby's restlessness, which can include insecurity or physical discomfort. In

doing so, they risk losing an infant's trust.

Some specialists say the big sleep conundrum is a question not of how but where. For most of human history, having babies, and even toddlers, sleep in the family bed was the norm in most cultures—and still is outside Western societies, says James McKenna, an anthropologist at Pomona College in California. "Co-sleeping," he says, is naturally convenient for babies who are breast-feeding. Newborns also rely on proximity to their mothers to help regulate body heat, breathing and cardiac rhythms. In fact, McKenna's research suggests that co-sleeping may, in theory, reduce the chance of sudden infant death syndrome: a mother's tossing and turning will keep a baby from having long pauses in breathing, a suspected cause of SIDS. "Babies' bodies are designed to sleep next to their mothers," says McKenna.

Most experts frown on co-sleeping for a variety of reasons. For one thing, children are restless sleepers. They kick, clutch, grab and poke. That may make it tough for parents to get the sleep they need. Then there's the potential loss of intimacy. "Co-sleeping can disrupt your entire life," says Deborah Tolchin, a New York pediatrician. "Your life shouldn't be totally dependent on your baby's sleep habits." Once co-sleeping begins, it may be hard to get a child to sleep on his own. "The older a child gets, the harder the habit will be to break," says Fairleigh Dickinson psychologist Charles Schaefer, coauthor of "Winning Bedtime Battles." "There are better ways of solving sleep problems."

46% of those who are in two-parent families say they and the other parent share equally in getting up at night when their child cries

Dream On

A LITTLE UNDERSTANDING OF THE SCIence of sleep can help make a baby's restlessness easier to deal with, too. Although every child is different, newborns usually sleep 16 hours a day or more. But infants have shorter sleep cycles with more periods of light, dreaming (REM) sleep. In fact, 50 percent of newborns' sleep is in the REM state, twice as much as adults'. They rarely sleep more than a few hours at a time and take a longer time to fall into deep, non-dreaming sleep. Eventually, babies develop adultlike sleep patterns—and weary parents can expect more rest. By the 6-month mark, infants will have learned to sleep for longer stretches, especially after giving up night feedings in the fourth or fifth month. Toddlers, too, experience much more active sleep: one third is typically in the REM state, which can account for more night wakings.

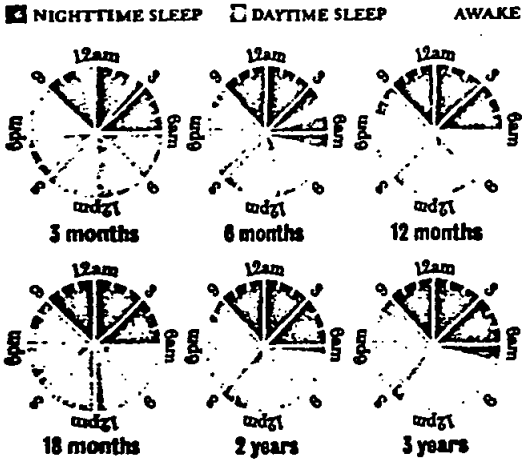
So what is the best way to turn bedtime into happy time? Groups like the American Academy of Pediatrics suggest, for infants, warm baths and soothing massages to lull them to sleep; the white noise produced by running water, a fan or a metronome might do the same. Soft music works, too. (Studies show babies like classical best.) For toddlers, establish a regular bedtime routine that might include a quiet activity, such as reading a bedtime story or playing with a toy to help the child unwind. As sleep specialist Dr. Mary Carskadon of Brown University says: "Families need to find a plan that works for them, one that gives the children, and their parents, adequate sleep." No fuss from us about that. ■

Building Healthy Habits

Babies follow their own clocks when it comes to sleeping, eating and learning daily routines. A guide to an average child's physical growth and development:

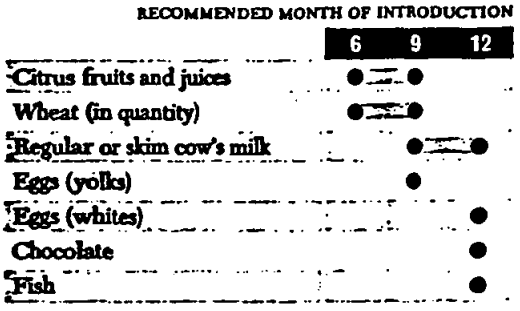
Sweet Dreams, Finally

Babies may have erratic sleeping patterns at first, but eventually they—and their exhausted parents—settle into a peaceful night's rest:



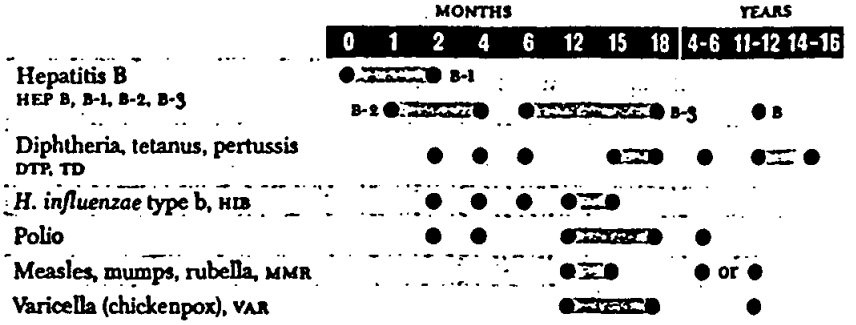
Allergy Awareness

New foods often bring out allergic reactions in young children. Avoid these highly allergenic foods until your baby's digestive system is ready:



Taking a Few Shots of Prevention

Immunization of children in the United States is at a record high, protecting them from major diseases. Most shots are given during the first 18 months of life; check with your pediatrician regarding special care. A recommended schedule:



HEP B vaccine immunizes against a virus that can lead to chronic liver disease. Delivered in three doses, it should not cause any serious side effects.

A child may run a fever after the first shot of the DTP vaccine. If other less-common reactions occur, like limpness or constant crying, notify your doctor.

HIB vaccine guards against bacteria that cause dangerous ailments like meningitis.

Sabin vaccine, given orally, is the most common immunization against polio.

MMR vaccine may cause a mild rash or fever a week after the injection.

The varicella vaccine should be given to babies who have not had chicken pox.

SOURCES: APPROVED BY THE ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES (ACIP), THE AMERICAN ACADEMY OF PEDIATRICS (AAP) AND THE AMERICAN ACADEMY OF FAMILY PHYSICIANS (AAFP)

0–2 months old

1 month old
Checkups Visits doctor every month for the first six months.
Feeding Most babies drink three to four ounces of milk per feeding.
Senses Prefers sweet smells, soft fabrics. Calmed by high-pitched voices and soft music.

2 months old
Health Dress baby in multiple layers because internal-temperature control is not fully mature yet.
Senses Eyes sharpen and track moving objects. Loves to stare at faces.
Sleeping Colic may set in but will usually disappear by the third month.

3–8 months old

3 months old
Feeding Anticipates feeding by smacking lips.
Senses Coos and smiles when talked to. Lack of response may indicate a hearing problem. Eyes should be aligned and able to focus on one object instead of two.

4 months old
Feeding Some babies may begin eating puréed solids like cereals. Balance between solids and milk will vary, depending on child's preferences.
Health May catch a cold because of low immunity. See doctor if symptoms persist.
Senses Sees in color, adjusts to different distances and perceives depth.

5 months old
Feeding Hand-feeds himself zwiebacks, raw carrot chunks. Iron-rich baby foods like meat and green vegetables support proper growth. Easily distracted during breast feeding. Some babies may be ready for weaning.
Sleeping May rest throughout the night, with two naps during the day.

6 months old
Feeding May be down to three meals a day, plus nutritious snacks.
Teething Cuts lower-central incisor around the sixth or seventh month. May have gum swelling. Teething rings should be made of firm rubber and should not be frozen.

7 months old
Feeding Watch for allergic reactions to new foods (chart). Weight gain slackens as a result of increased mobility.
Senses Sees as well as a teenager and locates sounds accurately.
Sleeping Usually sound, but may be disturbed by pain or hunger.

8 months old
Feeding Spills less when drinking from a cup. To prevent choking, give baby foods that are mashed or soft enough to swallow without chewing (see chart for other safety tips).
Sleeping Learns how to stay awake. Overstimulation may make settling down difficult.

Safety Comes First

Where babies roam, accidents often follow, but many can be avoided with a few precautions:

Car seats Child should always ride in a properly installed car seat and only in the back seat. Do not substitute an infant seat for a car seat. The seat should face the rear until the child can sit up without help.

Poisoning Store all medicines and household cleaning products out of reach. Use safety latches in lower drawers and cupboards.

Drowning A child can drown in only a few inches of water. Never leave children alone in a bath or near containers like pools and toilets.

Falls Use stairway gates and window guards. Do not leave a baby unattended on surfaces above the floor, including changing tables and beds.

Fire prevention Install smoke detectors and check batteries often. Dress baby in flame-retardant clothes.

Toys Inspect toys carefully for small parts that can fit in a child's mouth. Also look for sharp or rough edges.

Strollers Do not hang bags from stroller handles. Always use seat belt and harness to keep baby secure.

Baby Weight Percentiles

AGE IN MOS.	GIRLS (IN POUNDS) 95	75	50	25	10%	BOYS (IN POUNDS) 95	75	50	25	10%
3	15	13	12	11	10	16	14	13	12	10
6	19	17	16	15	13	21	19	17	16	15
9	23	20	19	18	16	24	22	20	19	18
12	25	23	21	19	18	27	24	23	21	20
18	28	25	24	22	20	30	27	25	24	22
24	31	28	26	25	23	33	30	30	26	24
36	38	34	31	29	27	40	35	32	30	28

12-16 months old

9 months old

Checkup Visits doctor for examination and immunization shots (chart).
Sleeping Anxiety over separating from parents may cause trouble at bedtime. Relaxes by sucking thumb, cuddling soft toys or rocking.

10 months old

Feeding Most babies this age need between 750 and 1000 calories a day, more than half from breast milk or formula.
Grooming May pull off hat and enjoy using soap.

11 months old

Feeding Able to hand feed himself an entire meal by end of year. Prefers soft or crispy foods.
Grooming May help in undressing, especially pulling off socks.

12 months old

Checkup Has one-year doctor examination to check weight gain, motor skills.
Feeding Insists on feeding himself, however messily. May pick up spoon but misses mouth often.
Sleeping May resist napping and going to bed.

13 months old

Feeding Expresses definite likes/dislikes of foods.
Health Feet may turn outward. During the second year, hip ligaments tighten and straighten feet.
Teething By now, some babies have cut two upper front and two lower front teeth. Arrival of first molar can cause pain.

14 months old

Feeding Needs about 1,000 calories a day to sustain proper growth. May drink less milk, but solid foods cover nutritional needs.
Grooming May cooperate by lifting arms and legs when undressing, or even comb hair.

15 months old

Checkup Visits doctor for mid year exam of vision, hearing, reflexes.
Sleeping Morning nap becomes shorter but may still need afternoon rest. Crib bumpers can protect baby's head if she moves around at night.

16 months old

Grooming May outgrow shoes every three months during the second year.

17-24 months old

17 months old

Feeding Dawdles during meals; prefers bland to sharp flavors.
Sleeping Often gets overtired and may have trouble falling asleep. More than half of children 1 to 2 years old fuss when it's time for bed.

18 months old

Checkup Visits doctor for midyear examination.
Feeding Spoon may reach her mouth more often by midyear. Steer child away from sugary foods that can cause early cavities.
Grooming May indicate when pants are wet. Enjoys taking off shoes and socks, unzipping zippers.
Sleeping May bring stuffed toy or pillow to show she is ready for bed.

19 months old

Feeding Blows on food when it's hot. Should be drinking 16 to 32 ounces of milk a day, which provides most of the calcium needed for bone growth.
Grooming May brush teeth; washes and dries hands with help. Check water tempature before putting child in bathtub.
Sleeping Sleeps fairly well but may have a bad night now and then. May try to climb out of bed.

20 months old

Feeding Learns food talk like "more" and "all gone."
Grooming Encourage child to undress completely on her own. Can't buckle or lace shoes yet.
Sleeping Nightmares may disrupt sleep occasionally.

21 months old

Grooming May be able to put on clothes with Velcro fastenings, snaps and easy-to-manage openings.
Sleeping Afternoon naps turn into rests; total sleeping time drops near the end of the second year. May try to delay bedtime with extra kisses.
Tasks Some children put away clothes and toys.

22 months old

Feeding May give cup to parent when thirsty.
Grooming May put on shoes, but often on the wrong foot.
Tasks Tries buckling car-seat belt with parent's help.

23 months old

Grooming May put on simple garments but not differentiate between front and back.
Tasks By the end of second year, may open doors, unwrap packages, help parents with chores.

24 months old

Checkup Visits doctor for two-year examination; may include blood test to check for lead poisoning and a skin test for tuberculosis. Meets the dentist for the first time.
Feeding Can eat all kinds of table foods. Encourage use of utensils.
Grooming Some babies may be ready to start potty training, while others will need more time until their motor skills and bladder control improves.
Health Watch for ear infections in toddlers. Signs include ear pain and fever.

2-3 years old

25 - 29 months old

Feeding Should be served whatever the family is eating, but a balanced diet may be hard to maintain. Candy should not be used as a bribe to finish dinner.
Grooming Has become a creature of habit. May ask to go to the toilet, but accidents are very possible. Insists on picking out own attire. May dress himself in easy, pull-on clothes. Loves to cover boo-boos with Band-Aids.
Health Baby fat slowly disappears in the third year. Posture improves as muscles strengthen.
Sleeping May switch from crib to bed, which can create some difficulty in settling down at night. Maintain a regular time for bed, including nightly rituals like last kisses and storybook readings. Side bedrails will prevent tumbles to the floor.

30 - 36 months old

Checkup Sees doctor for annual exam. Visits dentist every six months from 2½ years old. May receive fluoride treatment.
Feeding Appetite still fluctuates; may skip a meal occasionally. Do not offer to make a special meal. Encourage proper table manners, such as using utensils and sitting through entire meal. By third birthday, may use a fork efficiently but often forgets to chew food well.
Grooming Child may express more consistently when he needs to use the bathroom.
Tasks A true mother's helper. Makes bed, cleans up messes. Needs supervision in the kitchen.

By Jennifer Lach

SOURCES: "THE EARLY CHILDHOOD YEARS: THE 5 TO 6 YEAR OLD," "THE SECOND TWELVE MONTHS OF LIFE" AND "THE FIRST TWELVE MONTHS OF LIFE" BY THERESA AND FRANK CAPLAN; "YOUR BABY & CHILD" BY PENELOPE LEACH; "THE WELL BABY BOOK" BY MIKE SAMUELS, M.D., AND NANCY SAMUELS; "CARING FOR YOUR BABY AND YOUNG CHILD" BY STEVEN P. SHELOV, M.D.; "THE GOOD HOUSEKEEPING ILLUSTRATED BOOK OF PREGNANCY & BABY CARE."

The wizards of genetics keep closing in on the biological roots of personality. It's not your imagination that one baby seems born cheerful and another morose. But that's not the complete picture. DNA is not destiny; experience plays a powerful role, too.

Shyness, Sadness, Curiosity, Joy. Is It Nature or

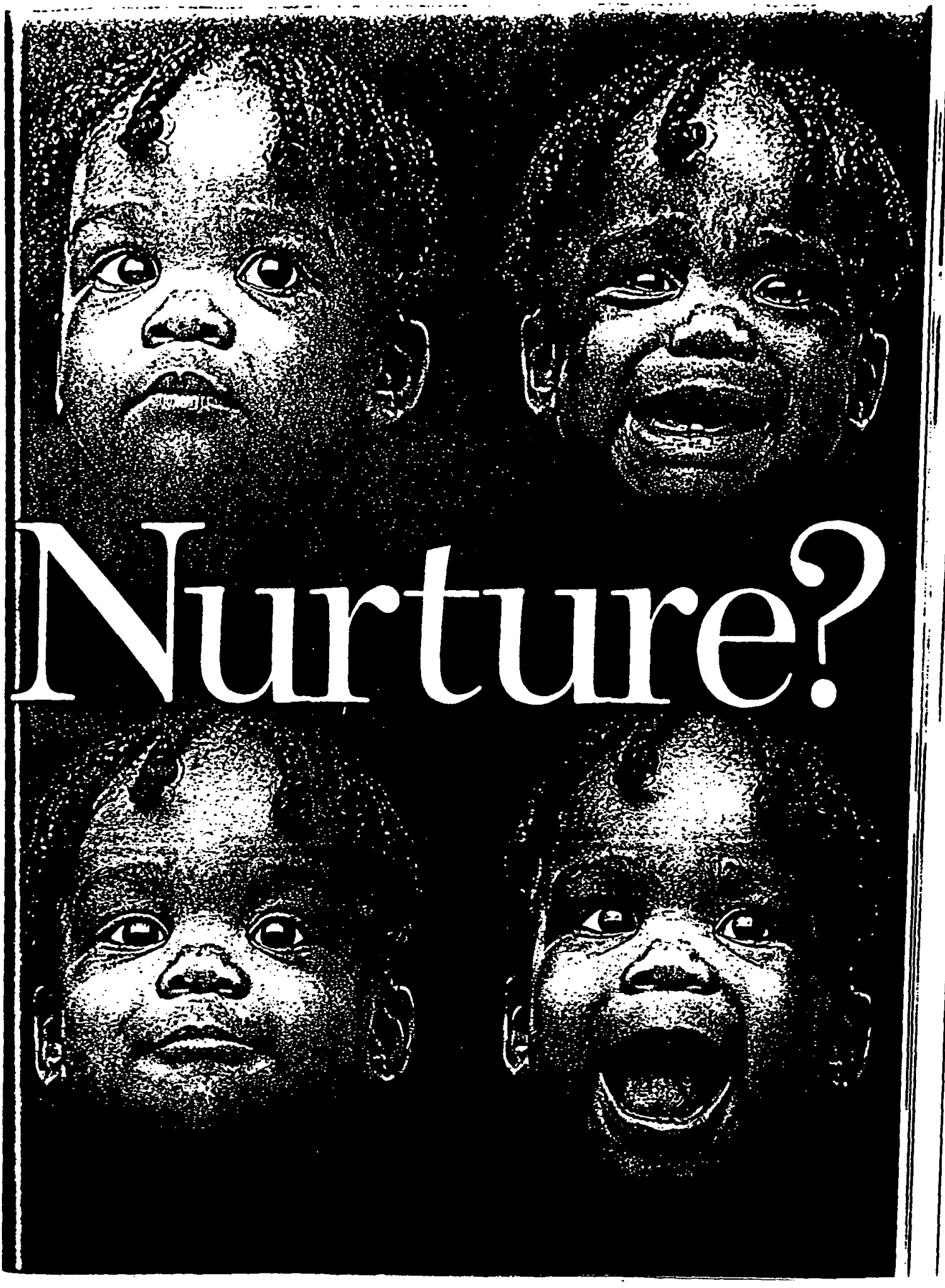
By Marc Peyser and Anne Underwood

IF ANY CHILD SEEMED DESTINED TO GROW UP afraid of her shadow and just about anything else that moved, it was 2-year-old Marjorie. She was so painfully shy that she wouldn't talk to or look at a stranger. She was even afraid of friendly cats and dogs. When Jerome Kagan, a Harvard professor who discovered that shyness has a strong genetic component, sent a clown to play with Marjorie, she ran to her mother. "It was as if a cobra entered that room," Kagan says. His diagnosis: Marjorie showed every sign of inherited shyness, a condition in which the brain somehow sends out messages to avoid new experiences. But as Kagan continued to examine her over the years, Marjorie's temperament changed. When she started school, she gained confidence from ballet classes and her good grades, and she began to make friends. Her parents even coaxed her into taking horseback-riding lessons. Marjorie may have been born shy, but she has grown into a bubbly second grader.

61% of all parents believe that differences in behavior between girls and boys are not inborn but a result of the way they're raised

For Marjorie, then, biology—more specifically, her genetic inheritance—was not her destiny. And therein lies our tale. In the last few years scientists have identified genes that appear to predict all sorts of emotional behavior, from happiness to aggressiveness to risk-taking. The age-old question of whether nature or nurture determines temperament seems finally to have been decided in favor of Mother Nature and her ever-deep-

PHOTOS BY NICK KELSH


Nurture?

Scientists estimate that genes determine

ening gene pool. But the answer may not be so simple after all. Scientists are beginning to discover that genetics and environment work together to determine personality as intricately as Astaire and Rogers danced. "If either Fred or Ginger moves too fast, they both stumble," says Stanley Greenspan, a pediatric psychiatrist at George Washington University and the author of "The Growth of the Mind." "Nature affects nurture affects nature and back and forth. Each step influences the next." Many scientists now believe that some experiences can actually alter the structure of the brain. An aggressive toddler, under the right circumstances, can essentially be rewired to channel his energy more constructively. Marjorie can overcome her shyness—forever. No child need be held captive to her genetic blueprint. The implications for child rearing—and social policy—are profound.

While Gregor Mendel's pea plants did wonders to explain how humans inherit blue eyes or a bald spot, they turn out to be an inferior model for analyzing something as complex as the brain. The human body contains about 100,000 genes, of which 50,000 to 70,000 are involved in brain function. Genes control the brain's neurotransmitters and receptors, which deliver and accept mental messages like so many cars headed for their assigned parking spaces. But there are billions of roads to each parking lot, and those paths are highly susceptible to environmental factors. In his book "The New View of Self," Dr. Larry Siever, a psychiatry professor at Mount Sinai Medical Center, writes about how the trauma of the Holocaust caused such intense genetic scrambling in some survivors that their children inherited the same stress-related abnormalities. "Perhaps the sense of danger and uncertainty associated with living through such a time is passed on in the family milieu and primes the biological systems of the children as well," says Siever. He added that that might explain why pianist David Helfgott, the subject of the movie "Shine," had his mental breakdown.

A gene is only a probability for a given trait, not a guarantee. For that trait to be expressed, a gene often must be "turned on" by an outside force before it does its job. High levels of stress apparently activate a variety of genes, including those suspected of being involved in fear, shyness and some mental illnesses. Children conceived during a three-month famine in the Netherlands during a Nazi blockade in 1945 were later found to have twice the rate of schizophrenia as did Dutch children born to parents who were spared the trauma of famine. "Twenty years ago, you couldn't get your research funded if you were looking for a genetic basis for schizophrenia, because everyone knew it was what your mother did to you in the first few years of life, as Freud said," says Robert Plomin, a geneticist at London's Institute of Psychiatry. "Now you can't get funded *unless* you're looking for a genetic basis. Neither extreme is right, and the data show why. There's only a 50 percent concordance between genetics and the development of schizophrenia."

SCIENTISTS HAVE BEEN DEVOTing enormous energy to determining what part of a given character trait is "heritable" and what part is the result of socialization. Frank Sulloway's book "Born to Rebel," which analyzes the influence of birth order on personality, opened a huge window on a universal—and largely overlooked—environmental factor. But that's a broad brushstroke. Most studies focus on remarkably precise slivers of human emotions. One study at Allegheny University in Pennsylvania found that the tendency for a person to throw dishes or slam doors when he's angry is 40 percent heritable, while the likelihood a person will yell in anger is only 28 percent heritable. The most common method for determining these statistics is studying twins. If identical twins are more alike in some way than are fraternal twins, that trait is believed to have a higher likelihood of being inherited. But the nature-nurture knot is far from being untied.

The trick, then, is to isolate a given gene and study the different ways environment interacts with it. For instance, scientists believe that people with the longer variety of a dopamine-4 receptor gene are biologically predisposed to be thrill seekers. Because the gene appears to make them less sensitive to pain and physical sensation, the children are more likely to, say, crash their tricycles into a wall, just to see what it feels like. "These are the daredevils," says Greenspan. But they need not be. Given strict boundaries, Greenspan says, thrill-seeking kids can be taught to modulate and channel their overactive curiosity. A risk-taking child who likes to pound his fist into hard objects can be taught games that involve hitting softly as well. "If you give them constructive ways to meet their needs," says Greenspan, "they

ABRAMS/LACAGNINA

about 50 percent of a child's personality

Parents can foster their baby's sunny disposition or—unwittingly—some antisocial traits

can become charismatic, action-oriented leaders."

Shyness has been studied perhaps more than any other personality trait. Kagan, who has monitored 500 children for more than 17 years at Harvard, can detect telltale signs of shyness in babies even before they're born. He's found that the hearts of shy children in the womb consistently beat faster than 140 times a minute, which is much faster than the heartbeats of other babies. The shy fetus is already highly reactive, wired to overmonitor his environment. But he can also outgrow this predisposition if his parents gently but firmly desensitize him to the situations that cause anxiety, such as encouraging him to play with other children or, as in Marjorie's fear of animals, taking her to the stables and teaching her to ride a horse. Kagan has found that by the age of 4, no more than 20 percent of the previously shy children remain that way.

78% of those polled who are in two-parent families say that they share equally when it comes to setting rules for their young child

Will the reprogramming last into adulthood? Because evidence of the role of genes has been discovered only recently, it's still too early to tell. But studies of animals give some indication. Stephen Suomi at the National Institute of Child Health and Human Development works with rhesus monkeys that possess the same genetic predisposition to shyness that affects humans. He's shown that by giving a shy monkey to a foster mother who is an expert caregiver, the baby will outgrow the shyness. Even more surprising, the once shy monkey will become a leader among her peers and an unusually competent parent, just like the foster mom. Though she will likely pass along her shyness genes to her own child, she will teach it how to overcome her predisposition, just as she was taught. And the cycle continues—generations of genetically shy monkeys become not just normal, but superior, adults and parents. The lesson, says Suomi: "You can't prejudge anyone at birth. No matter what your genetic background, a negative characteristic you're born with may even turn out to be an advantage."

But parents aren't scientists, and it's not always easy to see how experience can influence a child's character. A baby who smiles a lot and makes eye contact is, in part, determining her own environment, which in turn affects her temperament. As her parents coo and smile and wrinkle their noses in delighted response, they are reinforcing their baby's sunny disposition. But what about children who are born with low muscle tone, who at 4 months can barely hold up their own heads, let alone smile? Greenspan has discovered that mothers of these kids smile at the baby for a while, but when the affection isn't returned, they give up. And so does the baby, who over time fails to develop the ability to socialize normally. "If you move in the wrong patterns, the problem is exacerbated," Greenspan says. He has found that if parents respond to nonsmiling babies by being superanimated—like Bob Barker hosting a game show—they can engage their child's interest in the world.

The ramifications of these findings clearly have the potential to revolutionize child-rearing theory and practice. But to an uncertain end. "Our society has a strong belief that what happens in childhood determines your fate. If you have a happy childhood, everything will be all right. That's silly," says Michael Lewis, director of the Institute for the Study of Child Development in New Jersey and the author of "Altering Fate." Lewis estimates that experience ultimately rewrites 90 percent of a child's personality traits, leaving an adult with only one tenth of his inborn temperament. "The idea that early childhood is such a powerful moment to see individual differences in biology or environment is not valid," he says. "We are too open to and modifiable by experience." Some scientists warn that attempting to reprogram even a narrow sliver of childhood emotions can prove to be a daunting task, despite research's fascinating new insights. "Children are not a 24-hour controlled experiment," says C. Robert Cloninger, a professor of psychiatry and genetics at the Washington University School of Medicine in St. Louis. "If you put a child in a Skinner box, *then* maybe you could have substantial influence." So, mindful of the blinding insights of geneticists and grateful for the lingering influences of environment, parents must get on with the business of raising their child, an inexact science if ever there was one. ■

Good Kid, Bad Kid

From scary tantrums to a flat refusal to get dressed in the morning, young children keep testing their limits—and yours. Take a deep breath and try not to flunk.

By Susan Miller and Larry Reibstein

Sure, maybe we can clone sheep, but what about trying to get a young child *dressed*? For this there should be a Nobel Prize. Take Andrea Hesekiel, of Rye, N.Y., who still remembers every frustrating detail of one particular day three years ago, when her daughter, Kira, was 3. "It was in the morning," she begins, "and we were trying to get ready for nursery school and she just didn't want to get dressed." After basically ignoring her mother's reasoned arguments, then her coaxing and pleading, Kira "went back to bed, jumped in and pulled the covers up over her head." Watch out. "I peeled back the covers and whacked her on the bottom a few times," she recalls. "She was hysterically crying."

Kira got dressed, but she apparently forgot the point of the spanking—it wasn't the last time she avoided dressing. But Mom didn't forget. "I obsessed about it for days," she says. "I was very upset with myself for losing control. I don't believe in spanking."

OK, so Mom strayed from the '90s parenting manual—what parent hasn't? The young child, especially from 1 to 3, is a jumbled mass of egocentric, limit-testing, conscience-deprived nerves and cells. Fortunately, they're cute. But figuring out what proper behavior is—and teaching it, to say nothing of enforcing it—is one of the great questions still plaguing mankind, even after thousands of trendy advice books that tend to contradict each other. Should a 9-month-old be taught not to pull on Daddy's glasses? Can a 14-month child really be expected to share toys? Can a 2-year-old be guided out of temper tantrums? In short, says Victoria Lavigne, assistant professor of clinical psychiatry at Northwestern University Medical School, "How do you get your child to do what you want them to do when you want them to do it—while still maintaining a positive relationship?"

For children younger than 1, it's hard to imagine needing to use "discipline" to guide them between right and wrong behavior. When babies pull on telephones or stick their fingers in sockets or other kids' eyes, they aren't candidates for the shrink's couch. They are simply exploring what they find fascinating, essentially their job at that age. The three most important strategies: relocate, relocate, relocate.

The Debate Over Discipline

Your kid is flinging food, whacking his sister and screaming endlessly. What do you do? As you carefully consider your range of choices, consider this: how you discipline your child in the early years will go a long way in determining whether your child turns into a nightmare by the time he's 3. Hit him and he may turn into a noncaring scoundrel. Ignore her and her obnoxious behavior will escalate. Child-rearing techniques can be as varying as fashion. A look at some methods:

- For this generation of educated middle-class parents, **spanking** is as politically incorrect as smoking. "My parents spanked us, but I don't think it's a good idea," says Terry Staudenmaier, the Baltimore mother of 2-year-old Gabe. The Newsweek Poll showed that 31 percent of parents spanked sometimes or often. But experts say parents should avoid the practice. "Spanking and physical force in general accomplish quick compliance but build up resentment, anger, fear of the parent," says Martin Hoffman, psychology professor at New York University. Studies also show that spanking isn't especially effective, anyway. Families who start spanking before their children are a year old are as likely to spank their 4-year-olds as often as are families who start spanking later—suggesting the children aren't learning any lessons.

Patty Gibson Ralph watching daughter Jessie's antics

TED RICE

Ben Carloni, 2¼, likes his routines; sister Leah, 6 months, swings along

As the child grows older, bad behavior often springs out of the stirrings of independence, or a play for attention, or maybe just frustration. Children haven't yet developed a conscience telling them what's right and wrong; that begins around the age of 3. Still, by around 18 months to 20 months, children are old enough to be reasoned with, according to Martin Hoffman, a psychology professor at New York University. And they're just starting to figure out that other family members need to be accommodated. A look at some typical early-childhood behaviors:

Tantrums: Ben Carloni, 2¼ knows what he likes and when, and God help those who change it. Explains mother Barb Carloni of Columbus, Ohio: "He has to brush his teeth a certain way. He climbs up into his chair a certain way. He has to help pour the juice and he has to hold the cup." One time recently Ben thanked his father, Steve, who, instead of responding "You're welcome," said, "No, thank *you*, Ben." This was enough to propel Ben into a fit. Experts say tantrums are perfectly normal for the child learning to express anger and frustration. Only if the tantrums are more frequent, and continue as the child gets older, will there be a need for more serious intervention. The Carlonis handle Ben much as the experts recommend. They keep their distance but try to talk to him and get him to explain why he's angry. Sometimes it works; other times nothing does. Lavigne points out that trying to appease the child, by picking her up or giving in to heated demands, will only encourage more of the same behavior.

Sharing: Kids may begin to share things between 2 and 3, but don't bet on it. And don't worry about the tugs of war, either. "It is less important than the back-and-forth interaction with other children," says Dr. Stanley Greenspan, professor of psychiatry and pediatrics at George Washington University Medical School and author of "The Growth of the Mind." "Sharing is one piece of successful learning that occurs because of these interactions." Patty Gibson Ralph, who lives in Manhattan Beach, Calif., tries sharing and praising her daughter, Jessie, 2¼, to mixed results. "She's kind of obsessed about not sharing," her mother reports.

Hitting: A child's striking out is not acceptable after a year, but "don't blow it out of shape," argues Greenspan. Sometimes children hit to get control of a situation they don't like, or they learn it from other kids, which is what happened with 13-month-

the "humane" alternative to nking, the **timeout**, has ned popularity over the last ade as a quick method to l off a wayward kid. The NEWSWEEK Poll showed that 71 rent of parents often or netimes used timeouts. Patty son Ralph uses it on those asions when her daughter sie, 2¼, whacks her younger ther, Jack. "I have her sit in a tain place and I have an egg er and I put that on for one ute," says Patty. But she s just the threat of a timeout ven more effective. Most ex- s advise sparing use of time-outs. And they should always be combined with an explanation of why the behavior is bad. For infants and young toddlers, timeouts shouldn't be used at all, because those kids don't understand right from wrong.

■ In layman's terms, **modeling** means that if parents behave appropriately, their kids will notice and learn from it. Teaching a child empathy depends greatly on showing by example. Comforting a child imparts the lesson that the needs of others must be considered.

■ **Immobilization** is a controversial technique recommended by Dr. Burton White, director of the Center for Parent Education in Newton, Mass. It's aimed at children 7 to 14 months old who persist in behavior such as hitting. He advises first giving a warning then constraining the child in your lap, facing you, while firmly holding his arms and shoulders. After a minute or so release the child and explain the behavior that was inappropriate. Critics deride this one-size-fits-all approach to discipline, but White insists that a week of using this method will change the behavior.

LARRY REIBSTEIN and SUSAN MILLER

old Laura Scott, an American living in London. Once, after Laura hit another child, her father, Al, grabbed her arm and gently told her "No, no." She hasn't done it again.

Dressing: Jessie Ralph likes to wear her shirt backward, put on clothes that don't match or put her shoes on the wrong feet. Once she wanted to wear her pajama top to nursery school. This could have the makings of a power struggle, but it shouldn't. As her mother, Patty, deals with it, "she's learning how to express herself, and as long as she's not going to freeze to death I say 'Fine'." Greenspan agrees that dressing shouldn't be a discipline issue.

Eating: In Victorian times children sat still through meals and ate all that was served, or at least that's the myth. Forget it. A child under 3 who can sit at a table for more than 15 minutes is called a miracle. "The rule is not to have a rule," says Greenspan. "You want to adapt it to the individual child." And the constant struggle with children to eat different foods is largely wasted energy. "They have food jags and usually that's not harmful as long as they're sleeping and eliminating properly," says Charles Flatter, professor of human development at the University of Maryland.

As behavioral matters go, those are the easy ones. It's the high-strung child who understandably challenges the patience of parents, writes Dr. Stanley Turecki in "The Difficult Child." This is the child with an extremely high activity level, who is impulsive and stubborn. He may be unable to concentrate for even a brief period. Children who exhibit the most extreme of these behaviors might be suffering from Attention Deficit Disorder—or, says Turecki, they might simply be "difficult children with a very high activity level." But doctors rarely diagnose a child under 3 as having ADD. Beyond those issues are even deeper behavioral problems, according to Greenspan. "The child who does not by any time after 8 months show very purposeful or intentional reaching, smiling or vocalizing. The child who in the second year of life is not showing more gradually complex social problem-solving." These types of behavior, says Greenspan, can be signs of children who may exhibit, at 3, severe emotional and intellectual difficulties—such as difficulty learning to distinguish reality from fantasy, or appropriate cognitive and language skills. As Greenspan puts it, "These are big-league concerns." ■

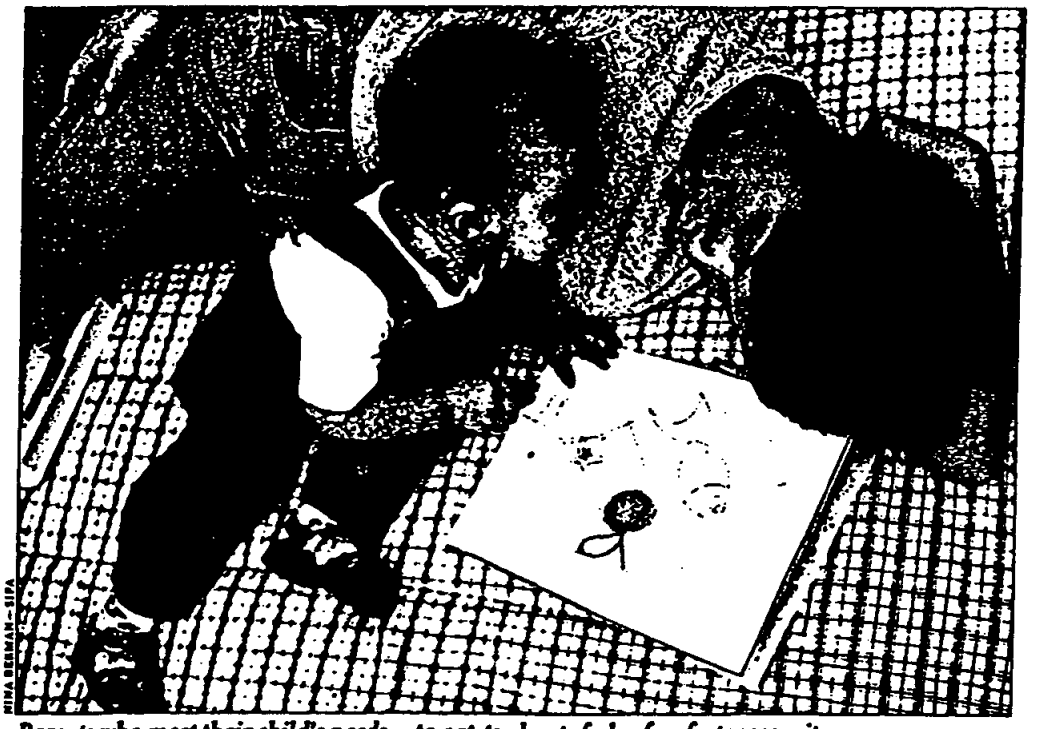
A baby needs to form a secure 'attachment' to the mother or another caring adult. How do these early relationships develop trust—and why do some of them fail?

The Loving

By Susan H. Greenberg

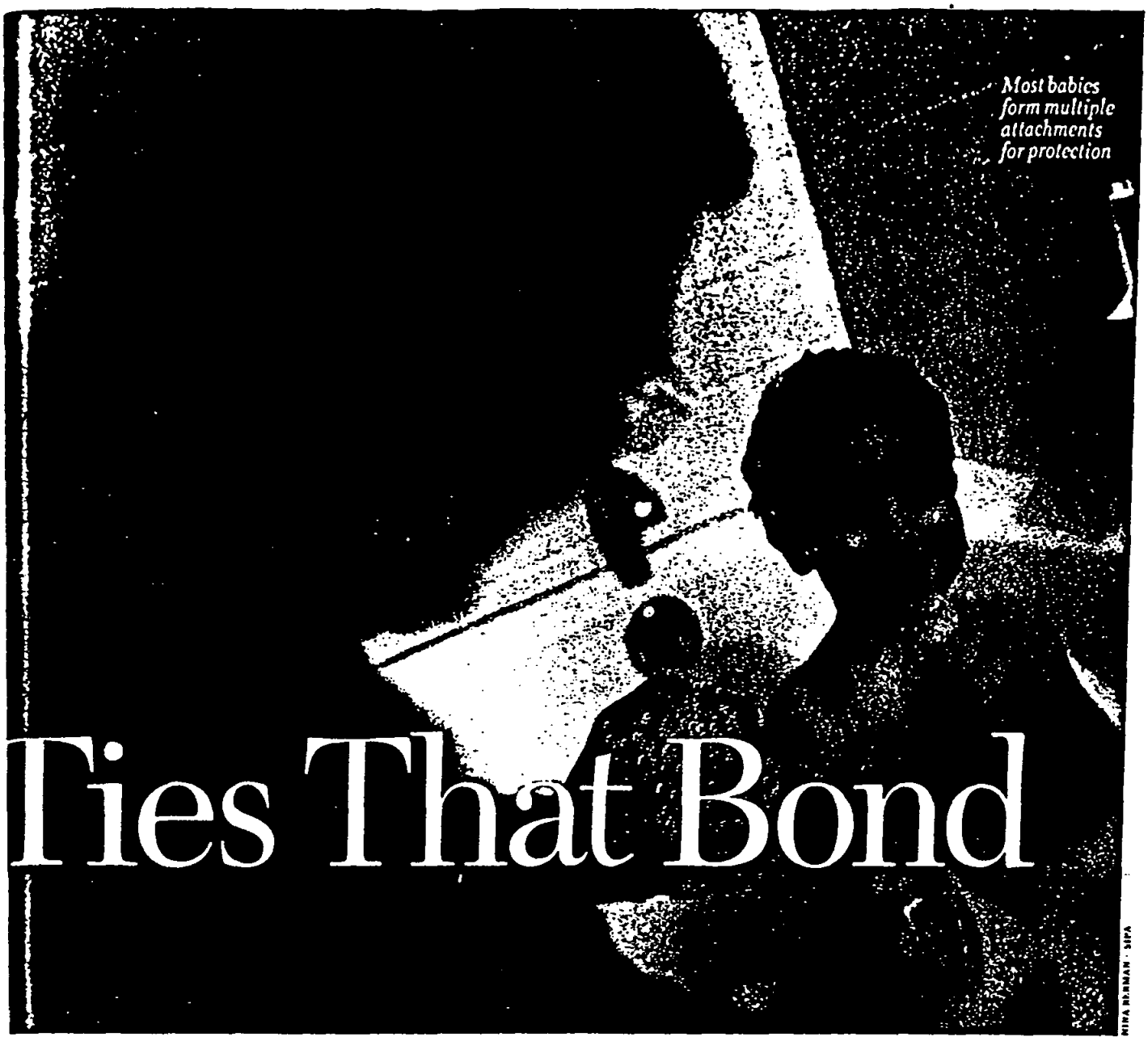
When goslings hatch, they will immediately become attached to the first moving object they see, whether it's their mother or the Energizer bunny. Human babies are smarter. Even in utero, they begin to recognize the muffled voices of those who will care for them. By 10 days of age, they can distinguish the smell of their mother's breast milk from that of another woman. Around 5 weeks, babies demonstrate a preference for their primary caretakers by smiling or vocalizing. They follow them intently, first with their eyes, then later on hands and knees. By 9 months, many infants scream when their parents try to leave, as if to say, "I can't bear being without you!"

And so it is that babies fall in love with their parents. Psychologists, of course, have a less romantic name for it: attachment. First postulated by British psychiatrist John Bowlby in the 1950s, attachment remains one of this century's more enduring theories of human development. It has far outlived the particular—and unfounded—notion of bonding popularized in the 1970s that mothers and babies need prolonged skin-to-skin contact immediately after delivery to form a proper love connection. Attachment holds that infants and their parents are biologically wired to forge a close emotional tie, which develops slowly over the baby's first year of life through an ongoing dialogue of coos, gazes and smiles. How it unfolds may influence everything from how we perform in school to what kind of partners and parents we become. Says Alicia Lieberman, a psychology professor at the University of California, San Francisco: "The foundation for how a child feels about himself and the



NINA BERMAN—SIPA

Parents who meet their child's needs—to eat, to play, to feel safe—foster security



Most babies form multiple attachments for protection

Ties That Bond

MIRA BERMAN · SIPA

world is how he feels in his relationship with the primary caregiver."

For most infants that is their mother, simply because she's usually around them the most. But young babies will become attached to anyone who is consistently available and responsive to them. "If you handed a newborn to a male cousin and he acted like the typical mother, it wouldn't matter to the baby," says Jay Belsky, professor of human development at Penn State. In fact, most babies form multiple attachments. It's nature's way of protecting them against the loss of their primary caretaker.

Yet not all attachments are good attachments. Parents who respond sensitively to their child's needs—to eat, to play, to feel safe, to be left alone—will likely build strong, nurturing relationships, which some psychologists call "secure." Parents who don't are more likely to establish "insecure" or "anxious" attachments. "Children are prewired to fall madly in love with their caregivers," says clinical psychologist Robert Karen, author of "Becoming Attached." "The sense that that love is returned, that they're valued and that they can count on their mother and father, is secure attachment." Karen estimates that two thirds of 1-year-olds in middle-class American homes are securely attached; the percentage is lower in households that face hardships such as poverty.

This notion of secure versus insecure attachment is probably the most controversial aspect of attachment theory. Bowlby's colleague Mary Ainsworth first made the distinction in the 1960s, when she devised an experiment called the "strange situation." Over several months she studied mothers and infants in their homes. When the babies turned 1, she invited each pair into the lab and placed them with a stranger in a toy-filled room. Then she observed how the baby responded when his mother left the room and when she returned. As Ainsworth expected, the mother's departure distressed some babies and not others. But what defined their quality of attachment was how they greeted her return. The babies whose mothers were considered responsive all rushed to them—whether for comfort or to play—as if to say, "I know you're there for me!" Ainsworth labeled those children "securely attached." The infants of those deemed less responsive in the home study either ignored or rebuffed their mothers when they returned. Ainsworth concluded that these "anxiously attached" babies had no confidence that their mothers would give them what they wanted.

Such labels make many people uncomfortable. "The 'attachment people' decided incorrectly that the most important aspect of that relationship is security/insecurity," says Harvard psychologist Jerome Kagan.

"The 'strange situation' is not an accurate measure, because the child's behavior in that situation is a function of its temperament and how it's been treated." Even proponents of attachment theory acknowledge its limitations. "Attachment hasn't left enough room for what any mother of two has noticed: that children are different," says psychologist Arietta Slade of the City University of New York.

To be sure, some children find it harder to form attachments than others. Children who suffer from autism and other developmental disorders, abused children, even colicky babies, all present special challenges. But most psychologists believe that with enough sensitivity and perseverance, every caretaker can form a secure attachment with almost any child. "There is such a thing as a poor fit," says Robert Karen. "But you hope parents will find a way to connect."

They needn't do it alone. Counselors can help parents overcome their own obstacles to bonding, such as depression or substance abuse. One of the most common sources of insecure attachment is what child psychiatrist Selma Fraiberg called "the ghost in the nursery," a parent's unresolved mourning for a loved one. Psychotherapy can be extremely effective in helping mothers learn how to be more sensitive to their babies. In 1985 Alicia Lieberman proved that with a group of mothers from Latin America, many of whom had recently immigrated to the United States. She performed "strange situation" assessments on their children. Of those deemed anxiously attached—about 65 percent—she offered psychotherapy to half. "After a year, these mothers were significantly more empathic, responsive and interactive" than the control group, Lieberman says.

And what if, despite everyone's best efforts, an infant fails to form a close bond with a caring adult? "Kids who were secure as infants or toddlers in general function better in ways we value in this culture," says Belsky. "But it would be a mistake to draw the conclusion that how you end up after the first year of life determines how you'll be in later life." Indeed, few people could look at a room full of teenagers and guess accurately who was securely attached at age 1. And adults who failed to bond with their own parents are not destined to revisit that fate upon their children; plenty of them transcend their early experience—whether through attachment to another caring adult, a fulfilling marriage or psychotherapy—and raise perfectly secure kids. By the same token, a secure attachment is only a beginning. "Being secure is an asset, not a guarantee," says Belsky. In this life, that's about as good as it gets. ■

Will It Be on the Test?

It's not always enough just to rely on what comes naturally. Parents can take classes that will teach them what to do.

BY PAUL O'DONNELL

CONTRARY TO THE adage, babies do come with instruction manuals. They are called families. Traditionally, experienced relatives have interpreted for new parents the coos, wiggles and arcane eating habits of children. But in today's society, according to Minalee Saks, a founder of Birth to Three, a parent-education program in Eugene, Ore., "there is so much mobility. People don't have their families around. They leave the hospital, and suddenly there is a void."

Now parent educators like Saks are trying to fill the extended family's shoes. When she started Birth to Three's first instructional groups in 1979, Saks was a pioneer; now hers is one of many local and national programs like HIPPY, MELD and Healthy Families America. Dwarfing all others is Parents as Teachers, begun as a project of the Missouri Department of Education in 1981. "We were working with 3- to 4-year-olds, but we were playing catch-up," says Mildred Winter, executive director of PAT. "We realized we could reduce the number of children who needed help later by teaching parents how to teach their babies." Educating parents about emotional, physical and intellectual development has also proved to reduce child abuse. PAT has exported its curriculum to all but three states and has trained an infantry of 8,000 professional parent educators, who spend an hour a month in parents' homes.

Grandma would approve of PAT's lessons. Parents are told to give infants plenty of "tummy time" on a blanket on the floor, to let 9-month-olds crawl in and out of a cardboard box, or to play make-believe with toddlers. "Most people know to be nurturing, to dress the baby and not let it cry," says Jean Tucker at PAT in Newark, Dela. "But they don't know it's important to be talking to the baby." Often, according to Fort Worth, Texas, administrator Julie Miers, "it's enough that we reassure them that what their child is doing is normal."

GREG BANNELLE—FERGUSON & KATZMAN

A PAT educator (right) makes a home visit in St. Louis

Stressing the normal, in fact, has been one key to success. PAT, like Birth to Three, is not perceived as remedial because it is open to parents of all economic backgrounds. "Parents bring the best part of themselves if they're not identified as problem families," says Saks.

Nonetheless, some PAT leaders estimate that nearly half of their families are "environmentally distressed." Tucker, who grew up poor herself, says hers was a happy, busy home that provided plenty of stimulation. "Some low-income mothers didn't experience much joy, and their grandmothers didn't either," she says. Now, thanks to programs such as hers, the failings of the past don't have to be visited upon children.

It's a Wise Father Who Knows...

...his child. If Dad helps with the rearing, the baby is likely to grow up stronger, smarter and more in control.

BY JERRY ADLER

HIS IS OFTEN the first face the newborn sees, looming out of the dimness of the delivery room, open-mouthed with wonder at the creature springing into being from his wife's very body. Men who witness the birth of their child almost invariably react the same way, says Dr. Kyle Pruett, a professor of psychiatry at the Yale University Child Study Center; they are "taken over" by the experience, electrified to realize that they have brought a human being into the world, a new life whose fate is inextricably and eternally bound up with theirs. Women, he adds, "describe the experience quite differently. Long before the baby's born, they've already been taken over."

LARA JO REGAN—SABA

Daddy and me, learning to be brave in the world

As for the newborn, no one knows just what he makes of that first encounter with his father; almost certainly, not much. But before his first year is out, the urgency of his needs—for nourishment, for stimulation, for comfort in a crazy world where a snug, warm diaper can inexplicably transform into a cold and sodden clump—will lead him into a relationship with his father that psychologists call "attachment" but that parents are pleased to think of as "love." Sometime around the sixth to eighth month, the human infant, among the most defenseless creatures on God's earth, will become attached to the adults who take care of him—to prefer them to strangers, to notice their absence, to seek comfort from them. This usually happens earlier or more strongly with the mother but mostly just because she's more likely to be around in those early months. Anyone who provides regular care for the baby will become the object of his or her attachment—even if the care isn't especially good or loving—including fathers and babysitters.

Which is not to say that babies don't distinguish among adults; on the contrary, they can tell mother from father as early as six weeks, or (depending on which studies you accept) even three. Almost invariably, they make the same distinction, becoming calm in the presence of the mother, aroused and stimulated by the approach of the father. The interactions between infant and father, as between infant and mother, follow a pattern that transcends social class and cultural expectations. Each mother has a distinctive way of cradling her baby, and will hold him that way nine times out of 10, Pruett says; a given father, by contrast, in 10 tries will pick up his baby nine different ways, including upside down. That is so, he adds, even for fathers who stay at home with their infants while the mothers work. Mothers make more use of toys in playing with their children; fathers are more likely to employ their own bodies as portable, interactive monkey bars and rocking horses. "Even when they are the primary caregivers," Pruett says, "fathers do not mother."

And that difference is apparent all through the years of early childhood. Dr. Robert Moradi, a psychiatrist at UCLA School of Medicine, has been studying young children and their parents, in separate "Mommy and Me" and "Daddy and Me" groups, for several years. Fathers, he says, help the child "individuate"; they are more willing than mothers to let a child out of their sight, and on average will let a baby crawl as much as twice as far before retrieving her. When a child confronts a novel situation—a dog, a stranger, a new toy—mothers instinctively move closer, offering the reassurance of their familiar presence; fathers tend to stay back and let the child explore it for herself. Both modes of parenting—the reassuring and the challenging—contribute to a child's emotional growth. Research shows that infants whose fathers took an active role in their care were less likely to cry when separating from a parent or in the presence of a stranger.

And that's only the beginning of a lifetime of good things that flow from having a father actively involved in child care. "Children whose fathers help care for them are less likely to become violent; they have higher IQs, better impulse control, better social adaptations—all of the elements of mental health are better," says Moradi. And if that isn't persuasive, consider Pruett's finding that "men who have been involved in the physical care of children under the age of 3 are significantly less likely to become involved in the sexual abuse of children." The very intimacy of feeding, of changing diapers and bathing, seems to inoculate men against subsequent sexual arousal, not just in relation to their own children but to others as well. Moreover, Moradi asserts, controlled studies with inner-city men show that those who take care of their children are less likely to join gangs and commit violent crimes. Few forces are as powerful, and as underused in our culture, as this sacred bond between father and child, the magnetic attraction of strength for weakness, the "attachment" that begins with dependence and grows into love. ■

DR. T. BERRY BRAZELTON

BUILDING A BETTER SELF-IMAGE

The renowned pediatrician explains why early interactions are so vital in teaching children about themselves, their world and success

WE ARE PAYING A TERRIBLE PRICE for our nation's inattention to the increasing stresses on children and families. Violence among teenagers, suicide and teen pregnancy are the obvious signals that our children are growing up with hidden anger and self-destructive impulses. Less obvious is the cost in lost motivation for learning when we fail to inculcate decent self-images in our children. My own work has shown me the vital importance of enhancing the child's development in the first few years. I feel that the developmental crises in these years offer parents a chance to build qualities in the child that will be useful for a productive future. The opportunities for establishing a positive self-image, a sense of being important, of trust and motivation, are all available to babies in these early years.

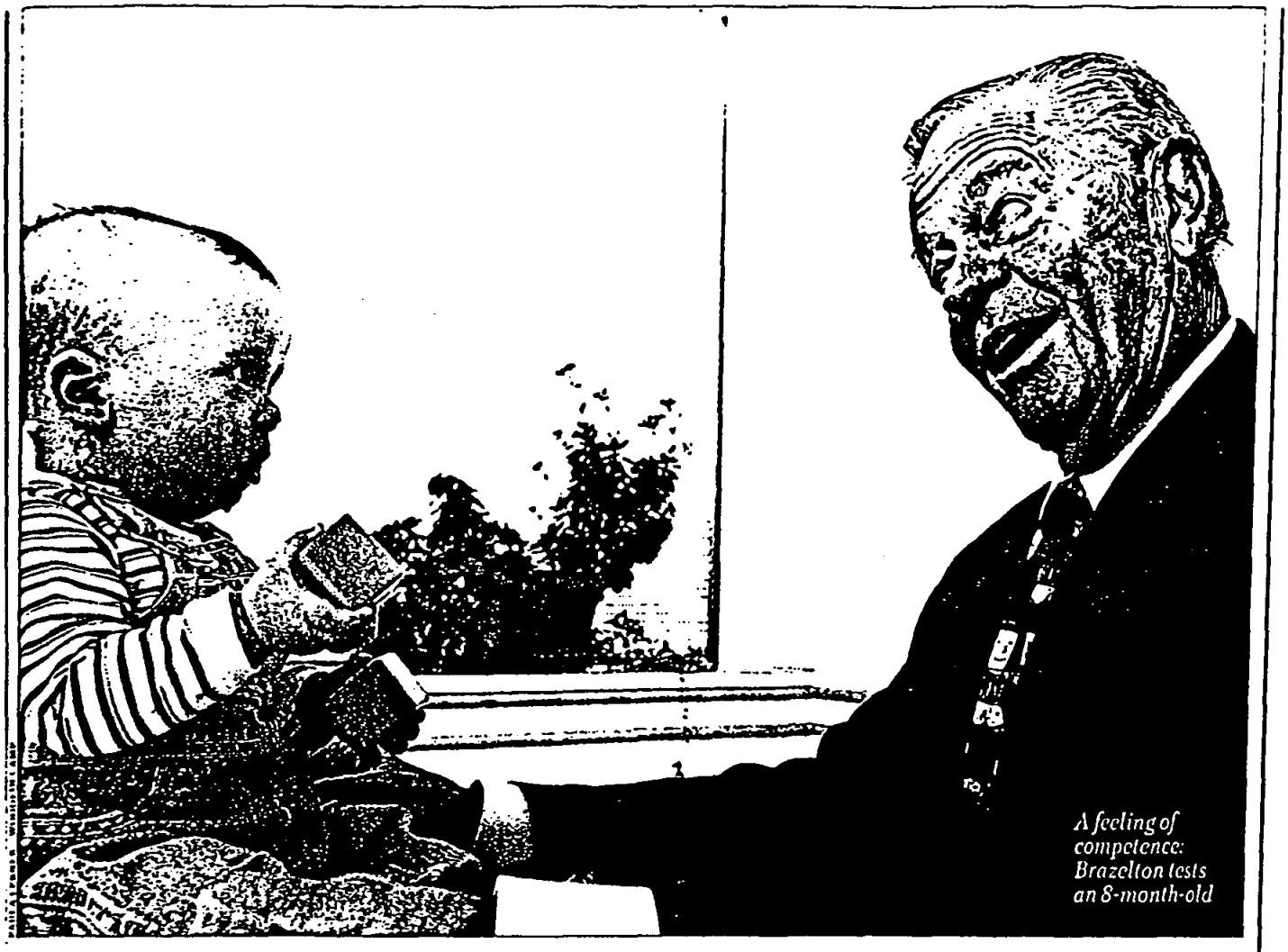
We have learned so much from working with fragile, even impaired, infants about their potential for recovery from injuries sustained in the uterus or at birth. We can now apply that thinking to normal development. In a stressed infant, there are extra pathways still intact in the immature nervous system that can take over and help the child recover. A threatened nervous system is likely to be hypersensitive and easily disorganized by incoming stimuli and by the baby's own efforts to respond. Even in infants who are highly stressed (by maternal undernutrition, drugs or heavy smoking), caretakers who are sensitive to them can give them the fuel they need to begin to make progress. This flexibility and power of recovery is less reachable in older children. But it's available in infancy and early childhood even in damaged or delicate infants—so imagine how powerful an opportunity it offers to strengthen the development of normal children.

The maturation of the nervous system pushes a child from one stage to another, relentlessly. One important source of fuel comes from the *internal* feedback system—the baby's own recognition of having completed a developmental task such as walking, crawling or reaching. When he achieves it, his face lights up as if to say, "I just did it! Aren't I great?" The *external* feedback from parents becomes another vital source of fueling. But if parents hover—if they never allow the child to struggle, to feel frustrated, to finally achieve for himself the developmental step and to experience his own joy at the achievement—they devalue the force of the internal system. Each completed cycle gives the child a secure sense of himself: "I did it! I can do it!" This leads to a sense of autonomy and a confidence in his capacity to master his world. And this in turn motivates the baby to take the next developmental step.

The external feedback cycle is important in other ways. With a newborn, the mother's quiet voice helps the baby soothe herself, enabling her to stay calm enough to look around at her world. Every time in the early weeks a small baby smiles, someone smiles back. Every time she vocalizes, someone vocalizes back. At 8 to 10 weeks, these smiling, vocalizing responses get set into a rhythmic game—one that will later be reflected in speech rhythms. As she gets a few months older, she plays with this response. She plays peekaboo. "If I cover my eyes, you will cover yours. If I uncover mine, so will you. Now we can make predictable games out of it." Each of these episodes is fueling her brain's development. Her entire system—motor, cognitive and emotional—is intensely involved in each task. A sense of her own importance, of trust in her world and in the future, begins around each of these seemingly unimportant interactions between parent and child. An expectation quickly develops that she can control her own world. Teasing for a cookie or driving a parent to a disciplinary response becomes a toddler's way of proving that "it's my world and I can master it!"

Each stage offers the developing child a chance to renew her motivation and self-confidence. And the child's passion as she tries to walk, to master her own toileting, to read, to put together and express her own ideas, is matched by the parent's fierce desire to help. These early opportunities are laying the groundwork for more independence, more inner security, more hunger for conquering this world. We need to help parents recognize these stages, and let parents know how valuable their own role is in reinforcing the child's sense of self.

How does a child's self-image begin to develop? Certainly, parents who are able to mobilize an eagerness for the baby in utero are already preparing that baby for a successful future. Then the newborn is equipped with a marvelous series of behaviors to capture a parent for him. We have developed a newborn assessment (Neonatal Behavioral Assessment Scale, or NBAS), which



A feeling of competence: Brazelton tests an 8-month-old

One source of self-esteem is internal—the young child's own pleasure at having accomplished a task. Another is external, feedback from parents who recognize the child's achievement.

identifies 28 observable behaviors that can help parents understand and relate to their newborn. As she suppresses interfering motor behavior, controls her breathing and accelerates her heart rate in order to follow her mother's face and voice, as she turns to her mother's (or father's) voice in preference to mine, I have never seen a parent who didn't automatically reach out for her newborn to say, "You know me!" When the parent's and the newborn's temperament fit, they are off to a winning start. When they don't, we can find ways of helping them come to understand each other.

A child's sense of competence, his expectation of success and his motivation to work toward it are laid down in the first years. I can tell by a child's behavior as I test him at 8 months of age whether he expects to succeed or fail in the future.

As I offer an 8-month-old two blocks and show him how to match them and bang them together, I watch for this expectation. I am testing him for imitation, for cognitive recognition that the two blocks match and for his motor capacity to perform for me. All of these are within an 8-month-old's capacities. He is likely to be proud to show them to me at this age. A child who expects to succeed will drop one cube to see whether I'll retrieve it. After I do, he tries it again. I say, "Bang them together like I showed you!" He brings them to bang them together, and then he looks up at me, as if to say, "See how great I am?" He expects to succeed. He has had an environment that approves of him, and he knows it.

When I test a child who comes from a non-nurturing environment or who realizes he is not able to process information as he should (he may be learning disabled or attentionally disordered), he will bring the cubes close enough to show that he knows what I'm asking. But he'll slide them by each other, then look up at me cringingly, as if to say, "See, I'm no good. Reject me again!"

We have become aware of how vital a responsive environment can be. On the other hand, we have learned all too well that a non-responsive, neglectful, abusive or depressed environment produces angry, depressed, hopeless children by the ages of 2 and 3 years. The opportunity for recovery and reorganization is not lost, but it becomes more and more endangered and expensive. Our children can't wait. We can't afford to ride insensitively over these vital early years any longer. Helping parents to help their children may cost businesses or the government some money. But if we fail, the cost to our nation will be far higher. And our own children and grandchildren will pay too high a price.

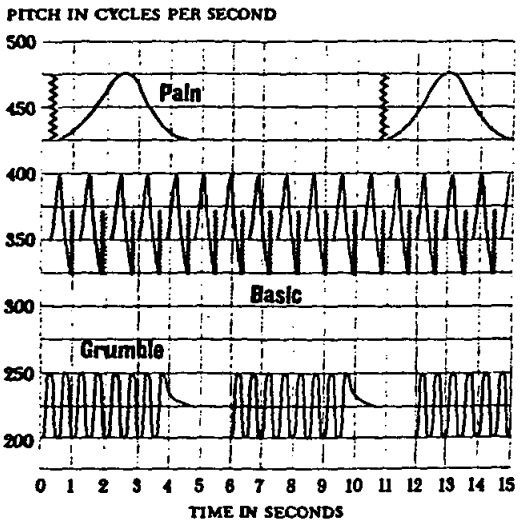
BRAZELTON, *professor emeritus of pediatrics at Harvard Medical School, is the author of many books, including "Infants and Mothers," and appears on "What Every Baby Knows" on Lifetime cable.*

A Bundle of Emotions

Whether by smiling or screaming, crying or cuddling, babies find ways early on to tell us how they feel. Good behavior comes along later. What to watch and listen for:

A Repertoire of Cries

All babies cry, and usually for good reason. Before they learn to talk, crying is one way to express their needs and send out signals of distress. Examples of three typical cries, and their differences in volume, pitch and rhythm:



Pain A cry of pain or distress usually begins with an inward gasp followed by a long, rising shriek. There is a long pause until the next painful scream. Soothe the baby by rocking or with music.

Basic A basic cry rises and falls rhythmically, broken up with a breath and a pause. The child may cry this way when demanding food or attention.

Grumble A grumble cry is the first attempt at communication. It has a lower pitch and volume, often sounding whimpery and whiny. It is a signal that the child may be getting restless. Move the child to a different environment and provide new stimulation.

0–2 months old

1 month old
Behavior Alert to stimuli like loud sounds and bright patterns. Quiets to holding or cuddling.
Interaction Child may recognize parent's voice or make eye-to-eye contact.
Tips Spend special time with siblings who may feel abandoned or jealous.

2 months old
Emotions Cries to show distress or pain, coos when happy or excited.
Tips If leaving child with a sitter, choose someone both you and the baby know, like a grandparent or close friend. Keep a list of emergency numbers handy.

Toys and Games for Curious Tots

Children love playtime, especially when parents or siblings join in the fun. Look for educational toys and games that encourage development:

1–3 months old Mobiles, unbreakable mirrors and activity centers attached to crib, rattles, stuffed toys with black and white patterns, music boxes, large colorful rings.

4–6 months old Beach balls, chunky bracelets, building blocks, squeaky toys, paper streamers, books made of cloth or vinyl, playing peekaboo or come-and-get-me with others.

7–9 months old Stuffed animals, balls, nesting cylinders, pop-up toys, large dolls and puppets, bath toys, performing "so big" or pat-a-cake.

10–12 months old Push-and-pull toys like miniature cars, ordinary household objects like empty egg cartons and large spoons, stacked rings on a spindle, playing simple ball games.

13–15 months old Toy telephones, acrobatics, pushing a carriage or toy horse, playing with cups and clothespins.

16–18 months old Sandbox, simple musical instruments like a drum or tambourine, large colored beads, jack-in-the-boxes, blowing bubbles.

19–21 months old Rocking horse, toys to take apart and fit back together, small rubber balls, digging toys, large crayons, kiddie cars, water games, easy jigsaw puzzles, making mud pies, playing tag or hide-and-seek.

22–24 months old Kiddie lawn mowers and kitchen sets for make-believe play, modeling clay, construction sets, action toys like trains, telephones, dump trucks and fire engines, old magazines, baskets, tubes and containers with lids.

2–3 years Beginner tricycle, mini-trampoline, roller skates or Rollerblades, dolls and accessories like strollers and baby bottles, dress-up clothes, coloring books, easel, crayons and markers, music, kiddie cassette player, swing sets, books, finger paint, mini basketball hoop, woodworking bench, kiddie swimming pool.

3–8 months old

3 months old
Behavior Smiles often to others or while sleeping.
Interaction May cry differently when mother leaves the room than with other people. Begins to sort out who's who in his life. May prefer certain people.

4 months old
Behavior Laughs while playing and may cry if playtime is interrupted. May still act passively, taking in whatever toy or face comes near.
Emotions Shows curiosity when inspecting rattle and dependency when wanting to be held. Moods may change rapidly.
Interaction Tries to get parent's attention by banging rattle or crying.

5 months old
Behavior Child may become more assertive as he learns to reach for objects.
Emotions Shows anger when someone tries to take away his toy. May begin to handle stresses better because of maturing nervous system.
Tips Set clear rules if sibling tries to hurt baby. Give child responsibilities as big brother or sister.

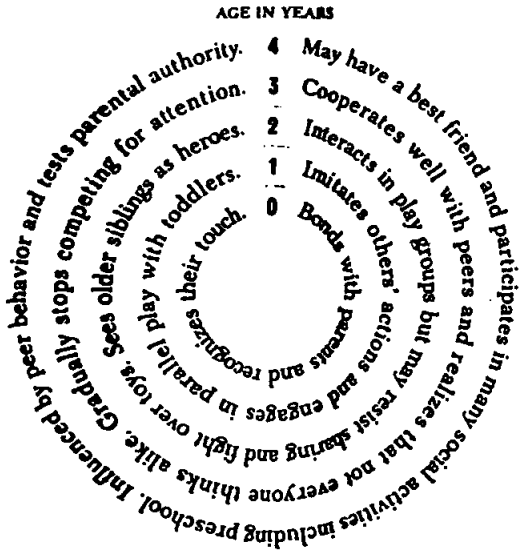
6 months old
Interaction May fear strangers. Responds positively to other children.
Tips When baby repeatedly puts an object in his mouth that he should not, gently pull his arm away, say no and distract with another activity.

7 months old
Behavior May test parents' authority by refusing to follow their directions.
Emotions Shows humor and laughs at funny expressions or positions.
Interaction May give familiar people hugs and kisses. May raise his arms to be picked up.

8 months old
Behavior Smiles at, pats or even kisses his mirror image. May distinguish between baby and image.
Interaction May reject being alone or confined in a crib or playpen. May fear being separated from parents as he learns to crawl. Buries head in parent's shoulder when meeting new people.

Circles of Friends

A baby's first friends are his parents, and interaction with them prepares the child for future relationships in larger social circles:



9-16 months old

9 months old
Interaction May perform tricks like "so big" and peekaboo for familiar people. May repeat act if applauded. Near the end of the first year, child may learn to assess moods and imitate them. If baby sees someone crying, he may cry too.

10 months old
Emotions Shows twinges of jealousy. May cry or whimper when sibling is at center of attention.
Interaction Starts to become aware of social approval and disapproval.

11 months old
Behavior May use a security blanket for comfort in strange places.
Interaction May assert himself among siblings. Likes to imitate gestures and sounds.

12 months old
Tips Try not to fuss when leaving child at home. Allow time for him to adjust to sitter. Distract baby with another activity and give a quick good-night kiss. Crying will pro-bably stop after parents depart.

13 months old
Behavior Laughs when chased. May become more demanding and seek constant attention.
Emotions After the first year, personality begins to emerge. May be an explorer, a tease, a showoff.

14 months old
Behavior Child may turn more aggressive as she learns to walk. May throw objects in anger.
Interaction May enjoy playing alone, but still likes to act for an audience (toy chart, above left).
Tips Time to baby-proof your house.

15 months old
Emotions May communicate feelings with a clear intent or purpose.
Interaction By midyear, some babies may recognize when familiar people are missing. May offer toys to others but will quickly want them back.

16 months old
Behavior Instead of using words, child flings arms or moves away to say no.
Interaction May hit parents in anger.

For More Information

Many organizations offer advice on parenting and child development. Check with your public school for local groups. A few notable programs:

Home Instruction Program for Preschool Youngsters (HIPPY USA): 212-678-3500

MELD (Minnesota Early Learning Design): 612-332-7563

Parents as Teachers National Center: 314-432-4330

Birth To Three: 800-680-7888

Family Resources: 800-641-4546

17-24 months old

17 months old
Interaction May respond correctly to what parents say. If scolded, child cries; if praised, she smiles.
Tips Some toddlers shy away from others. Give child time to adapt to new situations and hold her hand.

18 months old
Behavior Frustration may trigger tantrums. At this age, child acts on impulse due to limited understanding of good and bad, rules and warnings.
Interaction Communicates desire for closeness by plopping on parent's lap. Still has no sense of sharing with others.

19 months old
Behavior Enjoys getting out of the house and exploring new environments.
Interaction Some children will play among others in a group. May engage in parallel play.
Tips Praise will motivate child to obey the simple rules set. Give precedence to rules that keep her safe, as well as ones that prohibit hitting and kicking.

20 months old
Behavior During pretend play, child acts out what happens around her.
Emotions May fear thunder, lightning, big animals and the dark. Install night light if sleep is consistently disrupted.
Interaction Slowly warms to a new babysitter, but may still cling to mother around people she was comfortable with earlier.

21 months old
Emotions May sympathize with other people or recognize their feelings. Expresses love for parents by hugging and smiling.
Interaction Still possessive of toys but may give up objects that belong to someone else.

22 months old
Interaction Cooperates with others. Language development facilitates communication. Engages in parallel play with toddlers, often back to back.
Tips To build self-reliance, encourage child to separate from parents for short periods of time.

23 months old
Emotions May fear rejection and become frustrated with new activities.
Interaction May be willing to play alone. Likes to follow siblings and imitate their actions.
Tips Try to give siblings some privacy and designate a special time to spend with them.

24 months old
Behavior May become manipulative and bossy. Learns rules through trial and error.
Emotions Able to explain feelings and desires using gestures and simple phrases. Trusts adults.
Interaction Plays well with older children. May hand toy to another child. Imitates others through pretend play. May show signs of jealousy or revert to babyish actions when a new sibling arrives.

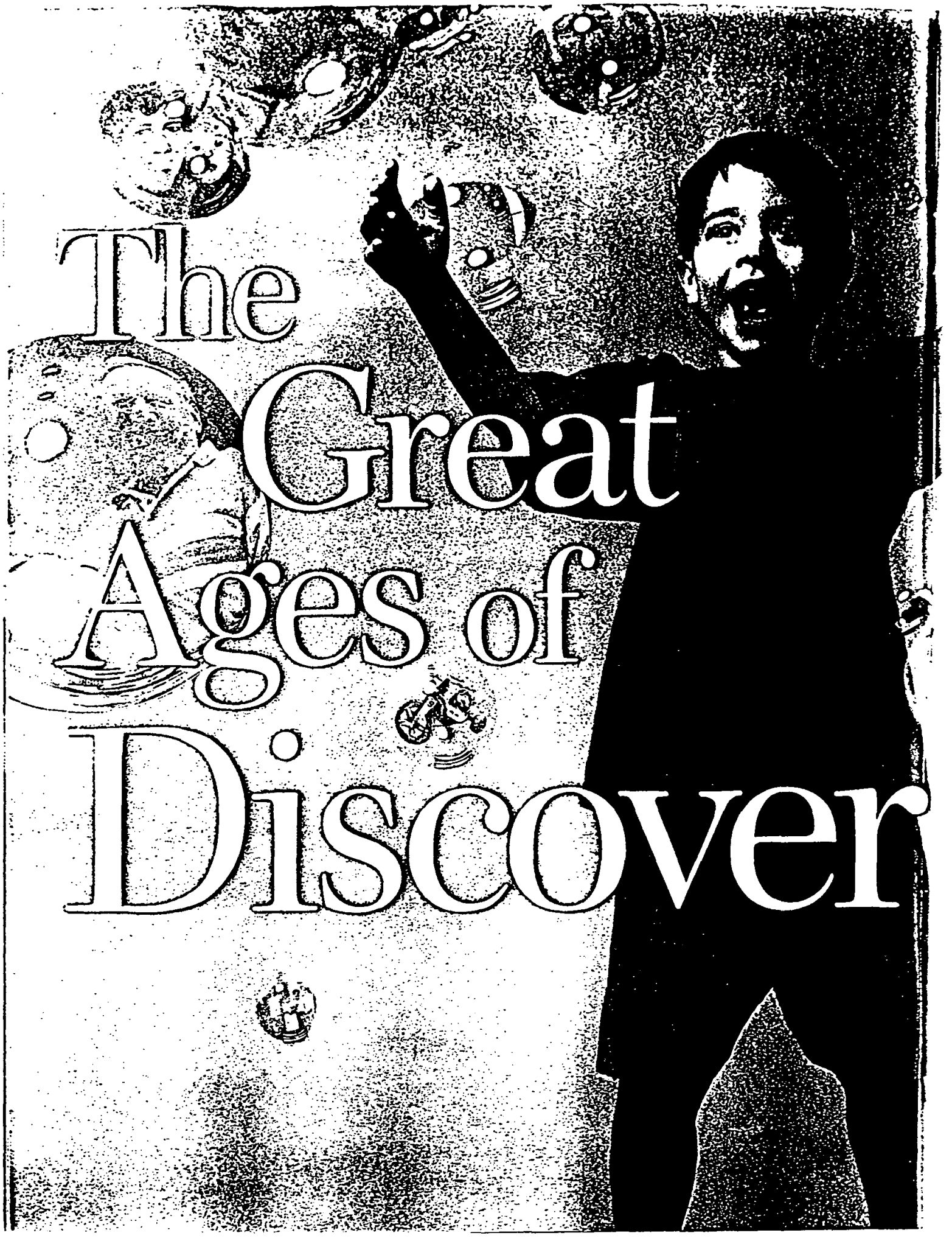
2-3 years old

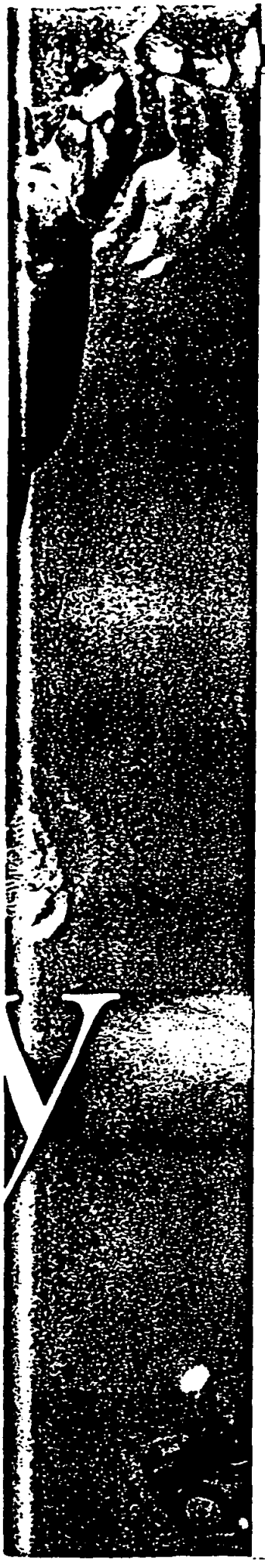
25-29 months old
Behavior Sees the world almost exclusively through his needs. Assumes everyone thinks and acts like him. May throw tantrum when angry or frustrated.
Emotions May have frequent mood swings. May pout or feel guilty when scolded. Learns how to express sadness or stress.
Interaction May pull away from familiar children or adults. Siblings take on a greater role in daily life. May enjoy play groups; the concept of "friend" evolves.
Tips Do not give child an audience during a tirade. Try not to scream back or dwell on the tantrum after it's finished.

30-36 months old
Behavior Toddler slowly begins to realize what's acceptable and what's not. May find it difficult to concentrate on new tasks.
Interaction Child may be conscious of being a member of a family. May show pity or sympathy to familiar people. Sharing parent's attention with siblings can be difficult. Insists on being at the center of play and may dislike sharing limelight with peers. May be ready for nursery school, which can create separation anxiety. In nursery school, child learns to follow rules, to cooperate with others and to spend a few hours away from home.
Tips Encourage child to act responsibly by setting limits on dangerous or antisocial behavior. Time-outs may help defuse anger. Be consistent with rules. Praise child when he plays well with others.

By Jennifer Lach

SOURCES: "THE EARLY CHILDHOOD YEARS: THE 2 TO 6 YEAR OLD," "THE SECOND TWELVE MONTHS OF LIFE," "THE FIRST TWELVE MONTHS OF LIFE" BY THERESIA AND FRANK CAPLAN; "CARING FOR YOUR BABY AND YOUNG CHILD" BY STEVEN P. SHELOV, M.D.; "FIRST FEELINGS" BY STANLEY GREENSPAN; "YOUR BABY & CHILD" BY PENELOPE LEACH.


The Great Ages of Discover



THE WORLD

They start swaddled and protected; Mom is just an appendage. Then everybody else starts showing up: grandparents, siblings, babysitters, friends and eventually salesmen. They're a little taste of the world to come. Children can learn lessons from them that, for better or worse, will stay with them for the rest of their lives.

AS SOON AS THEY START MOVING, they start moving away. Surely it's hard to imagine while you're beaming down at your fuzzy little newborn, but you've already launched him on a life that will inevitably take him out of your arms, if never out of your heart.

You're not in this alone, and therein lies both the opportunity and the challenge. You will be the child's first guardian, teacher and moral compass. But you can't shield your baby from the world. Nor would you want to. Grandma wants to hold her; Sister wants to see if she'll bounce; babysitters are ready to rock the cradle. With any luck, you'll be able to look to your parents—whom, in a blizzard of energy and rebellion, you may have left behind years ago—for help and guidance, and love for their newest family member. (Amazing, isn't it, how the same people who were so seemingly flawed as parents can turn out to be such insightful grandparents?) It does take a family to raise a family.

It's all perfectly natural, the slow but steady transition of a little baby into the big, wider world. It starts with other family members, then moves outward as day care, then friends, then television and marketers begin to exercise their influence. This is a journey babies are built for. They're born scientists, eager to test and taste and learn. You're there to be dazzled at their discoveries. Ride with them as long as you can.

A Grandparent's Role

BY KENNETH L. WOODWARD

AT BIRTH, A CHILD ENTERS THE mysterious world of its parents. At the same time, the child also enters the wider, even more mysterious world of its grandparents. Grandparents can, if they choose, remain aloof, becoming merely titular family figures in a grandchild's life, like the wooden image on the top of a totem. Or they can enrich that child's life—and their own—as a powerful and irreplaceable presence.

Unfortunately, some experts on the family dismiss the role of grandparents as old-fashioned, inadequate and even unnecessary in an age of new family patterns and government programs. In her best-selling book, for example, Hillary Rodham Clinton misconstrues the old African proverb "It take a village"—her title—"to raise a single child." Those African villages were not at all like small-town America in the 1950s. They were tribal clans, extended-family networks of grandparents and aunts and uncles with strong spiritual, emotional and biological ties. A more apt proverb for today's truncated nuclear family would be "It takes a whole village to replace a single grandparent." Indeed, in terms of nurture and emotional commitment, grandparents are infinitely more precious to grandchildren than a whole villageful of babysitters, child-development specialists, day-care centers and after-school programs. And when it comes to support for working

JAMES PORTO

single mothers, close grandparents can be indispensable.

Research by Arthur Kornhaber, a child psychiatrist with whom I wrote a book, "Grandparents/Grandchildren: The Vital Connection" *(280 pages. Transaction Press. $24.95)*, shows that "the attachment between grandparent and grandchild is second in emotional power and influence only to the relationship between parents and children." But there is an important psychological difference between the two. The normal tensions between parent and child simply do not exist between grandparent and grandchild.

Bonding between grandparents and grandchildren begins with the first viewing of the baby. For grandparents, the experience is usually love at first sight. (Some women have even been known to lactate when a daughter delivers her first child.) Infants need a few years before they can reciprocate that love. But gradually, children come to realize that, like themselves, their parents have parents—"great parents" who seem to have existed since the creation of the world. In the same way, they eventually learn to recognize close aunts and uncles as "elders" of the family "tribe."

Attentive grandparents play a number of vital roles in the life of a developing child. One is oral historian. Grandparents are inherently interesting for having lived in "olden" days. Children are especially intrigued by stories about what their parents did when they were children themselves. To know that their parents were mischievous and made mistakes reassures children that they are just like Mom and Dad. In matters of family history, grandparents—not parents—are the ultimate authorities. A kindred role is family archivist. Children love exploring the grandparental attic, discovering old pictures, clothing, knickknacks and, in the process, their own roots. In these and other ways, grandparents supply grandchildren with a "we" as well as an "I."

59% of all those polled say grandparents are very involved in their child's life; 37% say other relatives are very involved

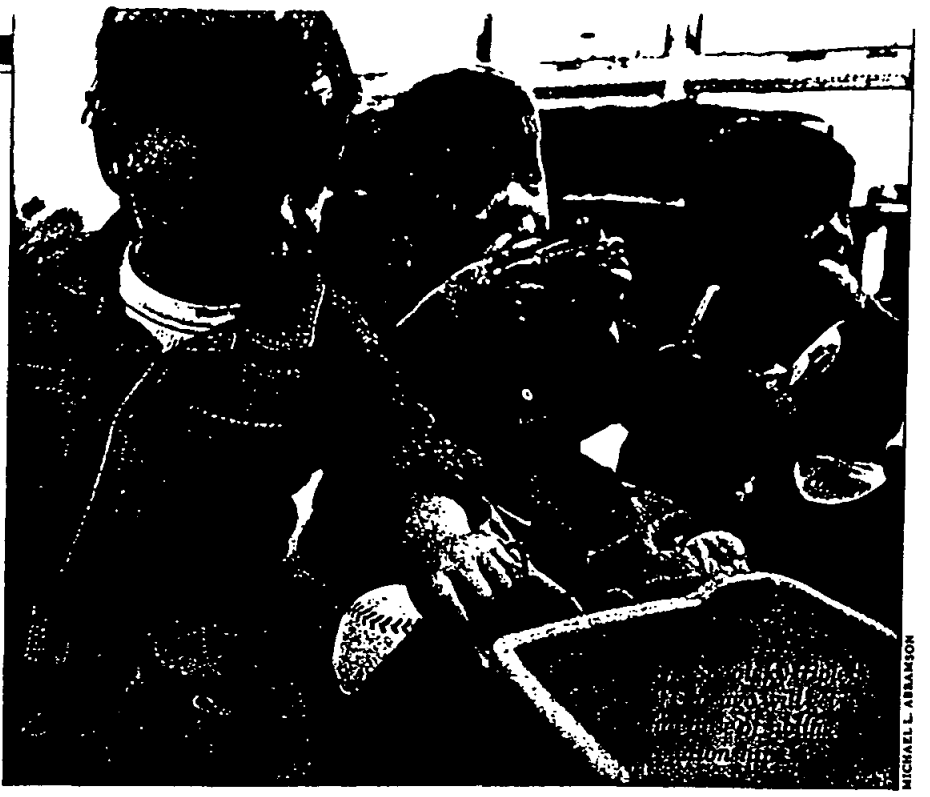
Regardless of their education or experience, grandparents are natural-born mentors if they take the time and trouble. When the emotional attachment is strong, learning is playing in the presence of a grandparent. Whatever the "curriculum," young children readily absorb what a loving grandparent has to teach. Many years later, grown children often cannot remember when or how they learned to build or bake, fix or make, the way a grandparent taught them. It has long since become instinct.

In religious matters, it is often a grandparent who provides spiritual sustenance to children of indifferent parents. Children always ask the big questions, like "Where does God live?" and "What does he look like?" Regardless of their grandparents' ac-

MICHAEL JOHNSON

tual age, grandchildren always see them as old and "closer to God"—and therefore in a position to know. As history has shown, Christianity survived in Russia largely because the grandmothers—the *babushkas*—kept the flame of faith alive during more than seven decades of communist rule.

With the emergence of two-worker families, some grandparents are taking on more practical roles, as part- or full-time parents to their own grandchildren. And with the increase in the numbers of divorced and never-married parents, aunts and uncles, often single, are rediscovering their importance to nieces and nephews. Like grandparents, aunts and uncles are family, but their nurture is delightfully different from that of parents. In short, Americans are gradually relearning an ancient truth: that the natural family is the extended family. In that widened womb, every child thrives with aunts and uncles and—as the family's foundation—those mysterious figures called grandparents.



MICHAEL L. ABRAMSON

As oral historians and confidants, grandparents play vital roles in the life of the developing child

The Sibling Link

By Tom Morganthau

Jason is 4 years old and all boy—a dynamo, bursting with energy and curiosity, part Luke Skywalker, part Dennis the Menace, part comedian. It wasn't always that way, for Jason was adopted at 14 months, old enough to feel the loss of his biological family and the home he had known. But Jason was lucky. His adoptive parents, Tim and Ginny, already had two sons—Billy, 8, and David, 10—who took to Jason as if he were their own. "His eyes lit up the minute he walked in the door and saw the big guys," Ginny says. "They're everything to him now—he wants to do exactly what they do. He swam at 2 and rode a two-wheeled bike at 3. When they do their homework, he has to do 'homework' too. He'll do anything to get their attention—sometimes he's so aggressive I have to intervene to protect *them*. But they're great with Jason, and they helped a lot when he was settling in. There's just something terrific about raising kids with other kids."

None of this happened by accident. Ginny and Tim spent a lot of time explaining their decision to adopt Jason to Billy and David, and they reacted quickly to any sign of sibling rivalry. Ginny says David, as the oldest, was "fine" about Jason's arrival, but Billy, who was used to being the center of attention, was "freaked." That called for quality time, reassurance and firm rules. Billy and Jason are now very close, Ginny says, but when they begin to squabble, she reminds them there will be no hitting and no mean talk. "My kids aren't perfect, and I don't want them to be," she says. "But they're very loyal to each other. When they get into a squall, I say, 'Just remember, your brother's going to be your friend for life'."

All of which says sibling relationships are powerfully important in a young child's life—and that they are far more complex than the traditional psychiatric view, with its heavy emphasis on the inevitability of sibling rivalry, allows. This is something wise parents have always known. But psychologists have only recently begun to see sibling relationships in the round—to see that infants bond with their siblings during the first year of life, and to understand that even very young children know the difference between parents and other children in the family. Parents are godlike beings, the Source of All. Siblings are fascinating simply because they're kids. "Do they know the difference? I'm sure they do," says Judy Dunn, a developmental psychologist at the Psychiatric Institute in London. "They start enjoying their brothers and sisters pretty early on, even by the age of 6 months if the older sibs try to entertain them. It's very obvious in the ways babies behave toward their sibs. Often they're much more amused by their brothers and sisters than they are by their parents. There are shared interests and shared sources of what kids find funny, even in the second year."

Dunn, who is the mother of three (now adult) children, is the author of four books, including a common-sensical parent's guide called "From One Child to Two" *(Fawcett Columbine. 1995)*. She is also one of the world's ranking authorities on the developmental significance of sibling relationships. Her research, typically based

on extensive observation of the children in the home, suggests that sibling relationships can give a very young child a developmental head start—particularly if, like Jason's adoring bond with Billy and David, the relationship is warm and affectionate. Dunn and other psychologists are particularly interested in "pretend play," games in which children consciously share a fantasy ("You be Darth Vader—I'll be Han Solo"). This apparently simple act may be a critical step toward understanding the mental states of others—and, conversely, a major step toward a child's definition of self. Dunn's research shows that children with siblings begin such play six months to a year earlier than only children. More generally, she says, kids with sibs have a much richer experience with the whole range of human relations, including competition, rivalry, negotiation and just getting along. "It may mean that their whole way of understanding other people is different," she says.

Dunn does not argue that sibling relationships lead to higher IQ scores, or that the developmental advantage they seem to confer carries over into later childhood. No one has studied that yet. But her findings, taken as a whole, make a powerful case for revising the traditionally bleak view of sibling rivalry—of childhood hostilities that stereotypically lead toward neurosis. Siblings can get along, and benefit when they do.

MICHAEL JOHNSON

Handle with care: Warm, responsive caregivers can broaden a child's social horizons

Caring and Giving

By Sarah Van Boven

Alicia Bond knows that she is lucky to have found a nanny like Aimee. The Minneapolis mother can't say enough good things about the woman who has cared for her 4-year-old twin sons since they were 6 weeks old. "Aimee taught them to appreciate music by playing the piano, and she's teaching them how to grow vegetables in the garden," says Bond. Lowering her voice so Aimee won't hear, Bond adds, "I just hope the boys are learning as much from me." Like many parents who spend the workday far from their children, Bond can't help but worry that her sons will love their nanny "more." Fortunately, kids are capable of loving more than one caring adult—and these adults can teach a child a lot about the world.

Beginning at birth, babies form strong bonds with the caregivers in their lives—be they parents, grandparents or babysitters. According to Jay Belsky, Distinguished Professor of Human Development at Penn State University, not only can children form multiple attachments; they can benefit from them. "If you're secure to Mom and Dad, that's better than being secure to just Mom. If you're secure to Mom, Dad and the babysitter, even better."

Parents would do well to worry less about kids' getting overly attached to a caregiver and more about finding the best possible care. According to a study by the National Institute of Child Health and Human Development, scheduled for release in April, high-quality care is extremely important. The NICHD tracked 800 children to see how nonparental care affects mental and linguistic growth at 15, 24 and 36 months. The researchers found that "whether a baby spent zero hours or 60 hours a week in care, *quantity* of care did not influence cognitive and linguistic development," says Sarah L. Friedman, scientific coordinator for the study. Children in "extensive care," defined as more than 30 hours a week, did not score lower on tests of either cognition (problem solving, reasoning and attention) or language (vocabulary and sentence complexity).

30% of all parents say finding good day care has been a problem; 32% say they've had trouble finding a job with flexible-time options

More critical was *quality* of care. The NICHD researchers looked for "positive caregiving"—hugs, responsiveness to the child's needs and, especially, verbal stimulation. The better the care, the better kids tended to score on cognitive and language tests. This doesn't surprise Ellen Galinsky, president of the Families and Work Institute. "Children need warmth and responsiveness," she says. "If a 2-year-old comes to day care excited about seeing a fire truck, I want to hear the provider say, 'We've got a book about fire trucks. Let's look at the pictures'."

If parents can find a caregiver who does that, their children reap the benefits. "A warm, loving care provider can give children a broader social horizon and teach them how to get along with adults who have different temperaments, different strengths and weaknesses, different skills," says psychologist Alicia Lieberman of the University of California, San Francisco. Aimee, the Bond family's nanny, gets a little embarrassed by her employer's praise about how she has enriched the boys' days. "I try to teach them as much as I can and to make it fun, because they are just as important to me as I am to them," Aimee says. "I'm really just doing my job." ■

Won't You Be My Buddy?

At first, they just play alone. Then kids start playing in 'parallel' games. Finally, they learn to make friends.

BY JOHN MCCORMICK

JUST WHEN DOES FRIENDship begin? The wisest minds in child development can't agree. Many, like Alice Sterling Honig of Syracuse University, see something truly friendly in the giggles of two toddlers who stumble together in pursuit of a puppy. Others, like Claire B. Kopp of Claremont Graduate School, are more stingy with the term. They see friendship as a richer stew of trust and intimacy, something kids aren't able to fully appreciate—because they don't feel particularly bad about losing it—until they're 8 or 10 years old. But all the experts agree that something clearly happens when two children interact. If the kids aren't friends, they're learning how to make them.

Curiously, many parents don't worry as much about their child's social skills as they do about, say, his or her emotional development. In focus groups, parents have told researchers from the Washington, D.C.-based child-advocacy group Zero to Three that this is one area where kids who are slow can more easily play catch-up. That conjecture may be right or wrong—there isn't any convincing research on the subject—but it misses a bigger point: that the parents' own relationship with the child predicts volumes about his future capacity to make good friends.

MICHAEL JOHNSON

Between 2 and 3, 'parallel' play can evolve into true friendship

Typically, children clumsily begin to hone relationships when they are toddlers. They learn about sharing, including and enjoying. Well before the age of 2, kids master "social bids," offering one another toys, looks or phrases. This also is the time when children begin "imitative play" and "parallel play." The former can be boisterous, with, for example, one child's happy claps being mimicked by a roomful of copycats. The latter occurs when kids play side by side with similar toys but without interacting; they may look as obliviously content as two cows in a field of alfalfa. By the age of 3 mutual play can evolve, not always happily, into rough competition for toys. Much as you try to silence the bickering, realize that it helps kids learn how to disagree with peers—and, eventually, how to get past quarreling.

There are ways to help a child down this uncharted road to friendship. But don't fall for one-size-fits-all prescriptions. "Start with *your* child. What kind of kid do you have?" says Theodore Wachs of Purdue University. From there, pay attention. Don't hesitate to intervene if a play date is causing more tears than happiness, and make sure the toy chest is filled with the rag dolls, rattles, balls and stuffed animals that they like. Duplicates can't hurt. "You need a lot of equipment if you want friendships to develop," Honig says. "If one child is playing with a red ball, the other will want to do the same." By the second year, markers, blocks, music boxes and teeter-totters are especially popular tools for play groups. So are everyday household items that, transformed by a child's imagination, double as toys: don't be surprised if your toddler disdains the $30 marvel you bought him for his second birthday in favor of emptying big poker chips from a coffee can and then filling the can up again. No matter what the age, Honig says, "shoot for a level of difficulty that's doable if the children struggle."

Bungled efforts at play with other kids don't doom your child to a life without friends. As a glance around your office will confirm, not everyone masters friendship easily. Some youngsters draw their energy from toys or objects rather than people. Often, too, the problem is just a mismatch of play pals. "Age is the worst criterion for determining who should play with your child," Wachs says. "The styles of the kids are more important." Matching a leader with a follower is OK, but too many leaders can mean ... well, look at Congress. You also can help your child learn to get along with others by running a quiet household. Wachs's latest research shows that the greater the "noise confusion" in a child's home, the poorer the quality of his social play in day care.

The least-mentioned tool for building friendships is an attitude that parents can teach by lecture or, preferably, by example. Honig and others think that the reason a toddler offers her bottle to a sobbing playmate is because we come into the world hard-wired for empathy and altruistic social behavior. Often, though, that sense of generosity gets bulldozed by too much parental emphasis on the individual—what's in it for me? There's plenty of time for the kid to learn about that. ■

Brittany Avant plays while her mother Paula (right) meets with an Outreach worker

MAGGIE STEBER FOR NEWSWEEK

Helping Families Help Themselves

By Pat Wingert

Like so many other American cities, Hampton, Va., is full of parents who need help. But instead of settling for easy denunciations, the town is trading rhetoric for action.

Two years ago, Michele Davila—poor, single, clinically depressed and expecting a baby—went to a local clinic looking for medical care. Fortunately for her, Davila lives in Hampton, Va., a midsize city that not only recognizes the classic profile of a mother whose children are at risk—for neglect, poor health and school failure—but is unwilling to stand by and let it happen. Thelma Tucker, one of Hampton's family-support counselors, took the case. Unlike many social workers, who visit clients only sporadically at best, Tucker began her weekly visits before the baby's birth and is still on the job. It was she who encouraged Davila to stay in a prenatal program and to keep the baby's father involved. She was also there to get Davila through her postpartum depression and her inexperience with the new baby and to urge her to take birth control seriously. Now, with a healthy toddler and a husband working full time, Davila says of Hampton's early-intervention program: "I don't know what I would have done without it."

Studies have linked poor parenting to crime, poverty and a whole constellation of social ills. So it's no wonder that civic leaders in cities like Hampton argue that intensively intervening in at-risk families isn't just a kind idea but a social necessity. The movement started in the early '90s, when 50 communities across the country began experimenting with "proactive" programs to reach troubled families and individuals before their problems got worse. Today these programs have spread to 260 cities in 38 states and formed a national network called Healthy Families America. Hampton started its project in 1993 and has since taken 500 vulnerable citizens into its program. Deborah Daro, research director of the National Committee to Prevent Child Abuse, which acts as a clearinghouse of information, says, "The beauty of this is that it is generated by the communities."

Hampton took action because it had become clear by the late 1980s that it could no longer use the same old methods to combat its social problems. Like many urban centers, Hampton was caught in a vicious circle. The city's industries were drying up and pulling the tax base down with them. Meanwhile, the demand for social services—from prisons to food stamps—was rising. "Spending more on prevention seemed the only way out of the cycle," says city manager Bob O'Neill. So the city launched the Hampton Family Resource Project—which tripled its spending on preventative social services with the aim of achieving a deceptively simple goal: to "ensure that every child born in Hampton is born healthy and enters school ready to learn."

The project's primary target is at-risk mothers and children, but it also aims to reach families from all economic walks of life. "They're taking a very holistic view," says Ellen Galinsky, who studied the program for the Families and Work Institute. Libraries greatly increased their stock of parenting books and videos. A local hospital pays for a series of newsletters on child development mailed to 4,000 homes. More than 1,400 residents have enrolled in free parenting classes, and some workplaces even offer them on site. That's how Jeffrey Sandford, a senior vice president at Old Point National Bank, found time to go to a session on corporal punishment that persuaded him to stop spanking his child. "I realized [the kid is] so hurt and angry that the reason you spanked him gets lost."

After only four years, an evaluation of the city's program by psychologist Joseph Galano of the College of William and Mary reports good news. He says the most troubled families participating in the Hampton Family Resource Project have fewer premature births, more stable and stimulating home lives for children and fewer repeat teen pregnancies than the control group. Hampton is proving, he says, that "we no longer have to wait until kids are broken to fix them." ■

The Magnetic Tube

The hand that rocks the cradle may rule the world, but the hand that holds the remote may be more important. It's never too early to start watching what your kids watch.

BY JOHN LELAND

CARLA MEESKE IS NOT the type to fret over the niceties of child-development theory. In her entire career tending to the psyches of young children, she scoffs, "I read a psych paper maybe twice." Instead, she honed her kid expertise in grittier climes: she was a toy marketer, managing brands like Nerf. In that role, she gained a unique appreciation of our young bundles of joy. "The beauty of young children," she says, "is that they are more receptive than any other young audience to brand consciousness. They become brand-loyal immediately." Meeske, who now teaches marketing at the University of Oregon, says that a smart advertiser can implant its logo on the brains of children "from the moment their eyes are open." All you have to do is link your product with a character kids take to heart; the rest, she says, is like selling "Lion King" sheets to a baby. She didn't need any scientific basis for this claim; the proof was in the profits. While academics fiddle, she says, "we knew what worked."

Of all the challenges a developing child faces, few are more problematic than the one we willingly bring into our homes: the television. It can be a godsend, especially when you're feeling one Pooh tape away from a really bad day. But the set also comes with its own sets of stories and mythologies, and its own values. It has ulterior motives. It captivates children sometimes when parents can't. And it teaches them things parents might not. From the moment children are born, researchers say, they learn to emulate what they see; that's how they learn. Television provides a whole universe of behavior to emulate, some desirable, some not. And the immersion begins early. By the age of 2, American kids spend an average of 27 hours per week in front of the set.

For any parent, that's a lot of competition. In nearly 40 years of study, researchers have found a correlation between children's TV habits and their levels of creativity, aggressiveness and social skills. As Peggy Char-

Elmo and Big Bird tickle—and teach—on 'Sesame Street'

Television Shows to Grow On

The kind of TV that kids see can be as important as how much they watch. The best shows can encourage lifelong creativity.

Dancing Barney

A scene from 'Gullah Gullah Island'

The news from 'Blue's Clues'

FROM TOP, LEFT TO RIGHT: JOHN E. BARRETT—CTW, EVERETT COLLECTION, NICKELODEON (2)

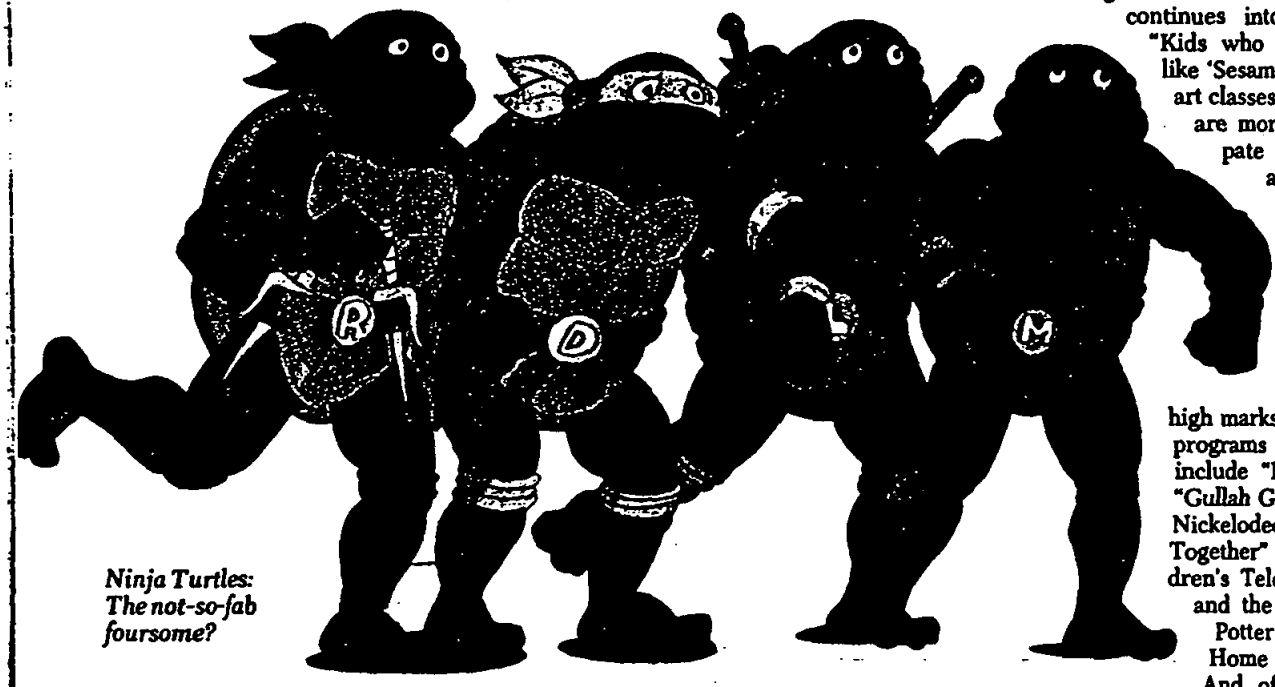
ren, who heads the advocacy group Action for Children's Television, says, "The problem with television is that it's all educational." But just what is it teaching your child?

As any parent knows, television exerts a mesmerizing draw on children from a very early age. But children of different ages watch differently. For the first year, kids tend to look at a set only sporadically. After that, according to researchers, they'll watch only 10 or 15 percent of the time. At this age, says Dan Anderson, a psychology professor at the University of Massachusetts, they are mostly fascinated by the box. "[A 1-year-old] will look equally at a regular television program or random computer-generated shapes and sounds." Even at the age of 2, says Joanne Cantor, a professor of communication arts at the University of Wisconsin, children "think things in the box could still spill out. If there are monsters in the box, or scary animals, young children are not quite sure the monsters can't come out and get them."

For children in this age group, television can interfere with other, more necessary learning processes. Because toddlers don't understand that a TV show is a production that happens elsewhere, they are often disoriented by its form: the changes of angle, cuts in time, the visual effects like zooming in and out. Toddlers who watch a lot of TV are also less likely to engage in fantasy play. Jerome Singer, professor of psychology and child study at Yale, contends that TV preempts kids "from doing what they ought to be doing—learning to create mini-worlds that they can control. Kids who can do this are more cooperative, more likely to become leaders, less likely to be overtly aggressive." By contrast, he says, kids who watch more TV are more likely to show "negative emotions: not only anger, but also more distress or crying." The Academy of Pediatrics advises that parents should limit TV time to one to two hours a day.

But parents can also control *what* their children watch. The good news, says Charren, is that programming for very young children has never been better. The bad news, though, is that you have to pay for much of it, either on cable or video. The commercial networks, for better and for worse, largely leave toddlers alone; the real money is in older kids. This affords parents a great opportunity. According to Anderson, "the general lesson for preschool years is that what's important is not so much that they watch, or how much time they watch, but what they watch." In their three-year, 10-part study of Barney, Singer and his wife, Judith, also at Yale, found that the show encouraged creative play. After watching an episode involving construction, for example, a group of 2- and 3-year-olds did their own earth-moving games. The group that watched the Power Rangers, by contrast, "literally fought." According to Anderson, the positive influence continues into later childhood. "Kids who watched programs like 'Sesame Street' take more art classes in high school, and are more likely to participate in extracurricular activities." Though psychologists like the Singers originally criticized "Sesame Street" for being too fast-paced, the show has since slowed down, and gets high marks all around. Other programs touted by Charren include "Blue's Clues" and "Gullah Gullah Island" from Nickelodeon, "We All Sing Together" from the Children's Television Workshop and the series of Beatrix Potter tapes from Family Home Entertainment. And, of course, good old Mr. Rogers.

What troubles many parents, though, is the less controllable factors, especially on network TV: commercials or, worse, teasers for other programs, which might concentrate an hour's worth of mayhem into one 30-second spot. Kids 3 and under, says Cantor, "don't understand why the ads are there. They'll say, 'He told me to go buy it, so we should go buy it'." But both psychologists and marketers agree that kids don't attach status to brand names until they are old enough to feel peer pressure, usually around the first grade. Before that, they'll like a shirt for the picture of Barney, not for the designer logo. Mostly, it is parents who feel the craven pull of Baby Guess? Which only goes to show that you can't cut out all negative influences, even if you turn off the tube. But that still might be a good start. ■



Ninja Turtles: The not-so-fab foursome?

Who Are the Good Guys?

Like it or not, all television is educational. Cartoons full of violence, say some experts, teach kids to fight among themselves.

The Power Rangers and the X-Men prepare for action

FROM TOP: EVERETT COLLECTION; PHOTOFEST; RAFAEL FUCHS

Raising a Mor

A child's first few years of life are the key to whether you wind up with a darling or a delinquent. What may ultimately become empathy, generosity or charity stems initially from a child's selfish preoccupations.

WILLIAM DUKE

BY DEBRA ROSENBERG

FIRST COMES HEALTH. "Doctor," every parent asks, "is my baby OK?" Then comes the harder part: "Will my child turn out to be good?" A child's first few years of life are the key to whether you wind up with a darling or a delinquent. What may ultimately become empathy, generosity or charity stems initially from a child's selfish preoccupations. Infants are unable to distinguish themselves from the rest of the world. That may be why newborns cry at the sound of other babies crying—they're not sure who's really hurting. This "reflexive crying" means that babies have the capacity to respond to others' distress—a primitive form of empathy. It also suggests that some morals are hard-wired from birth.

Scientists have long noted that empathetic parents tend to have empathetic children. One recent experiment on toddlers found that identical twins were more likely than fraternal twins to show similar inclinations to help people. Because identical twins share more genes, this is proof that nature, not just nurture, is at work, says Carolyn Zahn-Waxler, a psychologist at the National Institute of Mental Health (NIMH) and one of those who conducted the study. Researchers don't think there are "good" genes and "bad" genes. But they suspect that genes influence patterns of brain chemistry, which in turn govern some behaviors.

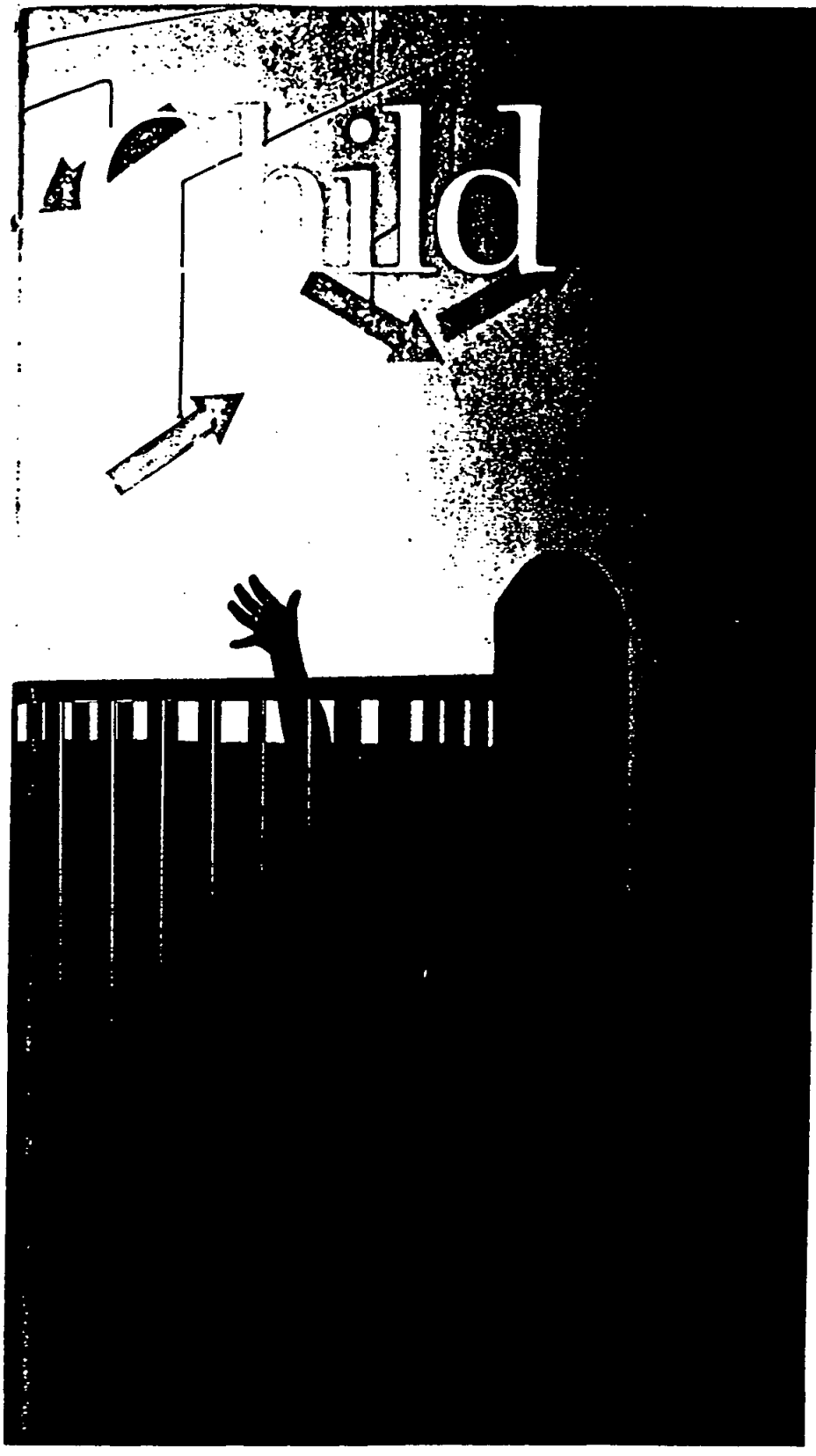
Still, genes are only part of the picture. It's up to parents to show their kids the ethical ropes. While newborns aren't likely to absorb long lectures, they can grasp many rules before they—or their parents—even realize it. Dr. Robert Coles, a Harvard child psychiatrist and author of "The Moral Intelligence of Children," maintains that there are moral implications to nearly every decision a parent makes. "It's those everyday, minute-by-minute cues that the little ones pick up on," says Coles.

Rushing to the crib every time a child cries may train her to expect instant gratification. It doesn't do the harried parents any favors, either. Not only will they lose control of their lives while the child is an infant, but "it may be difficult for them to say no down the line," says Coles. Children who don't learn the meaning of the word "no" will be at the mercy of impulses and desires they don't know how to control. The result? Spoiled and demanding little tyrants. This isn't just a matter of discipline. "The child has to learn that there is a higher authority that you just don't question," Coles says.

82% of all mothers and 74% of all fathers say they plan to send their child to Sunday school or some other kind of religious training

Parents may be unintentionally sending signals from the start, or deliberately shaping the most crucial messages. In his book, Coles relates the story of Maisie, a woman whose 6-month-old son, Don, seemed to relish the act of tossing his empty bottle onto the kitchen floor. At first Maisie figured Don didn't know any better. But she quickly began to suspect he was enjoying the commotion. Maisie then waited by her son's highchair and, while distracting him with chatter, gently eased away the empty bottle. The boy soon lost interest in throwing it. What may seem like a clever mother's trick was actually an early lesson in morals. "That's a kind of moral awareness; it's learning the meaning of constraint," says Coles.

Most moral training doesn't have to be so calculated. Pat-a-cake and peekaboo look like innocent play, but the parent is in fact communicating complex sets of rules about turn-taking and expectations. Learning to alternate coos or synchronize gazes with a parent prepares the baby for more intricate relationships later in life. "This is social reciprocity," says Dr. Robert Emde, a psychiatrist at the University of Colorado Health Sciences Center. This kind of give-and-take is at the heart of all moral systems. Put simply, it's the golden rule: do unto others as



you would have them do unto you. Babies who are cuddled and cared for—who aren't spoiled but have their emotional needs met—are more likely to demonstrate caring behavior later.

Children who go emotionally hungry in infancy may simply not have the biological wherewithal to be compassionate. Dr. Bruce Perry, a psychiatrist at Baylor College of Medicine, studied brain scans of children who had been severely neglected. He discovered that the brain region responsible for emotional attachments never developed properly. According to Perry, babies who don't get their quota of TLC early in life may lack the proper wiring to form close relationships. Other research supports the theory. Bonnie Klimes-Dougan, a psychologist at the NIMH, found that toddlers who'd been abused were themselves more likely to hit or insult a crying peer.

As infants learn to crawl and then to walk, the budding explorers grow familiar with how things look and where they belong. By the age of 2, kids have become sticklers for consistency and can't tolerate it when their own "rules" are violated. A toddler might become outraged, for example, if his mashed potatoes touch his peas. At the same time, children are constantly testing the boundaries of their new world. But they don't go it alone. By 18 months, kids will turn to Mom or Dad for guidance in unfamiliar situations. Experts call this "social referencing." In one study, Emde watched as toddlers glanced at their mothers' expressions, seeking tacit permission, before approaching a strange robot.

Social referencing helps children acquire the moral emotions of pride and shame. Pride is the celebration kids feel as a reward for "getting it right," says Emde. A big smile and a "puffed up" posture are telltale symptoms. Shame, on the other hand, occurs when kids form mental images of a disapproving parent. Ashamed children avert their eyes and try to shrink out of sight. That may not be all bad. "Shame is a part of growing up and developing a conscience," says Coles. It reinforces the notion that certain behavior—say, torturing the family pet—just isn't acceptable. Warns Coles: "If a child doesn't learn to be ashamed of that behavior, we're in real trouble by the age of 2 or 3."

As children learn to talk, parents can tutor them in positive behaviors, such as altruism and manners. By saying "Let's both of us say 'thank you'," a parent sets a good example and includes the child in the behavior. Such joint efforts are more effective than direct commands. They also help instill a sense of belonging to a team, what Emde calls "an executive sense of we." By the time they are 2, even when they are alone, kids retain a sense of a parent guiding them. In one experiment, Emde tempted children to play with toys forbidden to them by their mothers. Remarkably, the toddlers resisted—even though their mothers were out of the room. "Didn't you hear my mommy? I better not play with those toys," one toddler said.

Just as children learn to imitate language and gestures, they also mimic the moral practices they see. Good role models help. Consider the effect on a toddler who hears his father say "Tell him I'm not here" when the boss calls at home. Showering a spouse with a chorus of "pleases" and "thank yous," on the other hand, will likely lead to a thoughtful tot. "Every day is a school day when it comes to moral development," says Coles. By doing their homework, parents can help their kids graduate with honors. ■

HILLARY RODHAM CLINTON

DOING THE BEST FOR OUR KIDS

The First Lady calls for Americans to work together and give parents the tools they need to raise their children—and provide them with a lifetime of learning

SOMETIMES IT SEEMS THAT TIME HASN'T always been an ally to us parents. As Bill and I have discovered at every birthday and every milestone in our daughter Chelsea's life, months and years fly much faster than we ever want. Like other parents bracing themselves for a child's departure for college, we ask ourselves every day: "How did the baby we brought home from the hospital grow up so fast?" "Is there any way we can move the White House to her college campus?"

Of course, we know that Chelsea is ready to begin a new phase of her life and that college will be a great experience. But it still doesn't keep us from reviewing the past 17 years and wondering if we've made the most of every minute to prepare her for the challenges of adulthood.

As science is now telling us, some of the most important preparation we can give our children takes place during the earliest years of life. New research has confirmed what many parents have known instinctively: infants begin learning the minute they are born. They are acutely aware of their surroundings and their brains crave and absorb all sorts of stimulation. Recently we have learned that the combination of intellectual and emotional interactions with infants and toddlers—holding a child in your lap while reading a story, for example—is crucial to their learning and emotional development.

Although Bill and I didn't realize it at the time, the countless hours we spent cuddling with Chelsea and reading her favorite stories not only strengthened our relationship with her but literally helped her brain grow.

Unfortunately, too many children are still missing this early stimulation. Just half of all infants and toddlers in our country are routinely read to by their parents. Over the years I have met parents who tell me they never really talk to their babies because babies can't understand what they are saying. I've also met parents who thought that they couldn't read well enough themselves to read to a child.

We must help parents understand that, no matter their educational level or reading ability, they can stimulate their children's cognitive and emotional development by talking to and reading to their children, even if they stumble over a few words here and there. Most likely, their children won't even notice. But they *will* notice the power of reading and the books to take them on fascinating adventures and introduce them to the world of words and ideas. And just as important, they *will* notice the time a parent has set aside to be with them, to hold them close and to share in a nurturing activity.

Earlier this year, I announced a nationwide effort to encourage early reading in homes across our country. I believe that few efforts can make a more dramatic difference over the next 10 years than to persuade parents of all educational and economic backgrounds to take this mission of reading, talking—and even singing—to babies more seriously.

At the same time, parents shouldn't go overboard. A friend of mine told me that he became so obsessed with making sure that he and his son finished reading two books a day that he rarely stopped for questions or allowed his son to look closely at the pictures. And mothers and fathers don't need to feel that they have to rush out and read the latest scientific paper on human brain development for exact instructions on how to interact with their children.

The point is that learning is a lifelong proposition—one that, in the best of worlds, begins at the earliest stages and continues for years. Yes, the first three years of life are crucial, but they are not the only time that parents need to be engaged with their children or help them develop the skills they need to progress in the world. We should not use this new research to ignore the learning needs of older children and adults. I thought about this recently when I visited Robben Island in South Africa, the prison where Nelson Mandela and other political prisoners were jailed for many years.

Reading to patients at a Kansas City, Mo., hospital

As Chelsea gets ready to leave for college, Bill and I can't help reviewing the past 17 years; we wonder if we've made the most of every minute to prepare her for the challenges of adulthood

While doing hard labor in a nearby limestone quarry, literate prisoners taught their fellow inmates to read by writing letters and words in the dust with their shovels and picks. One prisoner who learned to read that way went on to educate himself and now is a top official in the South African government.

My greatest hope is that we can find effective ways to apply the knowledge we are gaining from science and make it more easily available to parents. It seems as if every day more new information is piled on top of what already exists about how our children develop and what they need most to grow. And yet many parents lack access to this research and others aren't sure how to interpret it. What little information they do get comes in bits and pieces, with little guidance about how to apply it to benefit their children. This month, the president and I are convening a first-ever White House Conference on Early Childhood Development and Learning. Our aim is to bring together parents, scientists, policymakers, educators, business leaders and child-care providers to discuss the new research on the brain and early-childhood development and explore how we can deliver this information to more homes.

Many things can conspire against parents as they try to provide children with the attention and stimulation they need to develop. Parents are often stretched for time and resources, and can use all the help they can get.

As I've been saying for years, it does take a village to raise a child. That's why we can all work together to make sure parents have the tools they need to raise their children—whether it is providing information about the importance of reading and talking to children in the early years, strengthening prenatal care, expanding Head Start or ensuring access to affordable, high-quality child care.

Our children have so much potential to grow and thrive throughout their childhood. Wherever there is patience, love and commitment, the window of opportunity for raising a healthy, happy and well-adjusted child never closes. ■

Where You Can Turn

By Carla Koehl

Avid "tele-parents" will tell you that there's nothing like a phone jack and 16 megabytes of RAM for navigating the mysteries, hurdles and hassles of life with an infant or toddler. If only you had Netscape and a 28.8 modem—or at least speed-dial—they'll say, you'd be surfing and dialing your way to parental bliss with all the child-rearing info that's available by PC and phone. Are they batty? No. Just a little excited.

There are now more places than ever to phone for help when mothers and fathers feel parentally challenged. And the explosion of parenting Web sites and newsgroups that's taken place on the Internet over the last five years is connecting families from household to household the way the telephone did for the first time in 1876. Only this time the advance in communications isn't just overcoming distance and isolation. It's conquering stigmas.

Kate Ripley was nursing her newborn in her cabin half an hour outside Fairbanks, Alaska, when she found an online breast-feeding newsgroup. "I was really lonely," she says. "It was a huge relief." Now that Rory's 9 months, the baby books are hinting that he's eating too often. Ripley's group (misc.kids.breastfeeding) says otherwise. "You don't just want to have someone validate everything you think," she says. "But it's such a variety of voices, you can cull." Even in Los Angeles, where there's no such thing as a remote location, actor Brian Markinson logs on whenever he and his wife are stumped about their 9-month-old. "It's another resource," he says, "rather than call a doctor and feel like you're being a pain."

JAMES D. WILSON

Online support: Rory and Kate

Technological alarmists, of course, take delight in warning that millions of modem-happy moms and dads will do nothing but produce millions of antisocial, monitor-gazing kids. A reliance on dial-tone parenting, they insist, keeps families, friends and neighbors from trading advice the old-fashioned way: in person. But a glance at all the live, wired interaction out there suggests that, so far, the alarmists are wrong.

On the Net

Usenet
alt.parenting and misc.kids
Great places to start on the Usenet—the Internet's collection of newsgroups—for discussions on hundreds of topics from teething and breast-feeding to pets and snoring. Also, rec.arts.books.children is a 24-hour-a-day book group on children's literature.

Childbirth.Org
http://www.childbirth.org
Top discussion forums here, and a home page that gets right to the point on tough issues, including "Pregnancy & HIV," "Having Your First Baby Over 35" and "Complications."

Family.com
http://www.family.com
Disney's new site has been criticized for being more upscale than helpful. But their bulletin boards and chat rooms are filled with the voices of intelligent, caring parents. They must be doing something right.

ParenTalk Newsletter
http://www.tnpc.com/parentalk/index.html
Clearly written articles by physicians and psychologists. What this site lacks in graphic creativity, it makes up for in sheer mass of information.

ParenthoodWeb
http://parenthoodweb.com
Pediatricians and psychiatrists respond (in due time) to your e-mail. Meanwhile, they've posted their stock answers to anything-but-stock questions, including "Did we make a mistake by having a child?"

Parenting Q&A
http://www.parenting-qa.com/
This site calls itself the only one on the Web "solely devoted to providing parents with answers to their most pressing questions." It does answer questions faster than most other sites we tried. But it also offers essays on touchy subjects like spirituality, and suggests reading lists for kids, games for rainy days.

ParentSoup
http://www.parentsoup.com/
Excellent discussion forums address everything from stepparenting and disciplining closely spaced siblings to premature babies and children with attention deficit disorder.

Zero to Three
http://www.zerotothree.org
The Washington, D.C.-based child-advocacy group has just launched its Web site. On it: a wealth of research and information on physical, cognitive and social development of infants and toddlers.

On the Phone

Child Care Aware
800-424-2246
Operators refer parents anywhere in the country to licensed and accredited child-care centers in their area. They'll also send, at no charge, an information packet on how to choose quality child care. Coordinated by the National Association of Child Care Resource and Referral Agencies. Weekdays, 9 a.m.–5 p.m. CST.

ChildHelp National Hotline
800-4-A-CHILD
Twenty-four-hour advice and referrals for children and adults with questions or in crisis. Staffers with graduate degrees in counseling field calls on issues ranging from child-abuse prevention to whether it's normal for a 3-year-old girl to try urinating while standing up. (Yes, says a hotline counselor, it is.)

Gerber Information Line
800-443-7237
Tipper Gore's recorded welcome message jolts you from thoughts of strained peas on this 24-hour consumer-info line (she reminds callers that doctors recommend having babies sleep on their backs). Moms, dads, grandparents—not nurses—work the phones, advising callers on nonmedical essentials like diapering, sleeping and "lots and lots of questions about food," says one operator.

National Parent Information Network
800-583-4135
NPIN boasts the largest parenting database in the country. Researchers hunt down referrals, abstracts and answers—and send them free of charge—to hundreds of callers every month. Trouble with toilet training, the merits of co-op playgroups vs. private preschools, baby bowel movements: absolutely nothing is out of bounds here. Weekdays, 8 a.m.–5 p.m. CST.

Parents Anonymous
909-621-6184 (not toll-free)
The national office in Claremont, Calif., refers parents to 45 state and regional affiliates, which offer support groups, counseling, referrals. Weekdays, 8 a.m.–4:30 p.m. PST.

Single Parents Association
800-704-2102
This line, which has just gone national, helps parents find support groups and resources in their communities, fields questions on parenting skills and reminds single parents that they're not alone. Weekdays, 9 a.m.–6 p.m. CST.

With T. Trent Gegax

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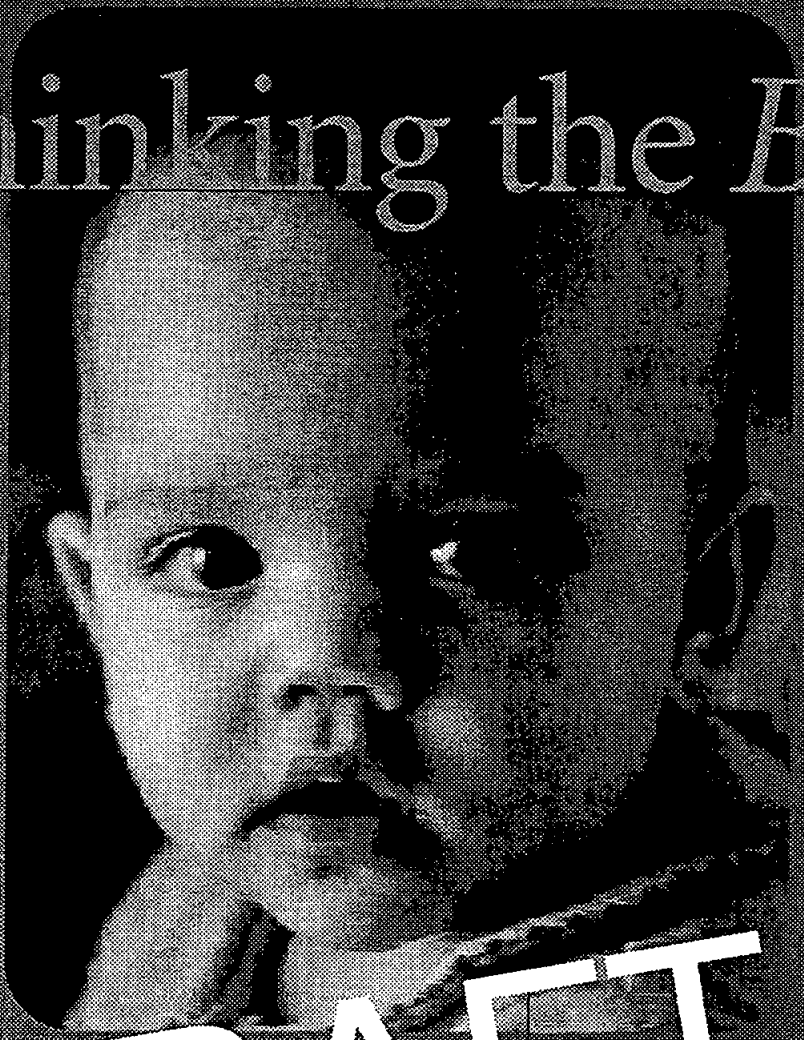

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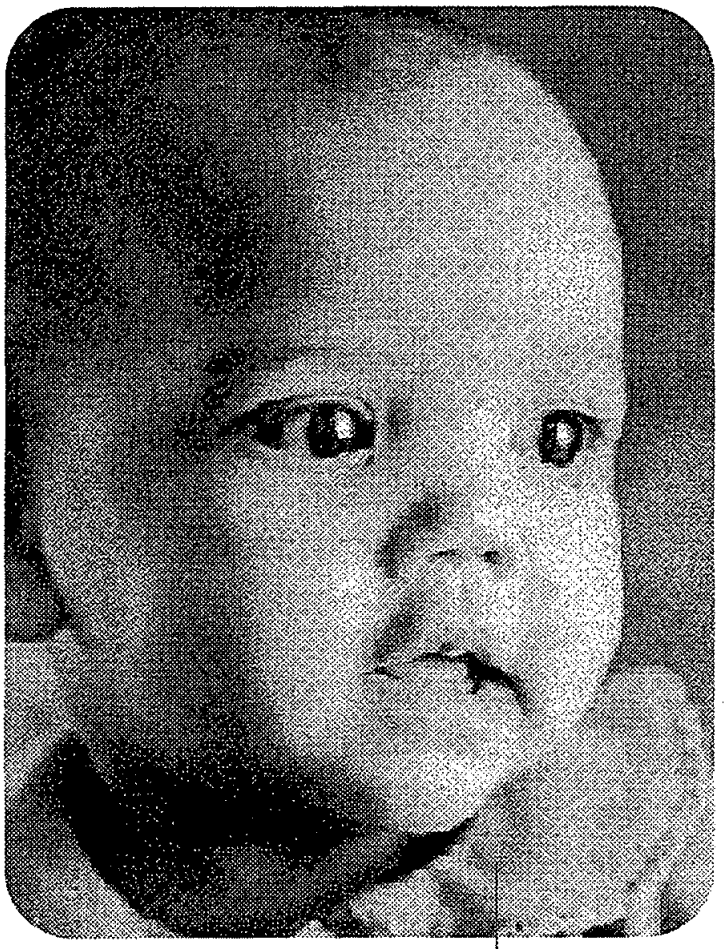
New Insights into Early Development

By Rima Shore

Families and Work Institute

Rethinking the Brain



New Insights into Early Development

By Rima Shore

Families and Work Institute

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Executive Summary

A father comforts a crying newborn. A mother plays peekaboo with her ten-month-old. A child care provider reads to a toddler. And in a matter of seconds, thousands of cells in these children's growing brains respond. Some brain cells are "turned on," triggered by this particular experience. Many existing connections among brain cells are strengthened. At the same time, new connections are formed, adding a bit more definition and complexity to the intricate circuitry that will remain largely in place for the rest of these children's lives.

We didn't always know it worked this way. Until recently, it was not widely believed that the brains of human infants could be so active and so complex. Nor did we realize how flexible the brain is. Only 15 years ago, neuroscientists assumed that by the time babies are born, the structure of their brains is genetically determined. They did not recognize that the experiences that fill a baby's first days, months and years have such a decisive impact on the architecture of their brains, or on the nature and extent of their adult capacities. Today, thanks in part to decades of research on brain chemistry and sophisticated new technologies, neuroscientists are providing evidence for assertions that would have been greeted with skepticism ten or twenty years ago.

Breakthroughs in Neuroscience—Why Now?

Every field of endeavor has peak moments of discovery and opportunity, when past knowledge converges with new needs, new insights, and new technologies to produce stunning advances. For neuroscience, this is one such moment. Certainly, the development of new research tools, such as brain imaging technologies, has been a crucial factor. But technological advances never occur in a vacuum. Brain research has been stimulated, in part, by growing concern about the status of children in America—not only their academic achievement, but also their health, safety, and overall well-being. There is growing consensus, among decision makers in many fields, that efforts to recast policy and reconsider the best use of public resources must begin at the beginning—with clearheaded thinking about young children's brains.

What Have We Learned?

1. **Human development hinges on the interplay between nature and nurture.** Much of our thinking about the brain has been dominated by old assumptions—that the genes we are born with determine how our brains develop, and that in turn how our brains develop determines how we interact with the world. Recent brain research challenges these assumptions. Neuroscientists have found that throughout the entire process of development, beginning even before birth, the brain is affected by environmental conditions, including the kind of nourishment, care, surroundings, and stimulation an individual receives. The impact of the environment is dramatic and specific, not merely influencing the general direction of development, but actually affecting how the intricate circuitry of the brain is wired.

The notion of "wiring" or "circuitry" is often used to describe the brain's complex network. Brain function hinges on the rapid, efficient passage of signals from one part of the brain to another. It needs a well organized network. The building blocks of this network are brain cells (neurons) and the connections (synapses) they form to other brain cells. These synapses are vital to healthy development and learning: they link up to form neural pathways. As an individual interacts with the environment—reacting to stimuli, taking in information, processing it, or storing it—new signals race along these neural pathways. In neuroscientists' terms, the synapses and the pathways they form are "activated."

It is during the first three years of life that the vast majority of synapses is produced. The number of synapses increases with astonishing rapidity until about age three and then holds steady throughout the first decade of life. A child's brain becomes super-dense, with twice as many synapses as it will eventually need. Brain development is, then, a process of pruning.

This is why early experience is so crucial: those synapses that have been activated many times by virtue of repeated early experience tend to become permanent; the synapses that are not used tend to be eliminated. In this way early experiences—positive or negative—have a decisive impact on how the brain is wired.

New knowledge about brain function should end the "nature or nurture" debate once and for all. A great deal of new research leads to this conclusion: how humans develop and learn depends critically and continually on the interplay between nature (an individual's genetic endowment) and nurture (the nutrition, surroundings, care, stimulation, and teaching that are provided or withheld). Both are crucial.

2. **Early care has a decisive and long-lasting impact on how people develop, their ability to learn, and their capacity to regulate their own emotions.** The ways that parents, families, and other caregivers relate and respond to young children, and the ways that they mediate children's contact with the environment, directly affect the formation of neural pathways. In particular, a child's capacity to control emotions appears to hinge, to a significant extent, on biological systems shaped by his or her early experiences and attachments. Neuroscientists are finding that a strong, secure attachment to a nurturing caregiver can have a protective biological function, helping a growing child withstand (and, indeed, learn from) the ordinary stresses of daily life. There is no single "right" way to create this capacity; warm, responsive care can take many forms.

3. **The human brain has a remarkable capacity to change, but timing is crucial.** There is mounting evidence that the brain has the capacity to change in important ways in response to experience. It shows that the brain is not a static entity, and that an individual's capacities are not fixed at birth. The brain itself can be altered—or helped to compensate for problems—with timely, intensive intervention. In the first decade of life, and particularly in the first few years, the brain's ability to change and compensate is especially remarkable.

Because the brain has the capacity to change, there are ample opportunities to promote and support children's healthy growth and development. But timing is crucial. While learning continues throughout the life cycle, there are optimal periods of opportunity—"prime times"—during which the brain is particularly efficient at specific types of learning. In the neurobiological literature, these times are called "critical periods."

4. **There are times when negative experiences or the absence of appropriate stimulation are more likely to have serious and sustained effects.** A number of researchers have focused their attention on specific circumstances that may interfere with warm, responsive caregiving during critical periods, including maternal depression. While not all babies of depressed mothers show negative effects, maternal depression can impede healthy brain development, particularly in the part of the brain associated with the expression and regulation of emotions. Postpartum depression that lasts only a few months does not appear to have a lasting impact; but babies who are from six to eighteen months old when their mothers suffer from depression appear to be at greater risk. When mothers are treated for or recover from depression, their children's brain activity and behavior can improve significantly.

New knowledge about the vulnerability of the developing brain to environmental factors suggests that significant, early exposure to such substances as nicotine, alcohol, and cocaine may have more harmful and long-lasting effects on young children than was previously suspected.

Early experiences of trauma or ongoing abuse, whether in utero or after birth, can interfere with the development of the subcortical and limbic areas of the brain, resulting in extreme anxiety, depression, and/or the inability to form healthy attachments to others. Adverse experiences throughout childhood can also impair cognitive abilities.

Many of the risk factors described above occur together, jeopardizing the healthy development of young children and making research endeavors more challenging. Research shows that many of these risk factors are associated with or exacerbated by poverty. Today, fully a quarter of American children under the age of six are growing up in poverty; the same figure holds for children under the age of three. Economic deprivation affects their nutrition, access to medical care, the safety and predictability of their physical environment, the level of family stress, and the quality and continuity of their day-to-day care.

5. **Evidence amassed over the last decade points to the wisdom and efficacy of prevention and early intervention.** There are, to be sure, some genetic disorders or neurological events (such as a massive stroke) whose consequences are difficult if not impossible to reverse, given current knowledge and methods. But study after study shows that intensive, well designed, timely intervention can improve the prospects—and the quality of life—of many children who are considered to be at risk of cognitive, social, or emotional impairment. In some cases, effective intervention efforts can even ameliorate conditions once thought to be virtually untreatable, such as autism or mental retardation.

The efficacy of early intervention has been demonstrated and replicated in diverse communities across the nation. Children from families with the least formal education appear to derive the greatest cognitive benefits from intervention programs. Moreover, the impact of early intervention appears to be long-lasting, particularly when there is follow-up during the elementary school years.

Where Do We Go From Here?

In most spheres of knowledge, what we don't know far exceeds what we do know. Brain research is no exception. Coming years promise to yield new discoveries about how the brain develops and how children's capacities grow and mature.

However, the knowledge base is ample enough to allow us to act now. A framework for action might be designed around key assertions presented in this report, including the importance of the interplay between nature and nurture; the importance of strong, secure early attachments; the extent and rapidity of early development; the brain's remarkable plasticity; and the wisdom and efficacy of prevention and high-quality, well designed early intervention.

Such a framework would need to take into account three key principles:

First, do no harm. New insights into the brain suggest that the principle that guides medical practice should be applied just as rigorously to all policies and practices that affect children: first do no harm. Policies or practices that prevent parents from forming strong, secure attachments with their infants in the first months of life need urgent attention and reform. At the same time, parents need more information about how the kind of care they provide affects their children's capacities. "First, do no harm" also means mounting intensive efforts to improve the quality of child care and early education, so that parents can be sure that while they are at work, their young children's emotional development and learning are being fostered.

Prevention is best, but when a child needs help, intervene quickly and intensively. Knowing that early experience has such a strong influence on brain development, parents may worry that every unpleasant sensation or upsetting experience will become a neurological nightmare. They may rest assured that in most cases, a history of consistent and responsive care cushions children from the occasional bumps and bruises that are inevitable in everyday life. In most cases, children can recover even from serious stress or trauma. And if they are given timely, intensive, sustained help, they can overcome a wide range of developmental problems. More detailed knowledge about specific aspects of brain development and functioning will allow the design of interventions that more closely match children's needs.

Promote the healthy development and learning of every child. If we miss early opportunities to promote healthy development and learning, later remediation may be more difficult and expensive, and may be less effective given the knowledge, methods and settings that are currently available. However, *risk is not destiny.* The medical, psychological, and educational literatures contain sufficient examples of people who develop or recover significant capacities after critical periods have passed to sustain hope for every individual. Ongoing efforts to enhance the cognitive, emotional, and social development of youth and adults in every phase of the life cycle must be supported.

Implications for Policy and Practice

New insights into early development confront policy makers and practitioners in many fields with thorny questions and difficult choices. As we move into the next century, our children need and deserve policies and practices that reflect the importance of the early years, and that embody the principles that emerged from the brain conference. In particular, new knowledge about early development adds weight and urgency to the following policy goals:

Improve health and protection by providing preventive and primary health care coverage for expectant and new parents and their young children. Today, about one in five pregnant women receives little or no prenatal care in the cru-

cial first trimester; for African American, Latina, and American Indian women, the figure is one in three. In addition to prenatal care, pregnant women need safe homes, adequate nutrition, and buffering from extreme stress. The first three years of life are also filled with important health and safety risks, but millions of children in this age span are uninsured or underinsured.

Promote responsible parenthood by expanding proven approaches. All parents can benefit from solid information and support as they raise their children; some need more intensive assistance. There is substantial research evidence that certain parent education/family support programs promote the healthy development of children, improve the well-being of parents, and are cost-effective.

Safeguard children in child care from harm and promote their learning and development. Researchers have found that most child care settings are of mediocre to poor quality, and the nation's youngest children are the most likely to be in unsafe, substandard child care. More than one-third are in situations that can be detrimental to their development. Most of the rest are in settings where minimal learning is taking place. We can do better. Studies show that it is possible to improve quality, creating settings in which children can thrive and learn.

Enable communities to have the flexibility and the resources they need to mobilize on behalf of young children and their families. Efforts are now underway across the nation to mobilize communities on behalf of young children and their families. These efforts need and deserve support from national, state, and local leaders, as well as from leaders of business, the media, community organizations, and religious institutions.

■ **Conveying New Knowledge about the Brain** Finally, new knowledge about the brain must be communicated to families and the public at large with immense care. While mothers and fathers have a powerful impact on their children's development and learning, many factors play a role and parents must not be made to feel solely responsible for every hurdle their children may encounter. While warm, responsive caregiving helps to promote healthy development, some neurological conditions remain fairly resistant to change. And while the neuroscientist's lens may appear to magnify or isolate such neurological problems, they are in fact only one facet of these children's rich and complex lives.

The notion of critical periods also needs to be carefully qualified. To be sure, nature provides prime times for development and learning, but parents and other caregivers can take advantage of these times in many ways, drawing upon their own varied resources and beliefs. Moreover, it is never too late to improve the quality of a child's life.

In short, new insights into early brain development suggest that as we care for our youngest children, as we institute policies or practices that affect their day-to-day experience, the stakes are very high. But we can take comfort in the knowledge that there are many ways that we as parents, as caregivers, as citizens, and as policy makers can raise healthy, happy, smart children. We can take heart in the knowledge that there are many things that we as a nation can do, starting now, to brighten their future and ours.

Foreword

Rethinking the Brain, and the conference which inspired it, present an overview of neuroscientists' recent findings about the brain, and suggest how these insights can guide and support our nation's efforts to promote the healthy development and learning of young children.

What can science teach? How can its findings be applied to urgent social problems? Richard Feynman, a Nobel Laureate in physics, often mused about such questions. He wrote:

> *From time to time people suggest to me that scientists ought to give more consideration to social problems, especially that they should be more responsible in considering the impact of science on society. It seems to be generally believed that if the scientists would only look at these very difficult social problems and not spend so much time fooling with less vital scientific ones, great success would come of it. It seems to me that we do think about these problems, from time to time, but ... social problems are very much harder than scientific ones....*

Feynman went on to say that it would be a mistake to underestimate the value of the world view which comes from scientific endeavor. In particular, the wonders of science have led us "to imagine all sorts of things infinitely more marvelous than the imaginings of poets and dreamers of the past."

I have my own example of the wonders of imagination flowing from scientific findings. A human baby develops from the fertilization of a human egg by a human sperm, resulting in a combined cell which is very tiny. In about 25 weeks that microscopic cell grows to become a fetus weighing one pound. In 15 more weeks, the fetus grows sevenfold. I am awed by the fact that a fetus weighing one pound already has 100 billion brain cells (called neurons), any one of which may form, over time, as many as 15,000 connections to other brain cells.

This report is about the early development of the human brain. For many years, I have been interested in early childhood development. I have listened to and read the remarkable insights of people like Anna Freud, John Bowlby, the Robertsons of London, Selma Fraiberg, Berry Brazelton, and Sally Provence. I have been struck by the keen clinical judgments they reached about the importance of infancy, relying only on their own keen eyes, without the benefit of the new, sophisticated imaging technologies.

In the years when most of these pioneers began publishing their observations and theories, there was very little neurobiological evidence to confirm their judgments about the critical nature of early brain development. But over the last decade, incredible advances in the knowledge and tools available to neuroscientists have allowed them to document the immense proliferation of neurons in the prenatal period, as well as the processes by which children's brains, including those of infants, form myriad connections among those neurons. Indeed, how children's brains develop from a few cells to a complex structure encompassing billions of cells and trillions of connections is so astonishing as to be almost unbelievable.

Neuroscientists' insights suggest that the early years are filled with opportunities—and pitfalls. It is my hope that this report, and the discussions it sparks, will help parents, educators, human services providers, and policy makers in many fields seize those opportunities and sidestep those pitfalls.

Irving Harris
The Harris Foundation
April 1997

Preface

Rethinking the Brain is based, in large part, on the proceedings from a national conference that we organized and convened on the critical importance of early brain development for our nation's future well-being. This meeting, titled *Brain Development in Young Children: New Frontiers for Research, Policy and Practice,* was held on June 13 and 14, 1996 at the University of Chicago and brought together 150 of the nation's leading brain scientists, experts in child development and early education, business leaders, policy makers and members of the news media.

The conference has served as a research base for the "I Am Your Child" Campaign, an early childhood public engagement campaign established by Rob Reiner, Michele Singer Reiner, Ellen Gilbert of International Creative Management, and other prominent entertainers, media, foundations, corporations, and child development experts. The outreach campaign is coordinated by the Families and Work Institute. The campaign is bringing national attention to the importance of the first three years of life, promoting family involvement in young children's healthy development and school readiness, helping to mobilize communities to act on behalf of young children and their families, and building the capacity of early childhood organizations to help families nurture their children.

The conference on brain development and its report build on a seminal report, *Starting Points: Meeting the Needs of Our Youngest Children*, released by Carnegie Corporation of New York in 1994. *Starting Points* noted that:

> *Across the United States, we are beginning to hear the rumblings of a quiet crisis. Our nation's children under the age of three and their families are in trouble, and their plight worsens every day.*
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> *To be sure, the children themselves are not quiet; they are crying out for help. And their parents' anxieties about inadequate child care and the high cost of their child's health care can be heard in kitchens, playgrounds, pediatricians' waiting rooms, and workplace cafeterias across the nation. But these sounds rarely become sound-bites.*

When *Starting Points* was released, much of the extensive media attention focused on new highly persuasive evidence from research on brain development that how individuals function from the preschool years all the way through adolescence and even adulthood hinges, to an important extent, on their experiences in the first three years of life.

But *Starting Points* also made it clear that there is a very wide gap between scientific research and public knowledge—between what is known and what is done. In particular, our nation's pivotal institutions have not carefully considered our growing knowledge of early brain development.

The conference amplified the information presented in *Starting Points.* This report began as a summary of information and perspectives presented at that conference. As it took shape, however, it grew into a more comprehensive effort to bring to public attention the following key findings of recent brain research:

- Human development hinges on the interplay between nature and nurture.
- Early care and nurture have decisive and long-lasting impact on how people develop, their ability to learn, and their capacity to regulate their emotions.
- The human brain has a remarkable capacity to change, but timing is crucial.

- There are times when negative experiences or the absence of appropriate stimulation are more likely to have serious and sustained effects.
- Substantial evidence amassed by neuroscientists and child development experts over the last decade points to the wisdom and efficacy of prevention and early intervention.

These findings—as presented in *Rethinking the Brain*—are undergirded by substantial, hard scientific evidence collected painstakingly in research laboratories and through naturalistic observation. When considered together with the research of developmental psychologists and early intervention program experts, they expand the frontiers of knowledge; moreover, they should now compel public attention toward a much more forceful commitment to nurturing our youngest children.

This report is intended primarily for professionals in diverse fields who are seeking to achieve better results for young children and their families. We recognize, however, that the difficult choices it presents may raise concern for other members of the public, especially parents.

Rethinking the Brain highlights opportunities to promote healthy development, and to reduce risks, in the early years of life. In the process, it necessarily paints in broad strokes some very complex issues and debates. We wish to underscore that myriad factors shape a child's development—not only genes, but also the environment; and not only the immediate environment of the home, but also the larger social and economic settings of local communities and states, and of the nation as a whole. In this sense, all Americans share responsibility for every child.

Of course, parents bear the greatest responsibility for children's well-being. We believe that new insights into early development can help parents rethink their own approaches to childrearing and make sound decisions for their families. But no parent should draw from this report the conclusion that he or she is solely responsible for any difficulties a child may have.

As we rethink the brain, it is also vital to consider effective ways to present new findings to the public, with a view toward offering families help and hope, not distress or guilt. Research is needed to guide this effort. At the same time, we need the best thinking of leaders in diverse fields to address, on an ongoing basis, critical dissemination issues.

We are very grateful to the scholars and child development experts who participated in the conference and who reviewed this report; many spent hours with us, exploring the connections between the biological and the social sciences.

We were also especially fortunate to have a superb steering committee that helped shape the conference agenda and the subsequent report—led by the indefatigable and remarkable Irving Harris. His vision guided us through this entire process.

A special note of appreciation to Rima Shore. In addition to her lucid, artful prose and exceptional understanding of complex subjects, large and small, she has gone beyond the confines of the conference to incorporate additional research, presenting an in-depth picture of why and how we need to "rethink" the brain development of young children. We are also grateful to Jennifer Swanberg of the Families and Work Institute. She was an astute, tireless researcher while also managing the complex process of producing this report.

It is our strong hope that this report will make new insights into early development accessible to the public and policy makers, and that they will will become the basis for taking action on behalf of young children and their families.

Ellen Galinsky
Families and Work Institute

Michael H. Levine
Carnegie Corporation of New York

April 1997

Executive Summary

A father comforts a crying newborn. A mother plays peekaboo with her ten-month-old. A child care provider reads to a toddler. And in a matter of seconds, thousands of cells in these children's growing brains respond. Some brain cells are "turned on," triggered by this particular experience. Many existing connections among brain cells are strengthened. At the same time, new connections are formed, adding a bit more definition and complexity to the intricate circuitry that will remain largely in place for the rest of these children's lives.

We didn't always know it worked this way. Until recently, it was not widely believed that the brains of human infants could be so active and so complex. Nor did we realize how flexible the brain is. Only 15 years ago, neuroscientists assumed that by the time babies are born, the structure of their brains is genetically determined. They did not recognize that the experiences that fill a baby's first days, months and years have such a decisive impact on the architecture of their brains, or on the nature and extent of their adult capacities. Today, thanks in part to decades of research on brain chemistry and sophisticated new technologies, neuroscientists are providing evidence for assertions that would have been greeted with skepticism ten or twenty years ago.

Breakthroughs in Neuroscience—Why Now?

Every field of endeavor has peak moments of discovery and opportunity, when past knowledge converges with new needs, new insights, and new technologies to produce stunning advances. For neuroscience, this is one such moment. Certainly, the development of new research tools, such as brain imaging technologies, has been a crucial factor. But technological advances never occur in a vacuum. Brain research has been stimulated, in part, by growing concern about the status of children in America—not only their academic achievement, but also their health, safety, and overall well-being. There is growing consensus, among decision makers in many fields, that efforts to recast policy and reconsider the best use of public resources must begin at the beginning—with clearheaded thinking about young children's brains.

What Have We Learned?

1. **Human development hinges on the interplay between nature and nurture.** Much of our thinking about the brain has been dominated by old assumptions—that the genes we are born with determine how our brains develop, and that in turn how our brains develop determines how we interact with the world. Recent brain research challenges these assumptions. Neuroscientists have found that throughout the entire process of development, beginning even before birth, the brain is affected by environmental conditions, including the kind of nourishment, care, surroundings, and stimulation an individual receives. The impact of the environment is dramatic and specific, not merely influencing the general direction of development, but actually affecting how the intricate circuitry of the brain is wired.

The notion of "wiring" or "circuitry" is often used to describe the brain's complex network. Brain function hinges on the rapid, efficient passage of signals from one part of the brain to another. It needs a well organized network. The building blocks of this network are brain cells (neurons) and the connections (synapses) they form to other brain cells. These synapses are vital to healthy development and learning: they link up to form neural pathways. As an individual interacts with the environment—reacting to stimuli, taking in information, processing it, or storing it—new signals race along these neural pathways. In neuroscientists' terms, the synapses and the pathways they form are "activated."

It is during the first three years of life that the vast majority of synapses is produced. The number of synapses increases with astonishing rapidity until about age three and then holds steady throughout the first decade of life. A child's brain becomes super-dense, with twice as many synapses as it will eventually need. Brain development is, then, a process of pruning.

This is why early experience is so crucial: those synapses that have been activated many times by virtue of repeated early experience tend to become permanent; the synapses that are not used tend to be eliminated. In this way early experiences—positive or negative—have a decisive impact on how the brain is wired.

New knowledge about brain function should end the "nature or nurture" debate once and for all. A great deal of new research leads to this conclusion: how humans develop and learn depends critically and continually on the interplay between nature (an individual's genetic endowment) and nurture (the nutrition, surroundings, care, stimulation, and teaching that are provided or withheld). Both are crucial.

2. **Early care has a decisive and long-lasting impact on how people develop, their ability to learn, and their capacity to regulate their own emotions.** The ways that parents, families, and other caregivers relate and respond to young children, and the ways that they mediate children's contact with the environment, directly affect the formation of neural pathways. In particular, a child's capacity to control emotions appears to hinge, to a significant extent, on biological systems shaped by his or her early experiences and attachments. Neuroscientists are finding that a strong, secure attachment to a nurturing caregiver can have a protective biological function, helping a growing child withstand (and, indeed, learn from) the ordinary stresses of daily life. There is no single "right" way to create this capacity; warm, responsive care can take many forms.

3. **The human brain has a remarkable capacity to change, but timing is crucial.** There is mounting evidence that the brain has the capacity to change in important ways in response to experience. It shows that the brain is not a static entity, and that an individual's capacities are not fixed at birth. The brain itself can be altered—or helped to compensate for problems—with timely, intensive intervention. In the first decade of life, and particularly in the first few years, the brain's ability to change and compensate is especially remarkable.

Because the brain has the capacity to change, there are ample opportunities to promote and support children's healthy growth and development. But timing is crucial. While learning continues throughout the life cycle, there are optimal periods of opportunity—"prime times"—during which the brain is particularly efficient at specific types of learning. In the neurobiological literature, these times are called "critical periods."

4. **There are times when negative experiences or the absence of appropriate stimulation are more likely to have serious and sustained effects.** A number of researchers have focused their attention on specific circumstances that may interfere with warm, responsive caregiving during critical periods, including maternal depression. While not all babies of depressed mothers show negative effects, maternal depression can impede healthy brain development, particularly in the part of the brain associated with the expression and regulation of emotions. Postpartum depression that lasts only a few months does not appear to have a lasting impact; but babies who are from six to eighteen months old when their mothers suffer from depression appear to be at greater risk. When mothers are treated for or recover from depression, their children's brain activity and behavior can improve significantly.

New knowledge about the vulnerability of the developing brain to environmental factors suggests that significant, early exposure to such substances as nicotine, alcohol, and cocaine may have more harmful and long-lasting effects on young children than was previously suspected.

Early experiences of trauma or ongoing abuse, whether in utero or after birth, can interfere with the development of the subcortical and limbic areas of the brain, resulting in extreme anxiety, depression, and/or the inability to form healthy attachments to others. Adverse experiences throughout childhood can also impair cognitive abilities.

Many of the risk factors described above occur together, jeopardizing the healthy development of young children and making research endeavors more challenging. Research shows that many of these risk factors are associated with or exacerbated by poverty. Today, fully a quarter of American children under the age of six are growing up in poverty; the same figure holds for children under the age of three. Economic deprivation affects their nutrition, access to medical care, the safety and predictability of their physical environment, the level of family stress, and the quality and continuity of their day-to-day care.

5. **Evidence amassed over the last decade points to the wisdom and efficacy of prevention and early intervention.** There are, to be sure, some genetic disorders or neurological events (such as a massive stroke) whose consequences are difficult if not impossible to reverse, given current knowledge and methods. But study after study shows that intensive, well designed, timely intervention can improve the prospects—and the quality of life—of many children who are considered to be at risk of cognitive, social, or emotional impairment. In some cases, effective intervention efforts can even ameliorate conditions once thought to be virtually untreatable, such as autism or mental retardation.

The efficacy of early intervention has been demonstrated and replicated in diverse communities across the nation. Children from families with the least formal education appear to derive the greatest cognitive benefits from intervention programs. Moreover, the impact of early intervention appears to be long-lasting, particularly when there is follow-up during the elementary school years.

Where Do We Go From Here?

In most spheres of knowledge, what we don't know far exceeds what we do know. Brain research is no exception. Coming years promise to yield new discoveries about how the brain develops and how children's capacities grow and mature.

However, the knowledge base is ample enough to allow us to act now. A framework for action might be designed around key assertions presented in this report, including the importance of the interplay between nature and nurture; the importance of strong, secure early attachments; the extent and rapidity of early development; the brain's remarkable plasticity; and the wisdom and efficacy of prevention and high-quality, well designed early intervention.

Such a framework would need to take into account three key principles:

First, do no harm. New insights into the brain suggest that the principle that guides medical practice should be applied just as rigorously to all policies and practices that affect children: first do no harm. Policies or practices that prevent parents from forming strong, secure attachments with their infants in the first months of life need urgent attention and reform. At the same time, parents need more information about how the kind of care they provide affects their children's capacities. "First, do no harm" also means mounting intensive efforts to improve the quality of child care and early education, so that parents can be sure that while they are at work, their young children's emotional development and learning are being fostered.

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Promote the healthy development and learning of every child. If we miss early opportunities to promote healthy development and learning, later remediation may be more difficult and expensive, and may be less effective given the knowledge, methods and settings that are currently available. However, *risk is not destiny.* The medical, psychological, and educational literatures contain sufficient examples of people who develop or recover significant capacities after critical periods have passed to sustain hope for every individual. Ongoing efforts to enhance the cognitive, emotional, and social development of youth and adults in every phase of the life cycle must be supported.

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This report is intended primarily for professionals in diverse fields who are seeking to achieve better results for young children and their families. We recognize, however, that the difficult choices it presents may raise concern for other members of the public, especially parents.

Rethinking the Brain highlights opportunities to promote healthy development, and to reduce risks, in the early years of life. In the process, it necessarily paints in broad strokes some very complex issues and debates. We wish to underscore that myriad factors shape a child's development—not only genes, but also the environment; and not only the immediate environment of the home, but also the larger social and economic settings of local communities and states, and of the nation as a whole. In this sense, all Americans share responsibility for every child.

Of course, parents bear the greatest responsibility for children's well-being. We believe that new insights into early development can help parents rethink their own approaches to childrearing and make sound decisions for their families. But no parent should draw from this report the conclusion that he or she is solely responsible for any difficulties a child may have.

As we rethink the brain, it is also vital to consider effective ways to present new findings to the public, with a view toward offering families help and hope, not distress or guilt. Research is needed to guide this effort. At the same time, we need the best thinking of leaders in diverse fields to address, on an ongoing basis, critical dissemination issues.

We are very grateful to the scholars and child development experts who participated in the conference and who reviewed this report; many spent hours with us, exploring the connections between the biological and the social sciences.

We were also especially fortunate to have a superb steering committee that helped shape the conference agenda and the subsequent report—led by the indefatigable and remarkable Irving Harris. His vision guided us through this entire process.

A special note of appreciation to Rima Shore. In addition to her lucid, artful prose and exceptional understanding of complex subjects, large and small, she has gone beyond the confines of the conference to incorporate additional research, presenting an in-depth picture of why and how we need to "rethink" the brain development of young children. We are also grateful to Jennifer Swanberg of the Families and Work Institute. She was an astute, tireless researcher while also managing the complex process of producing this report.

It is our strong hope that this report will make new insights into early development accessible to the public and policy makers, and that they will will become the basis for taking action on behalf of young children and their families.

Ellen Galinsky
Families and Work Institute

Michael H. Levine
Carnegie Corporation of New York

April 1997

"Beeboo," she says.

"Peekaboo," her mother answers, spreading one hand in front of her face and trying to change her diaper with the other.

"Beebeebeebeebee," she sings, waving her arms excitedly.

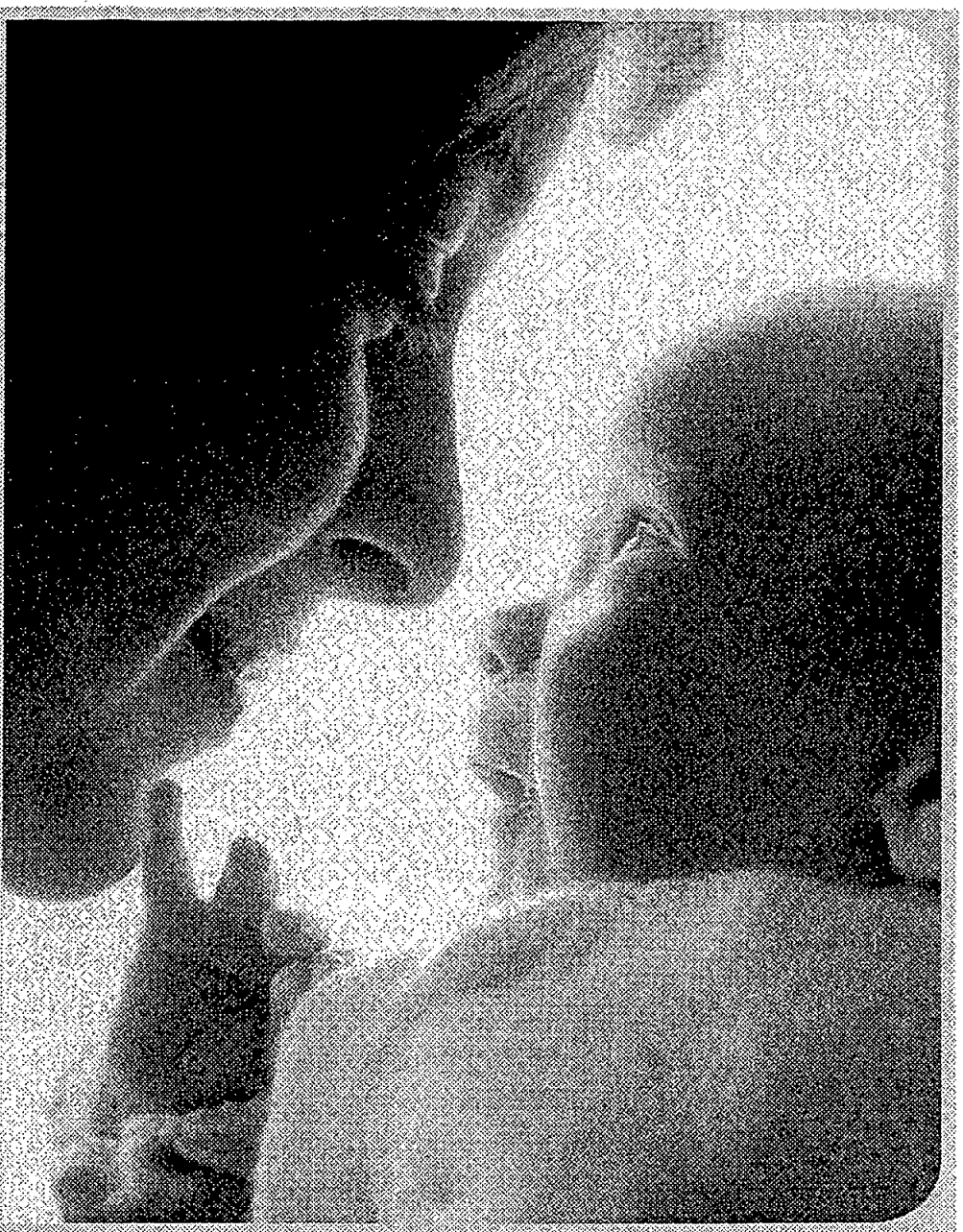
"Peekaboo, I see you. There's my baby!"

And in a matter of seconds, thousands of cells in this child's growing brain respond. Some brain cells are "turned on," triggered by this particular experience. Many existing connections among brain cells are strengthened. At the same time, new connections are formed, adding a bit more definition and complexity to the intricate circuitry that will remain largely in place for the rest of her life.

We didn't always know it worked this way. Until recently, it was not widely believed that the brains of human infants could be so active and so complex. Nor did we realize how flexible the brain is. Only 15 years ago, neuroscientists assumed that by the time babies are born, the structure of their brains is genetically determined. They did not recognize that the experiences that fill a baby's first days, months, and years have such a decisive impact on the architecture of her brain, or on the nature and extent of her adult capacities. Nor did they appreciate the extent to which young children actively participate in their own brain development by signalling their needs to caregivers and by responding selectively to different kinds of stimulation.

Today, thanks in part to decades of research on brain chemistry and sophisticated new technologies, neuroscientists are providing evidence for assertions that would have been greeted with skepticism—if not outright disbelief—ten or twenty years ago. Of course, there is still some resistance to theories that challenge traditional ways of

thinking about young children and about brain development. But now, teams of scientists across the nation and around the globe are elaborating on the brain's development and functions—getting right down to the cellular level. They are showing how nature and nurture interact on a continuous basis as children grow and mature. And in the process, they are sending a wake-up call to parents, teachers, health professionals, and policy makers in many fields, cautioning that we ignore the opportunities and risks of the first years of life at our own peril—and at the peril of future generations.



Indeed, brain research is one of the most exciting and fruitful scientific endeavors of the last decades of the 20th century. But unless this research finds its way into our homes and health clinics, our early childhood centers and classrooms, America's schools and human service institutions will remain locked in a 19th-century paradigm.

"An Organ of Minor Importance"

How we function as adults hinges to a significant extent on how our brains develop when we are young. This statement may sound self-evident, but has not always held sway in public life. Indeed, resistance to brain research has a long and complex history that goes back to ancient times. Many people have resisted an emphasis on the brain because it seems to diminish the role of moral qualities, of "character" and "soul." In the fourth century B.C., Aristotle described the brain as "an organ of minor importance," insisting that "the seat of the soul and the control of voluntary movement—in fact, of nervous functions in general—are to be sought in the heart."

Few people today would endorse the notion that the brain has little importance, but many share the sense that the way to improve the status of America's children is to focus more on qualities of heart (the realm of families and clergy) than on the brain (the realm of scientists and academics). But in fact, by highlighting the interplay between nature and nurture, recent brain research challenges this dichotomy, stressing the vital role of families and communities in promoting optimal brain development.

Others have been wary of neuroscience because some of its early practitioners, including adherents of phrenology, used fallacious arguments about the brain to justify the subjugation of women, racial minorities, and immigrant groups. As a result of this ignoble history, many people understandably greet new efforts to lend scientific credibility to views about how and why people learn with some skepticism.

Finally, still others are reluctant today to lend credibility to brain research because they fear, with some reason, that it may be used to support a misinformed determinism—the conviction that young children have preset limits to what they can learn, or that we might as well give up on children who have not made a good start, academically, emotionally, or socially, in the first decade of life.

That is why it is so important to underscore three key findings of recent brain research:

- First, an individual's capacity to learn and thrive in a variety of settings depends on the interplay between nature (their genetic endowment) and nurture (the kind of care, stimulation, and teaching they receive).

- Second, the human brain—across all ethnic and racial groups—is uniquely constructed to benefit from experience and from good teaching, particularly during the first years of life.

- And third, while the opportunities and risks are greatest during the first years of life, learning takes place throughout the human life cycle.

In June 1996, a two-day conference was convened by the Families and Work Institute to discuss new knowledge about early brain development and its implications for America's children. Entitled *Brain Development in Young Children: New Frontiers for Research, Policy and Practice*, the conference was funded by the Carnegie Corporation of New York, The Charles A. Dana Foundation, The Harris Foundation and the Robert R. McCormick Tribune Foundation, and was developed in conjunction with the "I Am Your Child" campaign, a public engagement effort designed to focus attention on the importance of the first three years of life.

The conference sprang from the conviction that not just parents and families, but the nation as a whole, has a vital stake in its youngest children's healthy development and learning. It brought together professionals from the neurosciences, medicine, education, human services, the media, business, and public policy to look at what is known about the brain and how that knowledge can and should inform efforts to improve results for children and their families.

This report draws on the proceedings of that conference as well as papers by participants, a range of other background materials and interviews with scholars. It highlights the major findings reported at the conference, summarizes their implications for policy and practice in education and the human services, notes areas of debate, and points to pathways for future research. Finally, it frames the tough policy questions that arise from new insights into early development.

Breakthroughs in Neuroscience—*Why Now?*

Every field of endeavor has peak moments of discovery and opportunity—when past knowledge converges with new needs, new insights, and new technologies to produce stunning advances. For neuroscience, this is one such moment. The last ten years have produced more knowledge about the brain and how it develops than scientists had gleaned in the previous several centuries.

New Research Tools

Why have discoveries in neuroscience advanced so dramatically, capturing the attention of professionals in so many fields? Why now? Certainly, the development of new research tools has been a crucial factor. Dramatic chapters in the history of human exploration have always been prefaced by technological breakthroughs, opening new possibilities, permitting not only material progress but also conceptual leaps and, over time, social change. Some five hundred years ago, new navigational technologies allowed seafarers to find their way to uncharted realms, and at the same time to reframe their contemporaries' thinking about their own world. Today new devices for mapping the human body are allowing new explorations of the brain, and new ways of thinking about how individuals develop and learn.

In the past, investigations of the brain relied heavily on animal studies. Research on humans focused primarily on case studies of people with neurological disorders. Autopsies were also an important source of knowledge; for centuries, most conclusions (and many fallacies) about how people learn and think were premised on observations of the physical size and appearance of different brains and of different parts of the brain. Today, animal studies and autopsies continue to be important sources of knowledge about human anatomy and physiology. But with the help of new technologies, scientists also have numerous ways to study the brains of living people—methods that are designed to be non-invasive. Magnetic Resonance Imaging (MRI) has given neuroscientists a far more detailed view of the brain than was previously possible; a related technology, known as "functional MRI," offers new insights into how the brain works. Perhaps the most dramatic advance in brain imaging in recent years has been the Positron Emission Tomography or PET scan. The PET scan allows scientists not only to observe brain structure in great detail, but also to record and measure with considerable precision the activity levels of various parts of the brain.

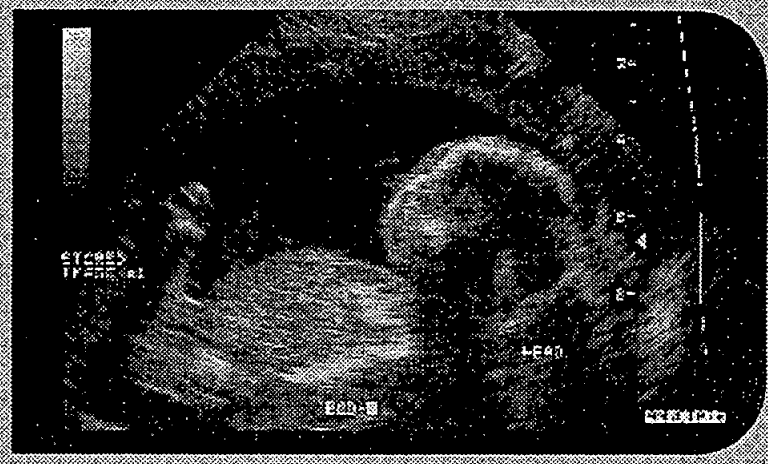
Dramatic chapters in the history of human exploration have always been prefaced by technological breakthroughs.

PET scans are powerful tools that can help physicians diagnose and treat a wide range of neurological disorders. But they also provide insight into how normal brains develop in the first years of

The Neuroscientist's Tool Box

Studying Brain Development Before Birth

Today, a number of new techniques are allowing scientists to gain new understanding of brain development in the prenatal period. For the last two decades, ultrasound imaging has made it possible to get a glimpse of a fetus in the mother's womb. Ultrasound produces computerized images of internal body parts, based on the echoes produced by sound waves. Today, high-resolution ultrasound recordings allow scientists to study and document early brain development—including neural functioning during the prenatal period, and to study fetal behavior. Advances in embryo transplantation have also led to new insights about neural functioning at the earliest stages of life. As a result of these techniques, a view of development is emerging that treats the prenatal period as an adaptive period that is part of a coherent system of development.



A GLIMPSE OF A FETUS. Ultrasound technology analyzes how sound waves bounce off internal body parts, and then translates this information into a computerized image. This ultrasound shows a fetus in the uterus of a woman who is midway through her pregnancy.

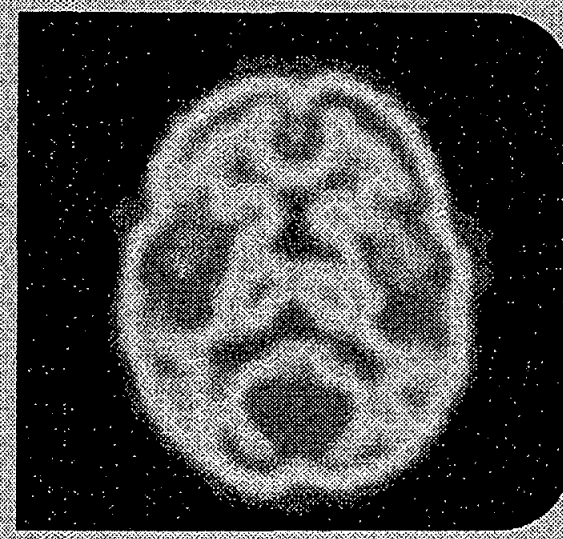
Scanning the Brain

In the past, the only way to get a detailed look at the brain of a living person was to perform surgery. Recent technologies have provided much safer, less invasive ways to create detailed images of the brain, including the Magnetic Resonance Imaging (MRI) scan and the Positron Emission Tomography (PET) scan. Both are used primarily for diagnostic purposes, but have also yielded new insights into how the normal brain develops and functions.

The MRI can produce detailed images of any internal body part. It exposes the body to a magnetic field, and then measures the energy—the nuclear magnetic resonance—that bounces off atoms within the body. Computers then translate these data into detailed images. A related technology, functional MRI, offers insight into how various parts of the body, including specific regions of the brain, work (or do not work). Functional MRI provides information about changes in the volume, flow, or oxygenation of blood that occur as a person undertakes various tasks, including not only motor activities, such as squeezing a hand, but also cognitive tasks, such as speaking or solving a problem.

The PET scan differs from the MRI because it does not just show the brain's structure and function; it also shows how the brain uses energy. To perform a PET scan, scientists inject an individual with a tracer chemical—a compound containing an isotope that gives off particles called positrons. This compound closely resembles glucose, the brain's chief energy source. As a result, the brain is "tricked" into taking up the tracer chemical and trying to use it to fuel its various activities.

This biochemical mimicry has proven immensely useful. By using a special camera that is sensitive to positrons, scientists can visualize not only the fine structures of the brain, but also the level of activity that is taking place in its various parts. That is, they can look at color-coded, cross-sectional images to see how rapidly different parts of the brain take up and try to use the tracer substance. In the process, they can zoom in very precisely on specific parts of the brain; the most up-to-date positron cameras can capture 47 "slices" of the brain at the same time. In this way, neuroscientists can record and quantify a vast amount of information about the structure and activity of a particular brain; they can use these data to create models of brain function. In addition to measuring the brain's activity level, PET scans can also be used to record and measure other aspects of brain function, including blood flow to various parts of the brain, oxygen utilization, protein synthesis, and the release and binding of specialized substances called neurotransmitters.



BRAIN AT WORK: A PET scan shows not only the structure, but also the activity level (metabolic rate), of various parts of the brain. At the time this PET scan was performed, the part of the brain that appears in red was most active.
Source: H.T. Chugani.

Because they require the injection of a tracer compound, PET scans cannot be considered entirely "non-invasive" procedures. But because many children undergo PET scans when neurological problems are suspected or diagnosed, researchers have at their disposal a wide range of data that they can use to draw conclusions about normal development. These data have allowed some insight into the relationship between the developing brain and the environment.

Looking at Brain Waves

The PET scan is the most sophisticated tool now available for studying human brain function, but cannot be used for research purposes with children too young to give informed consent. Other less invasive procedures are more appropriate for research involving young children, and have yielded a great deal of insight into normal brain development. The electroencephalogram (EEG) detects and records brain waves, and can be used to study how the brain reacts to various environmental factors, such as comforting care or stressful conditions. By correlating EEG

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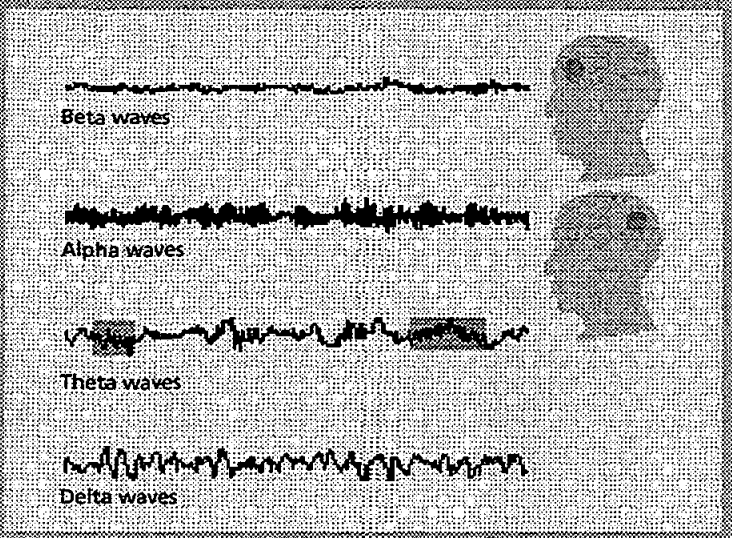


GRAPHING BRAIN WAVES. An electroencephalograph (EEG) detects and graphs brain waves. Four types of brain waves are associated with different parts of the brain and with different states: alert wakefulness (beta); relaxed wakefulness (alpha); the onset of sleep (theta); and deep sleep or coma (delta).

readings with videotapes of children engaged in various activities, scientists can draw conclusions about the effects of particular events or interactions on the brain's electrical activity. In the past, the EEG also had an "invasive" aspect, since a subject's head had to be slightly scratched to properly attach the electrodes. Recently, neuroscientists developed caps lined with special sponges that allow EEG monitoring of babies and young children without any discomfort.

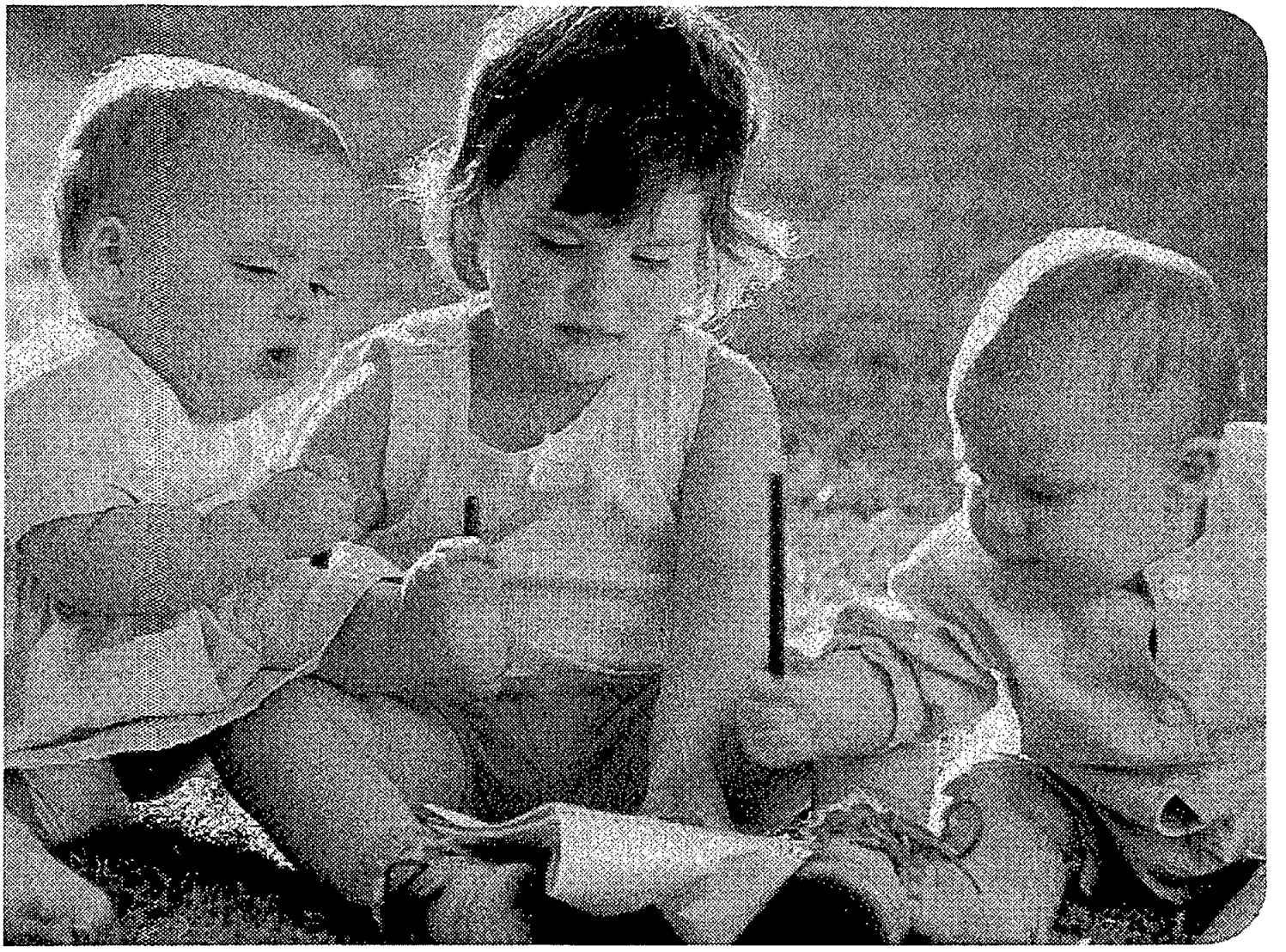
Analyzing Brain Chemistry

Another significant non-invasive way to study brain development is the analysis of a steroid hormone known as cortisol, which is contained in saliva. Because levels of cortisol in saliva rise when stress increases, a simple saliva test is a fairly accurate way to gauge the impact of adverse conditions on the brain's biochemistry. Excess cortisol can destroy brain cells and lessen synapse density in some parts of the brain; chronically high levels of cortisol have been associated with some developmental delays and neurological impairments.

Scientists also have new ways to study serotonin, a neurotransmitter that plays a crucial role in brain function. Too much or too little serotonin can affect cognitive and emotional functioning. For example, high levels of serotonin have been associated with autistic spectrum disorders, and low levels with aggression. New techniques have also been developed to study genetic defects that affect the production of serotonin and other biochemical substances needed for normal brain function.

Looking at Children and Families

Less specialized technologies also play a role in generating new knowledge about brain development. Today, many parents in virtually every socioeconomic and ethnic group have access to videotape equipment, at least on special occasions such as children's birthdays. Experts on child development have taken advantage of parents' videotapes to study variations in development. Not only parents, but also researchers frequently use video to study caregiver-child interactions over time.



life. For example, by studying the PET scans of infants and toddlers of various ages, scientists can see which parts of the brain are particularly active—that is, undergoing intensive development—at each stage. They can observe closely which parts of the brain are associated with particular activities or are affected by different types of stimulation. And they can draw conclusions about patterns of brain development and neurological functioning that tend to be similar or variable for different individuals.

In short, brain scans and other technologies have made it possible to investigate—and get a glimpse of—the brain's intricate circuitry and how it evolves. Neuroscientists have also greatly expanded our understanding of brain chemistry, and in particular the effects of various environmental factors on the brain. At the same time, they have gained insight into the nature of brain dysfunction.

The Context for Recent Brain Research

Technological breakthroughs never occur in a vacuum. Without a favorable social and ideological context, and without a widely shared perception of need, the sustained research and development needed to perfect new technologies rarely take place. Or, even if they do, the new knowledge or new possibilities that they generate may not

The Quiet Crisis

In the 1994 report entitled *Starting Points*, the Carnegie Task Force on Meeting the Needs of Our Youngest Children described the quiet crisis that faces infants and toddlers and their families. *Starting Points* reported that "of the 12 million children under the age of three in the United States today, a staggering number are affected by one or more risk factors that make a healthy development more difficult." In the three years since *Starting Points* appeared, there have been improvements in some areas. For example, teen pregnancy rates are gradually declining, and immunization rates are rising. But many risk factors remain:

- Seven percent of babies are born with low birthweight (less than 5.5 pounds), and are therefore at greater risk for disabilities and death. For children born to smokers, the rate is nearly 12 percent.
- One-fifth of all expectant mothers, and one-third of African American and Latina expectant mothers, receive no prenatal care in the first trimester of pregnancy. Four percent of all expectant mothers receive no care at all or receive care very late in their pregnancies.
- One-fourth of all two year olds in the U.S.—more than one million children—do not receive their full series of recommended immunizations.
- The incidence of child abuse and neglect has increased dramatically over the last decade. The number rose from 1.4 million in 1986 to more than 2.8 million in 1993. (This is an estimate of actual cases of abuse and neglect, not just reported cases.) During the same period, the number of children who were seriously injured quadrupled.
- Each year, some 21,000 newborns are abandoned or become boarder babies, remaining in hospitals after they are medically ready to leave.
- The U.S. has the highest teen pregnancy rate among developed countries. About 1 million teenagers become pregnant each year; 80% of those pregnancies are unintended and almost 50% end in abortions.

become widely known or exploited. Brain research has been stimulated, in part, by the search for better ways to help individuals with neurological disorders. But today, intensive interest in early brain development also reflects growing concern about the status of children in America—not only their academic achievement, but also their health, safety, and overall well-being.

Two decades of productive research in the fields of child development, education, and cognitive science, and the evaluation of early intervention and school reform initiatives, have generated substantial knowledge about the kinds of initiatives and programs that are likely to work. Research has consistently shown that high quality child care and early education can boost children's chances for later success in school. But today, most American preschoolers who are in out-of-home care—particularly infants and toddlers—are in settings of poor to mediocre quality.[1] Educators estimate that millions of American children—at least a third—enter kindergarten unprepared to benefit from the kinds

of instruction and interactions they encounter in their classrooms.[2] Poor school performance is foreshadowed by below-average performance on measures of cognitive and social functioning during the preschool years.[3]

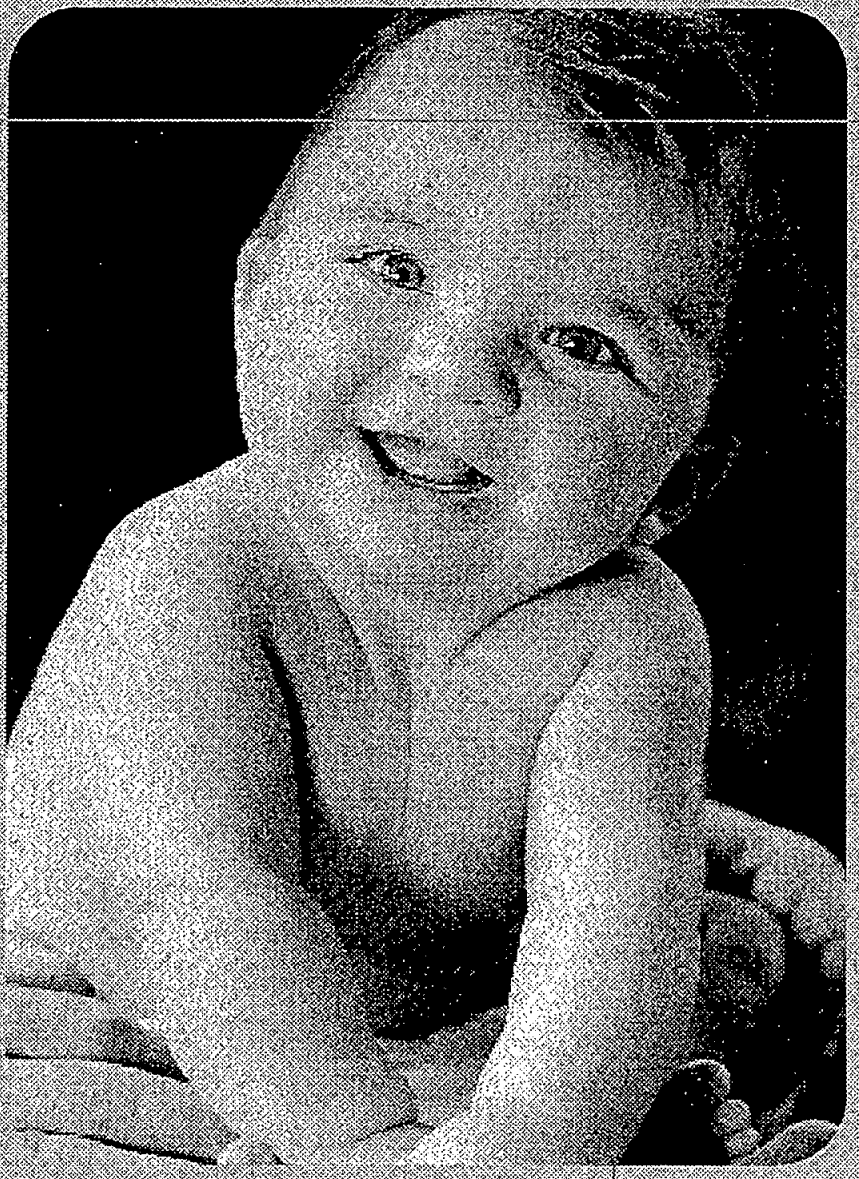
These facts are particularly alarming in view of considerable evidence that by the time they are eight years old, children are launched into trajectories that largely determine their academic futures. Researchers have been able to predict the likelihood of students' dropping out of high school based on their academic performance and social adjustment in the third grade.[4] Some researchers have predicted drop-out patterns before children even enter school, based on the quality of care and support they receive in the first years of life. L. Alan Sroufe and his colleagues at the University of Minnesota, who have followed hundreds of children over two decades, report that children's achievement at age 16 can be predicted based on the level of support they receive in their preschool years.[5] Finally, a growing body of research shows that when children do not get a good start in the early years, later remediation becomes much more difficult and costly.[6]

Given these findings, there is growing frustration with educational investments and educational research that focus primarily on school-age children, and learning strategies that begin only when children reach the age of five. There is greater recognition that if, as a society, we fail to meet the needs of our youngest children, none of our strategies for teaching them later will be as effective. Many Americans from all walks of life are coming to the conclusion that to improve achievement and help our students solve the complex problems they will encounter on a daily basis in the next century, we as a nation must support efforts that expand and apply the most fundamental knowledge available to us about how children develop (or fail to develop) the capacity to learn and to thrive in a variety of settings. More and more decision makers in diverse fields are coming to believe that efforts to recast policy and reconsider the best use of public resources must begin with clearheaded thinking about young children's brains.

New Interest in the Brain Across Diverse Disciplines

The conviction that the early years are crucial is provoking, across a wide range of disciplines, greater interest in neuroscience in general and early brain development in particular. Professionals in education and the human services are becoming more receptive to new knowledge about human brain development. Developmental psychologists and anthropologists are turning to neuroscience for insight into the relationship between the workings of the human mind and the evolution of different cultures; moreover, social scientists and neurobiologists are finding many commonalities in their findings. Leaders in the broadcast and print media are recognizing the far-reaching implications of recent brain research, and are taking steps to make it available to the public. There are new opportunities for collaboration, and a greater commitment by neuroscientists to making their work accessible and meaningful to nonspecialists.

In short, working across disciplines, researchers, practitioners, and policy makers in diverse fields are engaged in an active, exciting effort to rethink the brain, and to apply new knowledge and ideas that can support the healthy development and well-being of children. As researchers amass a growing body of vital information about the brain, the public is beginning to get the message.



What Have We *Learned?*

The research presented at the June 1996 conference pointed to five key lessons that have the potential to reframe research, policy, and practice in diverse fields committed to improving results for children and families.

1 **Human development hinges on the interplay between nature and nurture.** Much of our thinking about the brain has been dominated by old assumptions—that the genes we are born with determine how our brains develop, and that, in turn, how our brains develop determines how we interact with the world. These assumptions are not often stated in such explicit terms, but they underlie many conventional notions about why people and cultures are so different from each other. In some cases, they have been used to justify fatalistic and fallacious assertions that certain groups or individuals are bound to fail.[7]

Recent brain research challenges these assumptions. Neuroscientists have shown that throughout the entire process of development—beginning even before birth—the brain is affected by environmental conditions, including the kind of nourishment, care, surroundings, and stimulation an individual receives. The impact of the environment is dramatic and specific, not merely influencing the general direction of development, but actually affecting how the intricate circuitry of the human brain is "wired." And because every individual is exposed to different experiences, no two brains are wired the same way. Of the nearly six billion people alive on the earth today, no two individuals have the same brain. Even identical twins, born with the same genetic endowment, will develop differently based on how and when various environmental factors affect the development of their brains.

The Impact of the Environment

To be sure, genes play an important role, endowing every individual with a particular set of predispositions. (Indeed, roughly 60 percent of genes in the human body are dedicated to brain development.) In recent years, geneticists have made significant breakthroughs in their understanding of the relationship between genes and human behavior. For example, they are beginning to identify specific genes that appear to predispose an individual toward certain traits such as a bashful or outgoing social style. But they acknowledge that genetic endowment is only part of the equation; it is the dynamic relationship between nature and nurture that shapes human development.

Parents often notice that children have different temperaments. From birth, some appear to be more outgoing and adaptable; others tend to be more withdrawn and slow to warm up.[8] To be sure, genes play a role in determining temperament; but as researchers have shown, even before birth, the intrauterine environment can have a decisive influence on development, including temperamental differences in children. As infants grow, their predispositions are vitally influenced by a wide range of environmental factors, including not only the physical but also the social and emotional settings.

Neuroscientists stress the fact that interaction with the environment is not simply an interesting feature of brain development; it is an absolute

The Brain in Brief

Brain Structure

The brain is part of the central nervous system, and plays a decisive role in controlling many bodily functions, including both voluntary activities (such as walking or speaking) and involuntary ones (such as breathing or blinking).

The brain has two hemispheres, and each hemisphere has four lobes. Each of these lobes has numerous folds. These folds do not all mature at the same time. The chemicals that foster brain development are released in waves; as a result, different areas of the brain evolve in a predictable sequence. The timing of these developmental changes explains, in part, why there are "prime times" for certain kinds of learning and development.

Different parts of the brain control different kinds of functions. Most of the activities that we think of as "brain work," like thinking, planning, or remembering, are handled by the cerebral cortex, the uppermost, ridged portion of the brain. Other parts of the brain also play a role in memory and learning, including the thalamus, hippocampus, amygdala, and basal forebrain. The hypothalamus and amygdala, as well as other parts of the brain, are also important in reacting to stress and controlling emotions.

Brain Cells

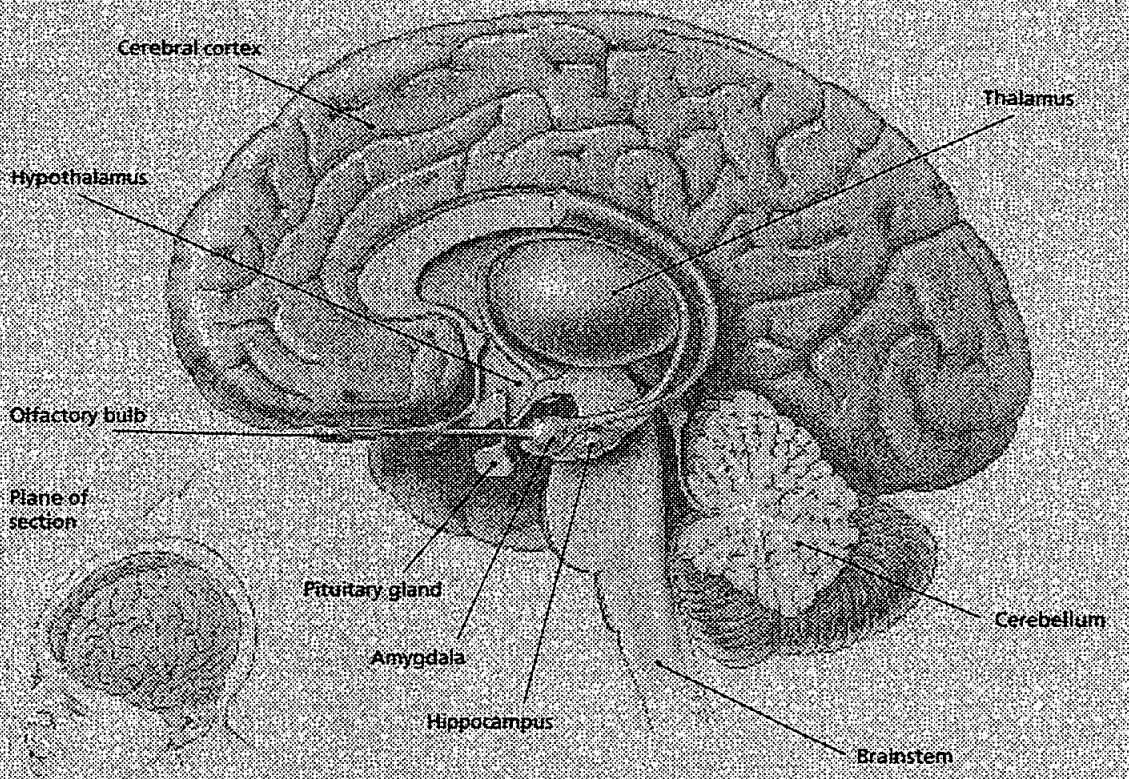
Of course, the basic building blocks of the brain are much smaller than an illustration could show. They are the specialized nerve cells that make up the central nervous system—neurons. The nerve cells proliferate before birth. In fact, a fetus' brain produces roughly twice as many neurons as it will eventually need—a safety margin that gives newborns the best possible chance of coming into the world with healthy brains. Most of the excess neurons are shed in utero. At birth, an infant has roughly 100 billion brain cells.

Every neuron has an axon (usually only one)—an "output" fiber that sends impulses to other neurons; each neuron also has many dendrites—short hairlike "input" fibers that receive impulses from other neurons. In this way, neurons are perfectly constructed to form connections.

As a child grows, the number of neurons remains relatively stable, but each cell grows, becoming bigger and heavier. The proliferation of dendrites accounts for some of this growth. The dendrites branch out, forming "dendrite trees" that can receive signals from many other neurons.

Connections among Brain Cells

At birth, the human brain is in a remarkably unfinished state. Most of its 100 billion neurons are not yet connected in networks. Forming and reinforcing these connections are the key tasks of early brain development.



AN ADULT BRAIN: This side view shows one hemisphere. Different parts of the brain control different kinds of functions. Most of the activities we think of as "brain work," like thinking, planning, or remembering, are handled by the cerebral cortex.

Connections among neurons are formed as the growing child experiences the surrounding world and forms attachments to parents, family members, and other caregivers.

In the first decade of life, a child's brain forms trillions of connections or synapses. Axons hook up with dendrites, and chemicals called neurotransmitters facilitate the passage of impulses across the resulting synapses. Each individual neuron may be connected to as many as 15,000 other neurons, forming a network of neural pathways that is immensely complex. This elaborate network is sometimes referred to as the brain's "wiring" or "circuitry."

In the early years, children's brains form twice as many synapses as they will eventually need. If these synapses are used repeatedly in a child's day-to-day life, they are reinforced and become part of the brain's permanent circuitry. If they are not used repeatedly, or often enough, they are eliminated. In this way, experience plays a crucial role in "wiring" a young child's brain.

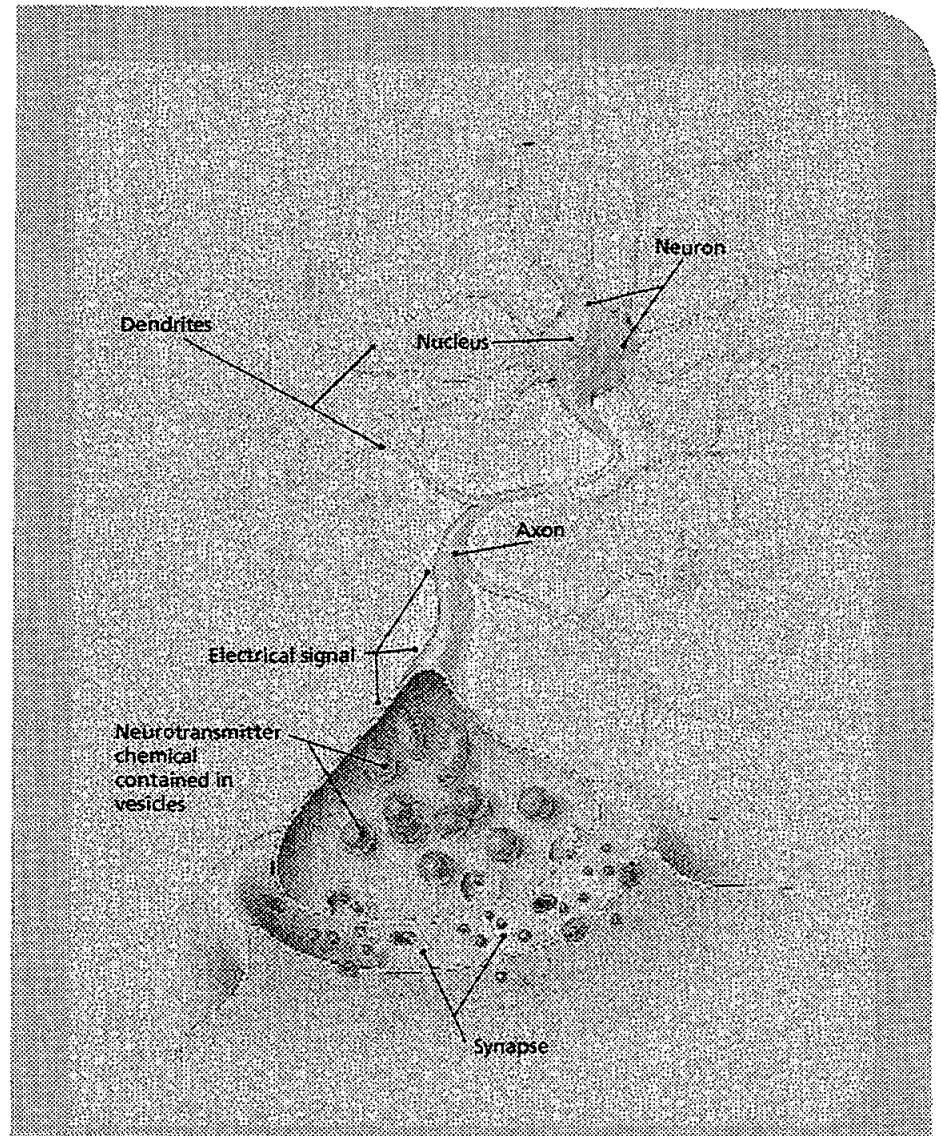
Rethinking the Brain

Old Thinking...	New Thinking...
How a brain develops depends on the genes you are born with.	How a brain develops hinges on a complex interplay between the genes you're born with and the experiences you have.
The experiences you have before age three have a limited impact on later development.	Early experiences have a decisive impact on the architecture of the brain, and on the nature and extent of adult capacities.
A secure relationship with a primary caregiver creates a favorable context for early development and learning.	Early interactions don't just create a context; they directly affect the way the brain is "wired."
Brain development is linear: the brain's capacity to learn and change grows steadily as an infant progresses toward adulthood.	Brain development is non-linear: there are prime times for acquiring different kinds of knowledge and skills.
A toddler's brain is much less active than the brain of a college student.	By the time children reach age three, their brains are twice as active as those of adults. Activity levels drop during adolescence.

requirement. It is built into the process of development, beginning within days of conception. From an evolutionary standpoint, there is a very good reason for this. The demands on the human brain are immense—one is tempted to say, unthinkable. In addition to controlling and monitoring all of the body's vital functions, this single organ must receive and process information about the world from the millions of sensory receptors reporting from the body surface and the internal organs; it must factor in past experience; it must then respond and adapt appropriately. In short, it must learn continuously and intensively. Carrying out these tasks requires billions of brain cells (or neurons), and trillions of connections (or synapses) among them. Because this challenge is so overwhelming, the brain has a unique way of developing that sets it apart from every other organ in the human body. Gradually creating and organizing billions of brain cells in a predetermined manner during early childhood would demand more information (in the form of genetic coding) than the body could possibly dedicate to this purpose. Nature solved this problem by evolving a more economical system. The developing brain produces many times more neurons and more synapses than it will eventually need. Most of the extra neurons are shed by the time a baby is born. The brain con-

tinues to grow in size, however, as each neuron expands; by adulthood, the brain will quadruple in weight. While the number of neurons remains stable, the number of synapses increases markedly in the first three years.

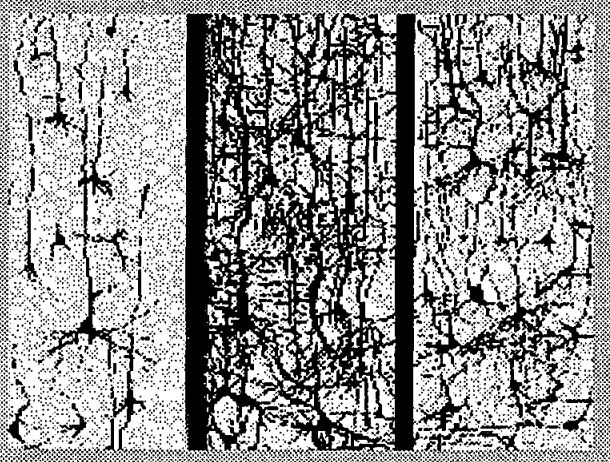
How are these connections formed? Neurons are designed for efficient connectivity. Every neuron has an axon, which sends electrical signals to other neurons, and numerous hairlike structures called dendrites which receive incoming signals. A synapse is produced when the axon of one neuron connects with the dendrite of another. Transmission of an electrical signal across this hookup requires a neurotransmitter chemical such as serotonin, dopamine, or the endorphins. The resulting connections are profuse: in the early years of life, each neuron forms up to 15,000 synapses. During some phases, a million new synapses are produced every four minutes.



READY TO LEARN: Making connections is a neuron's mission. The axon of one neuron hooks up with the dendrite of another to form a synapse. Neurotransmitters enable electrical impulses to travel across the synapse. Synapses allow learning and problem-solving to take place.

The brain development of infants and toddlers proceeds at a staggering pace. By the age of two, the number of synapses reaches adult levels; by age three, a child's brain has 1,000 trillion synapses—about twice as many as her pediatrician's. This number holds steady throughout the first decade of life. In this way a young child's brain becomes super-dense.

These conclusions are not based on mere speculation. As early as the 1970s—ancient history from the neuroscientist's perspective—Peter Huttenlocher at the University of Chicago began counting synapses in the frontal cortex. He observed that children's brains have many more synapses than adults' brains, and that the density of synapses remains high throughout the first decade of life.[9] After this, there is a gradual decline in synapse density; by the time a child reaches late adolescence, half of all the synapses in the brain have been discarded, leaving about 500 trillion—a



SYNAPTIC DENSITY: Synapses are created with astonishing speed in the first three years of life. For the rest of the first decade, children's brains have twice as many synapses as adults' brains.
Drawings supplied by H.T. Chugani.

number that remains relatively constant for the rest of the life cycle.

Brain development is, then, a process of pruning: the brain selectively eliminates excess synapses. In fact, the brain appears to be actively producing and eliminating synapses throughout life. In the first three years, production far outpaces elimination; for the rest of the first decade, production and elimination are roughly balanced; and beginning in early adolescence, elimination is clearly the dominant process. In this way, as a child grows, an overabundance of connections gives way to a complex, powerful system of neural pathways.

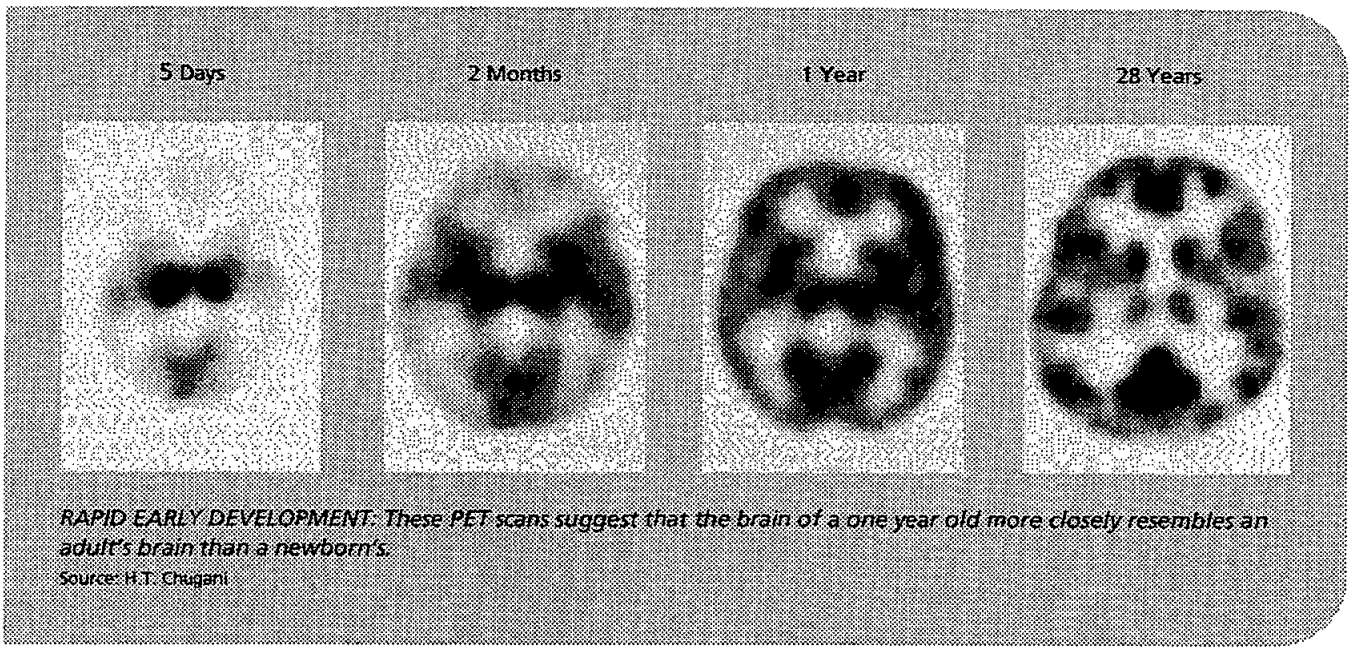
But how does the brain "know" which connections to keep and which to discard? This is where early experience plays a crucial role. When some kind of stimulus activates a neural pathway, all the synapses that form that pathway receive and store a chemical signal. Repeated activation increases the strength of that signal. When the signal reaches a threshold level (which differs for different areas of the brain), something extraordinary happens to that synapse. It becomes exempt from elimination—and retains its protected status into adulthood. Scientists do not yet fully understand the mechanism by which this occurs; they conjecture that the electrical activity produced when neural pathways are activated gives rise to chemical changes that stabilize the synapse.

These findings confirm that brain development is a "use it or lose it" process. As pruning accelerates in the second decade of life, those synapses that have been reinforced by virtue of repeated experience tend to become permanent; the synapses that were not used often enough in the early years tend to be eliminated. In this way the experiences—positive or negative—that young children have in the first years of life influence how their brains will be wired as adults.

The dynamic process of producing and eliminating synapses offers clear benefits. For example, it enables young children to adapt readily to many different kinds of conditions and settings. It helps children who grow up in a setting where survival hinges on efficient hunting to acquire the necessary perceptual and physical skills, while enabling children who grow up in an urban environment to develop the capacity to filter out certain kinds of stimulation.

To be sure, maintaining large numbers of synapses requires considerable energy. Using PET scan technology, Harry Chugani and his colleagues at Michigan Children's Hospital, Wayne State University, have documented the fact that in the early years, the human brain has a significantly higher metabolic rate (as measured by its utilization of glucose) than it will have later in life, presumably due to the profusion of connections being formed in the brains of young children.

Indeed, based on measurements of glucose utilization, Chugani has found that the brain development that takes place before a baby's first birthday is more rapid and extensive than neurobiologists



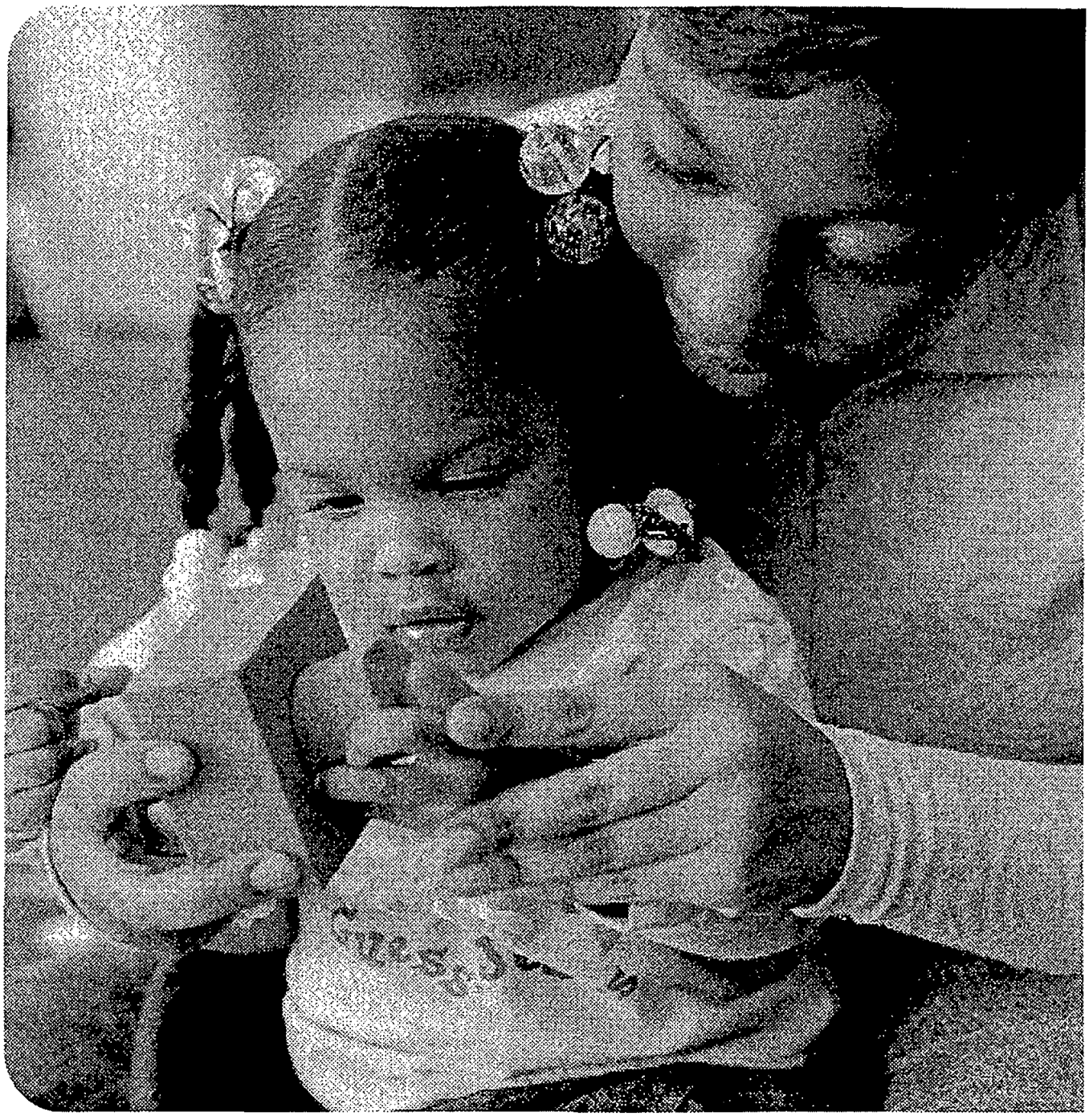
RAPID EARLY DEVELOPMENT: These PET scans suggest that the brain of a one year old more closely resembles an adult's brain than a newborn's.
Source: H.T. Chugani

previously suspected. A newborn's brain is in a largely subcortical state; its cerebral cortex—the part of the brain responsible for complex cognitive functions like language and spatial orientation—is relatively dormant. By the time the candle is lit on the baby's first birthday cake, the brain has achieved a highly cortical state. But the cortex is not the only region of the brain to mature quickly. PET scans show that by the age of one, a baby's brain qualitatively resembles that of a normal young adult. This transformation corresponds to the dramatic changes that parents and other people who care for babies witness in the first year, as newborns progress with incredible speed from virtually helpless beings to children who are starting to reason, to walk and talk, to form intentions and carry them out, and to enjoy interactions with a variety of people, pets, and objects.

By the age of two, toddlers' brains are as active as those of adults. The metabolic rate keeps rising, and by the age of three, the brains of children are two and a half times more active than the brains of adults—and they stay that way throughout the first decade of life. Compared with adult brains, children's brains also have higher levels of some neurotransmitters, which play an important role in the formation of synapses. All of these factors—synapse density, glucose utilization, and the level of some neurotransmitters—remain high throughout the first decade of life, and begin to decline only with puberty. This suggests that young children—particularly infants and toddlers—are biologically primed for learning.[10]

The pruning process proceeds at a rapid pace in the second decade of life, but does not occur at the same rate in all parts of the brain. Fewer changes

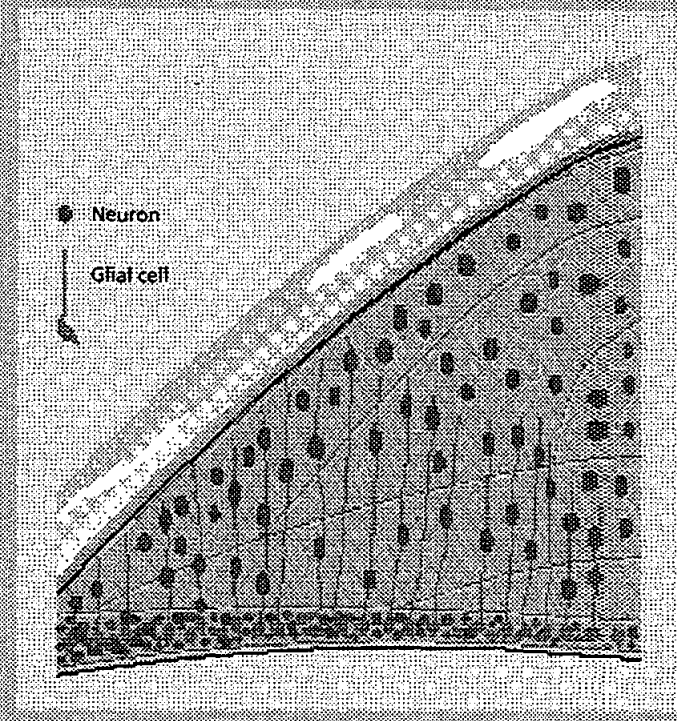
By the age of three, the brains of children are two and a half times more active than the brains of adults—and they stay that way throughout the first decade of life.

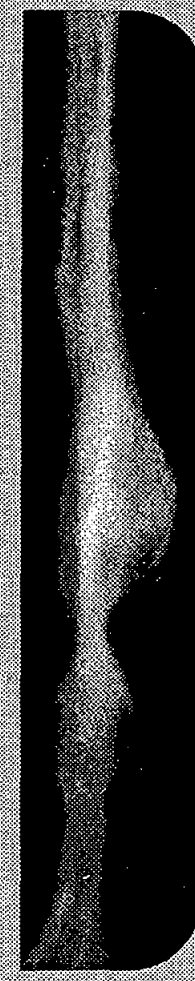


are seen in the more "hard-wired" areas of the brain, such as the brainstem, that control such involuntary functions as respiration. In contrast, the most dramatic pruning has been observed in the cerebral cortex. As this part of the brain develops, roughly 33 synapses are eliminated every second—suggesting that the developing brain responds constantly and swiftly to ongoing conditions that promote (or inhibit) learning.[11]

Connectivity is a crucial feature of brain development, because the neural pathways formed during the early years carry signals and allow us to process information throughout our lives. How, and how well, we think and learn—both as chil-

dren and as adults—has a great deal to do with the extent and nature of these connections. Researchers have measured the level of brain activity required for different tasks, and have found that when individuals address more difficult problems, brain activity surges. But if a problem is solved easily, changes in brain activity are virtually undetectable.[12] This reflects the role of connectivity: when experience and learning have created efficient neural pathways, signals travel easily among them and the processing of information requires relatively little effort.





CORTICAL CELL MIGRATION: Cortical neurons (above) develop in the deepest layer of the immature cortex and travel up glial cells ("cortical ladders"). The information they pick up from other neurons they pass along the way determines their identity.

A CORTICAL LADDER: A double exposed photograph (right) of neuronal migration up a glial cell.

Source: *Journal of Neuroscience* (reprinted with permission).

The Development of the Cortex

Pasko Rakic and his colleagues at Yale University have found that the cerebral cortex is vulnerable to environmental influence from its earliest stages of development—within days of conception. By studying macaque monkeys, whose brain development closely parallels that of humans, Rakic and his colleagues have found that as a fetus develops, brain cells have to find their way up the cerebral wall, sliding up elongated cells called glial fibers until they reach their precise position within the cerebral cortex. The sequence and timing of this process must adhere to a very precise schedule if normal development is to occur. As a cell climbs this cortical "ladder," it comes into contact with the numerous cells that it passes on its rise to the top. This contact activates various genes that define the cell's identity, location, and mission. But if anything interrupts or sidetracks this journey—such as exposure to adverse environmental conditions or a lack of nutrition—the effects can be devastating.[13]

Often cells that go astray will die before any harm is done. But, as Rakic observes, if cells end up in the wrong place at the wrong time and form inappropriate synapses, the result may be a neurological disorder such as severe infantile epilepsy, autism, or schizophrenia. The delicate nature of this cell migration process explains, in part, why

"The Ecological Brain"—An Anthropologist's View

From Bradd Shore, *Culture in Mind: Cognition, Culture, and the Problem of Meaning*. New York: Oxford University Press, 1996. (Reprinted with the permission of Oxford University Press.)

The implications are, quite literally, mind-bending. At birth, the human brain weights a mere 25 percent of its eventual adult weight. This is a curious state of affairs for the brainiest of the primates. A macaque, by contrast, is born with a brain that is 60 percent of its adult weight. Its neural growth has already slowed dramatically while still in utero. Even our closest primate relation, the chimpanzee, is born with about 45 percent of its brain weight already developed, and its brain growth slows down shortly after birth. Chimps mature both physically and socially years ahead of their human cousins.

Among primates, only the human brain continues to grow at fetal rates after birth, and the frantic pace of this postpartum neural building boom continues for the first two years of life before it begins to show any signs of abating. The cortex's natural insulation, the fatty myelin sheath that grows about the axons and permits efficient connection of electrical impulses, is not completely formed until about the sixth year of life. Only at puberty is the physical maturation of the human brain complete. After that, neural development continues throughout life. But this is, strictly speaking, more a matter of "mind" than of brain.

This delayed maturation of the human nervous system is paralleled by a general developmental retardation of the human child compared with other primates. Humans also show a tendency to both physiological and behavioral neoteny, retaining juvenile traits in adult forms of both anatomy (i.e., head-body ratio) and behavior (i.e., playfulness).

This combination of premature birth and retarded development means that fully three-quarters of the human brain develops outside the womb, in direct relationship with an external environment. Evolution has equipped our species with an "ecological brain," dependent throughout its life on environmental input. This is a factor of extraordinary significance for cultural anthropology and cognitive psychology alike.

substance abuse, poor nutrition, or exposure to radiation can have a long-lasting or permanent impact on a developing fetus.[14]

By elaborating processes such as cell migration, neuroscience has given us a much more specific picture of the risks that threaten early brain development, and we know precisely when those risks are highest. For example, a fetus that is exposed to cocaine or to radiation on the fourteenth day after conception is likely to have a different (and worse) outcome than a fetus exposed on the thirtieth day. These findings have far-reaching implications for prenatal preventive care. Indeed, they suggest the need for early parent education, since many expectant mothers do not know that they are carrying a child until well after the days of highest risk have passed.

Humans and Other Primates

Some of the research cited thus far comes from animal studies, and to be sure the neurobiology of animals—even other primates—differs significantly from that of human beings. But compared to the brains of other species, the human brain is even more primed to respond to experience and the environment. Bradd Shore of Emory University emphasizes, in a recent book on cognition and culture, that compared with other species, humans are born with remarkably undeveloped brains—"a curious state of affairs for the brainiest of the primates."[15] Other primates, including the macaque monkeys studied by many neuroscientists, come into the world with brains that are much further along in their own development trajectories: at birth, their brains are closer to their eventual adult weight and show less dramatic growth. Among primates, only the human brain enters the world in such an unfinished state. Indeed, in humans the great preponderance of brain development takes place outside the womb, in direct relationship with the external environment. In short, to a greater extent than other species, humans have brains that are dependent on environmental input.

But experience does not begin at birth. A growing body of evidence (from studies of humans) confirms that even before birth, brain development and perceptual learning are affected by experience, including a fetus' own sensory and motor experiences. Ultrasound recordings show that the neurons that develop in utero begin driving an infant's limbs

Day-to-Day Care of Young Children's Brains

Recent research on early brain development and school readiness suggest the following broad guidelines for the care of young children:

- Ensure health, safety, and good nutrition — Seek regular prenatal care; breast feed if possible; make sure your child has regular check-ups and timely immunizations; safety-proof the places where children play; and use a car seat whenever your child is travelling in a car.
- Develop a warm, caring relationship with children — Show them that you care deeply about them. Express joy in who they are. Help make them feel safe and secure.
- Respond to children's cues and clues — Notice their rhythms and moods, even in the first days and weeks of life. Respond to children when they are upset as well as when they are happy. Try to understand what children are feeling, what they are telling you (in words or actions), and what they are trying to do. Hold and touch them; play with them in a way that lets you follow their lead. Move in when children want to play, and pull back when they seem to have had enough stimulation.
- Recognize that each child is unique — Keep in mind that, from birth, children have different temperaments, that they grow at their own pace, and that this pace varies from child to child. At the same time, have positive expectations about what children can do and hold onto the belief that every child can succeed.
- Talk, read, and sing to children — Surround them with language. Maintain an ongoing conversation with them about what you and they are doing. Sing to them, play music, tell stories and read books. Ask toddlers and preschoolers to guess what will come next in a story. Play word games. Ask toddlers and preschoolers questions that require more than a yes or no answer, like "What do you think...." Ask children to picture things that have happened in the past or might happen in the future. Provide reading and writing materials, including crayons and paper, books, magazines, and toys. These are key pre-reading experiences.

as early as at seven weeks of gestation. In his remarks at the conference, Myron A. Hofer of Columbia University and the New York State Psychiatric Institute, wondered aloud why there should be so much fetal activity so early in pregnancy, in view of the fact that this activity is not needed to help the fetus adapt to the perfectly suitable intrauterine environment. He concludes that a key function of early fetal activity is to aid the process of constructing the brain, so that from the very start, experience can act on the brain's development. Experimental data confirm that learning can take place in utero. Studies have shown, for example, that newborns will show a preference (by sucking on a pacifier more intensely) for sounds that mimic the mother's voice as it was heard in utero.[16]

All of this evidence—and a great deal more that is beyond the scope of this report—leads to a single conclusion: how humans develop and learn depends critically and continually on the interplay between nature (an individual's genetic endowment) and nurture (the nutrition, surroundings, care, stimulation, and teaching that are provided or withheld). The roles of nature and nurture in determining intelligence and emotional resilience should not be weighted quantitatively; genetic and environmental factors have a more dynamic, quali-

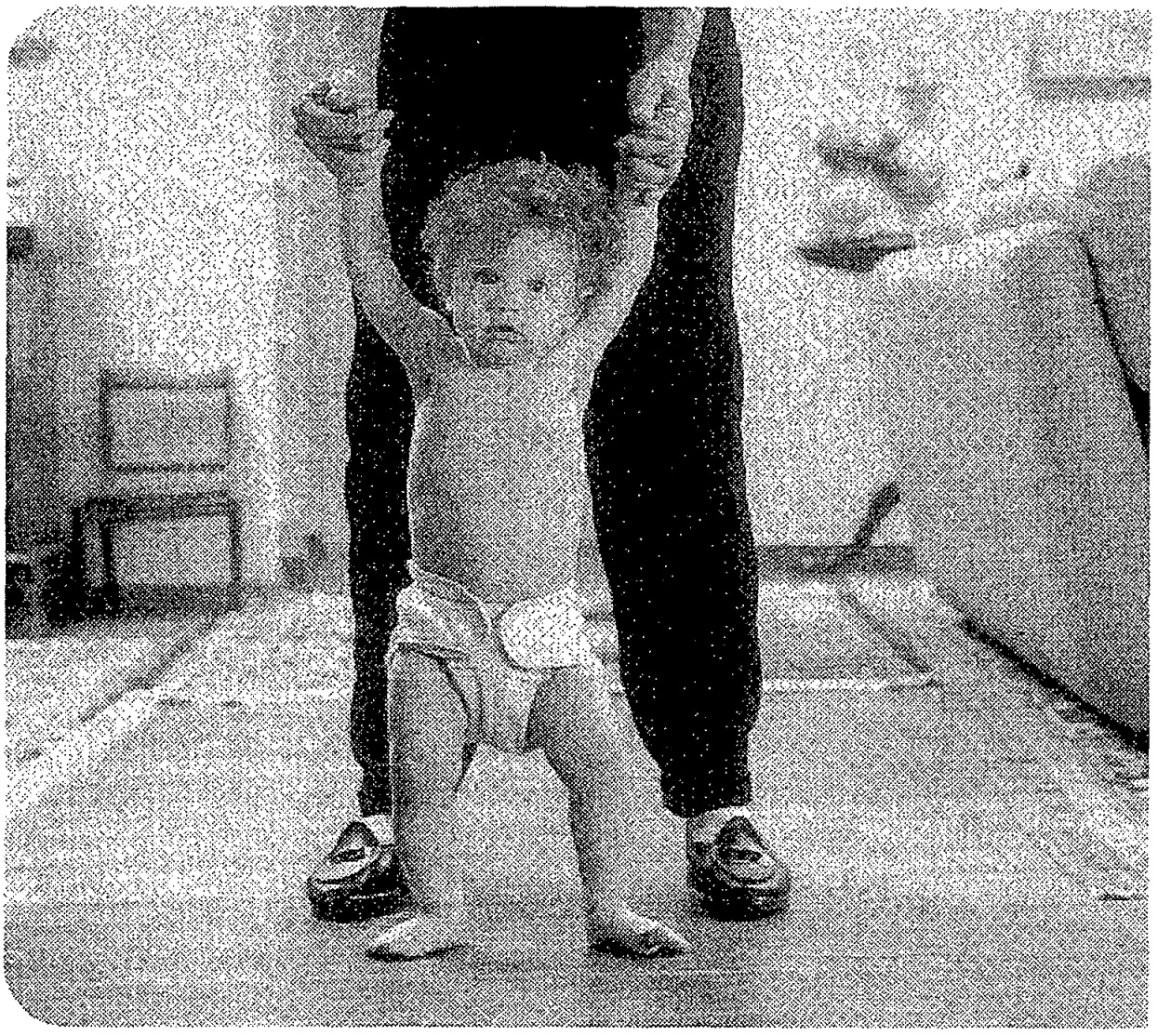
- Encourage safe exploration and play — Give children opportunities to move around, explore and play (and be prepared to step in if they are at risk of hurting themselves or others). Allow them to explore relationships as well. Arrange for children to spend time with children of their own age and of other ages. Help them learn to solve the conflicts that inevitably arise.
- Use discipline to teach — Talk to children about what they seem to be feeling and teach them words to describe those feelings. Make it clear that while you might not like they way they are behaving, you love them. Explain the rules and consequences of behavior so children can learn the "whys" behind what you are asking them to do. Tell them what you want them to do, not just what you don't want them to do. Point out how their behavior affects others.
- Establish routines — Create routines and rituals for special times during the day like meal time, nap time, and bed time. Try to be predictable so the children know that they can count on you.
- Become involved in child care and preschool — Keep in close touch with your children's child care provider or teacher about what they are doing. From time to time, especially during transitions, spend time with your children while they are being cared for by others.
- Limit television — Limit the time children spend watching TV shows and videos as well as the type of shows they watch. Make sure that they are watching programs that will teach them things you want them to learn.
- Take care of yourself — You can best care for young children when you are cared for as well.

tative interplay that cannot be reduced to a simple equation. Both factors are crucial. New knowledge about brain function should end the "nature or nurture" debate once and for all.

2 **Early care and nurture have decisive, long-lasting impact on how people develop, their ability to learn, and their capacity to regulate their own emotions.** Parents and other caregivers have long known that babies thrive when they receive warm, responsive early care; now we are beginning to understand the biological mechanisms that underlie this common knowledge. Responsive caregiving not only meets babies' basic, day-to-day needs for nourishment and warmth, but also takes into account their rhythms, preferences, and moods. The ways that parents, families, and other caregivers relate and respond to young children, and the ways that they mediate their children's contact with the environment, directly affect the formation of neural pathways. We know, for example, that parents tend to mimic and reinforce their infants' positive emotional responses. Interactions like these appear to influence developing patterns of neuronal connectivity.[17]

The Protective Function of Warm, Responsive Care

Recent brain research suggests that warm, responsive care is not only comforting for an infant; it is critical to healthy development. In fact, a strong, secure attachment to a nurturing caregiver appears to have a protective biological function, "immunizing" an infant to some degree against the adverse



effects of later stress or trauma. These are the implications of research by Megan R. Gunnar of the University of Minnesota, who has gauged children's reactions to stress by measuring the levels of a steroid hormone called cortisol in their saliva. Researchers have known for some time that adverse or traumatic events, whether physical or psychological, can elevate an individual's cortisol level. In turn, cortisol affects metabolism, the immune system, and the brain. Cortisol alters the brain by making it vulnerable to processes that destroy neurons and, just as importantly, by reducing the number of synapses in certain parts of the brain. In this way, stressful or traumatic experiences can indeed undermine neurological development and impair brain function. And in fact, children who have chronically high levels of cortisol have been shown to experience more developmental delays—cognitive, motor, and social—than other children.[18]

But some children seem to weather stress better than others, and Gunnar's research asks why. Her findings suggest that babies who receive sensitive and nurturing care in their first year of life are less likely than other children to respond to minor stresses by producing cortisol than other children. And when they do respond by producing cortisol, they can more rapidly and efficiently turn off this response. This protective effect has been shown to carry forward to later childhood: elementary school children with histories of secure attachment

are less likely to show behavior problems in the face of stress.[19] Specialists in child development have long observed that babies who receive warm, responsive care tend to thrive and to show more resilience later in life. Now neuroscientists are gathering important biological clues about why.

Gunnar's research indicates that early neurological development is shaped not only by physical conditions, but also by an individual's social environment. Indeed, there is mounting evidence that the kind of care infants receive, and the kind of attachments they form with their primary caregivers, have a decisive effect on their regulatory capacities—in particular their emerging ability to display and modulate emotions. In other words, a child's capacity to control emotions appears to hinge, to a significant extent, on biological systems shaped by her early experiences. When a child is abandoned or emotionally neglected very early in life, such brain-mediated functions as empathy, attachment, and affect regulation are often impaired.[20]

The Importance of Attachment

Since neuroscientists now confirm that children are primed for learning in the first few years, parents and other caregivers may feel compelled to expose their babies to a steady flow of information and intellectual stimulation. Should expectant parents recite the multiplication table to their unborn babies? Should child care providers encourage toddlers to memorize many facts and figures? The answer is: measures like these are unnecessary. Children learn in the context of important relationships. The best way to help very young children grow into curious, confident, able learners is to give them warm, consistent care so that they can form secure attachments to those who care for them. Paying attention to an infant's moods, knowing when he needs comfort rather than stimulation (or vice versa), mimicking a baby's trills and "beebee-bees," or following a toddler's lead as she invents a new version of peekaboo—these interactions are all part of responsive care, and do far more to boost later learning than, say, flash cards or tapes of the ABCs.

Early neurological development is shaped not only by physical conditions, but also by an individual's social environment.

The psychological and psychoanalytic literatures contain a substantial body of work, notably classic studies by John Bowlby emphasizing the importance and complexity of an infant's attachment to her mother or primary caregiver, and the traumatic effects of the experience of loss or long-term separation from the mother. But children are not only affected by a breach of attachment; research launched in the 1970s that followed children over time showed that qualitative differences in attachment can have long-term psychological consequences. Alan Sroufe and his colleagues provide strong evidence of the link between early care and a child's later capacity to connect well with others. For example, young children who receive highly erratic care are more prone to becoming very dependent and anxious later in life; children who receive persistently unresponsive care are more likely than other children to shut down emotionally and to act in ways that keep others at a distance.[21] In contrast, children who receive consistent, responsive care in the first years of life are more likely to develop strong social skills.

Following Children Through the Decades

Neurobiologists tell us that the experiences children have in the first years of life affect their abilities and behaviors throughout childhood and into adulthood. The evidence they produce is impressive. But do real children in real families develop in the ways that brain scientists predict? Do insecure attachments or adverse environmental conditions actually show up, years later, as learning disabilities, emotional distress, or behavior problems? To know for sure, one would have to study a large number of children, beginning before birth and continuing over at least two decades.

That is precisely what Byron Egeland, L. Alan Sroufe and their colleagues at the University of Minnesota have done. Since 1975, they have conducted a long-term study of high-risk families. Known as the Minnesota Parent-Child Project, the research project began with 267 women in the last trimester of their first pregnancies whose incomes placed them below the poverty line; two decades later, 180 children were still participating in the study. Over the years, the research team carried out frequent and varied assessments of both mothers and children, separately and together, and documented the contexts in which they lived. The assessments have included objective psychological tests, interviews, questionnaires, and observations of child behavior and mother-child interactions.

More recently, researchers such as Alicia Lieberman of the University of California at San Francisco and Charles Zeanah of the Louisiana State University School of Medicine, have stressed the long-term impact of infant attachment, underscoring the importance of "goodness of fit" between parents and their infant, and describing techniques that can help them become well attuned to each other. They also note that infants are capable of becoming attached to more than one caregiver, but do develop, from a very young age, an internal hierarchy or "order of preference."[22] Researchers such as Kyle Pruett of Yale University are also beginning to consider fathers' contributions to children's well-being, and the influence on early development of fathers' ways of making eye contact, playing with children, and using vocalization. There has been some research on fathers who are their young children's primary caregivers, but more work is needed in this area.

Recent brain research deepens our understanding of the effects of different patterns of attachment and, moving beyond the psychological, documents the biological factors that help to explain these effects. Myron Hofer's research over three decades bridges the findings of psychologists and biologists, illuminating a range of biological processes underlying attachment theory. Hofer points out that in all mammals, including humans, the containment of the fetus within the mother's body allows maternal regulation of fetal physiology. Through the processes of placental transfer, mothers supply biologically active substances of many kinds to their babies, as well as vital blood gases, oxygen and carbon dioxide. In this way, the mother exerts physiological control of the developing fetus. There are some indications that mothers exert influence not only on fetal physiology, but also on fetal behavior. For example, on the basis of animal studies, researchers believe that pregnant

The researchers did not directly study the children's brain development. Rather, they collected detailed and comprehensive information about each child's adaptation. The study was very comprehensive, covering all major aspects of development—social, cognitive, and emotional. They looked at children's temperaments, made detailed assessments of IQ and other developmental milestones, and assessed children's language development. They also observed and assessed each child's context—including both life stresses and the ongoing social support available to them and their families.

Data collection was especially concentrated in the first two years, focusing most intensely on early attachments. The researchers paid particular attention to children's relationships with their primary caregivers, based on their conviction that children's experiences are most often filtered through those relationships.

For 180 children (and their mothers) who remained in the study through age 20, the researchers found that:

- The kinds of attachments children have formed with their primary caregivers at one year of age predict teacher ratings, behavior problems, and quality of relationships with peers in preschool. Early attachments also predict the social competency of ten- and eleven-year-olds in a summer camp setting.
- Children gain a great deal from interactions with peers over the years. Infants who experience warm, responsive caregiving are, later in life, more empathetic with peers. When they are responded to early in life, they learn something basic about what it means to be connected with other people.
- Children's development is adversely affected by numerous environmental conditions associated with poverty. The negative effects of poverty are cumulative and increase with age.
- Abuse, neglect, and trauma in the early years have a long-term, adverse effect on children's development.
- Early caregiving that is sensitive and emotionally responsive can indeed buffer the effects of high-risk environments (including maternal stress). This is especially true for boys. It can promote positive change for children who have experienced poverty and abuse, and can interrupt the transmission of abusive patterns from one generation to the next.
- By studying the early experiences of high-risk young children (from 12 to 42 months)—especially the quality of their primary attachments and the level of environmental supports—it is possible to predict children's later school achievement. The correlation was fairly strong at the first and third grade, and even stronger in the sixth grade and at age 16.
- Several factors contribute to resilience—the capacity for positive outcomes despite challenging or threatening circumstances. These factors include: emotionally responsive caregiving; early competence; a well organized home environment; well developed intellectual and language capabilities; and a low overall level of risk. The best ways to divert children from maladaptive pathways are to reduce the level of stress they experience and provide support to the family.

women, through their own daily activities and routines, help to set their babies' daily rhythms and sleep-wake cycles.[23]

The mother's regulatory role during pregnancy is well established. What is less well understood is the way that mothers (or other primary caregivers), by virtue of the kind of care they provide, continue to regulate babies' physiological processes *after birth*, including their neurological development. Hofer's research addresses this issue.[24] In extensive studies of rats, he has shown that a wide range of infant systems are affected or regulated by the nature of the mother-infant attachment—that is, the nature and timing of their physical contact; the presence or absence of reciprocity in their interactions; the mother's responsiveness to the infant's own rhythms and behavioral signals; and the extent to which all of the infant's sensory systems are activated. Hofer has referred to these interactions as "hidden regulators." His studies of hidden regulators in young rats suggest that mother-infant interactions regulate many biological systems, particularly those involving reward, arousal and sleep, regulation of body temperature, and hunger. By the same token, separation from the mother has a dramatic impact on early development. Hofer's studies of rat pups show that when infants are removed from the mother two weeks after birth, dramatic physiological and biochemical effects can be

observed within 24 hours, including changes in the infant's levels of growth hormone and other biologically active substances, heart rate, blood pressure, sleep patterns, sucking, and responsiveness to stimulation. Infants who are permanently separated from their mothers appear to be more vulnerable to stress later in life.

Hofer's observations rely heavily on animal studies, but he points to mounting evidence that the nature of the caregiver-infant attachment affects early human development as well. He cites, for example, studies of infants raised in chaotic or neglectful families who fail to grow at expected rates, as well as studies showing that premature infants who are touched and held on a regular basis gain weight more quickly, register greater gains in head circumference, and show greater overall improvement than those who receive less tactile stimulation.[25]

At the University of Wisconsin's Harlow Primate Laboratory, Gary W. Kraemer has illuminated the nature and impact of early attachment by studying monkeys. His research shows how neuroendocrine systems are "tuned" through caregiver-infant interactions and then carried forward. Kraemer concludes that the basic regulatory systems that shape infant behavior are acquired through interactions with a caregiver. He emphasizes the importance of interaction: this is not a one-way process. Caregivers do not simply transfer the required knowledge to young children. Rather, regulatory systems emerge out of the give and take between caregiver and infant, with the infant playing an active role. In his work with monkeys, Kraemer has also found that if the attachment process fails or the caregiver is unresponsive to the infant's needs, the infant may become socially dysfunctional. In this way, disrupted or insecure attachments can lead to problems in adulthood.[26]

Children learn in the context of important relationships.

Findings like these encourage neuroscientists to posit that hidden regulators are also present in human caregiver-infant relationships. Hofer states that some of these regulators may continue to operate in adult relationships, and that they form an important mechanism by which interaction with the environment—in this case the social environment—shapes the development of biological systems and behavior.

Based on work by Hofer, Kraemer, and others, we now have new insight into the relationship between psychology and neurobiology, and the ongoing importance of good early attachment between caregivers and infants. In addition, there is a growing body of research on children's attachments and relationships with child care providers. Recent studies show that child care does not weaken the bonds between parent and child; moreover, secure attachments to consistent child care providers—especially when providers are well trained and care for a small number of children—have been associated with better cognitive and social development, greater language proficiency, and fewer behavior problems.[27]

A final word about attachment: as we mine new knowledge about the brain to promote better results for children and their families, Maya Carlson and Felton Earls of the Harvard School of Medicine and the Harvard School of Public Health urge sustained attention not only to cognitive development, but to social development as well. The goal is not only to produce competent students and workers, but also to enhance children's capacity to become competent family members. As Earls

Gauging Attachment

"Peek-boo," he says.
"Peekaboo," his father answers, spreading one big hand in front of his face and trying to get breakfast ready with the other.
"Peeka-peeka-peeka-peeka," he chants, beaming with delight.
"Peekaboo, I see you. There's my boy!"

By the time children are two, it seems easier to judge whether they are securely attached to their caregivers. You can see it in smiles that light up their eyes, in playful exchanges that celebrate a history of loving care. But as researchers seek to elaborate the role of attachment in early brain development, they must be more systematic in their approach. They need a theoretical framework that can help them explore what attachment means, how it comes about, and how it can be measured. The challenge is to bring hard science to bear on a necessarily "soft" concept.

An infant's physiology and behavior are regulated from the start by the moment-to-moment give and take between child and caregiver. Young children benefit when caregivers are able to read and respond to the signals they send. Neuroscientists can now detect the effects of a caregiver's warm, responsive care—or its absence—on the brain's biochemistry and architecture.

Researchers are confirming that attachment is a two-way process. This view has not always held sway. Existing scholarship on parent-child attachment springs largely from the work of John Bowlby, whose emphasis on attachment as a crucial component of early development has been immensely influential over several decades. Bowlby observed numerous babies as they interacted with their mothers. He described a control system in which babies, beginning at about six months of age, use a range of behaviors (such as smiling, babbling, crying, or visual tracking) to draw a caregiver's attention or protest separation.

In recent years, researchers have extended (and in some cases, challenged) Bowlby's theories and methods. They generally agree that babies play an active role in forming attachments, but they tend to place more weight on the regulatory role of a caregiver's sensory characteristics and behaviors.

In the seventies, Mary Ainsworth and her colleagues showed that mother-child pairs differ in the quality and intensity of their attachment, and that these variations can be measured. Ainsworth devised innovative strategies for observing children, mothers, and strangers relate in a series of brief, highly structured interactions, and then gauging and classifying different types of attachment. She identified three types of children: avoidant/insecurely attached, ambivalent /insecurely attached, and securely attached.

Today, researchers tend to assess attachment with methods that require more extended, in-depth observation of children and caregivers in more natural settings. For example, the Attachment Behavior Q-Set, developed by Everett Waters and Kathleen E. Deane, of the State University of New York at Stony Brook, presents an observer with a set of cards, each containing a simple statement about a specific interaction or behavior. A card might read, for example, "When child finds something new to play with, he carries it to mother...." After several hours, the observer sorts the cards into piles that range from "most characteristic" of the child's behavior to "least characteristic."

The Q-Set method identifies three kinds of relationships that refine Ainsworth's typology. A child with a **secure** attachment exhibits specific behaviors that reflect a trusting relationship with the caregiver. A child with an **anxious/resistant** attachment is not comforted by the caregiver. When picked up, for example, she may resist by arching her back, biting, screaming, or whining. When a child has an **anxious/avoidant** attachment, she tends to behave as if the caregiver were not in the room.

Many intervention programs include home visitation, and visitors need tools that can help them assess, as objectively as possible, child-caregiver attachment. Carollee Howes of the University of California at Los Angeles has developed assessment tools for use in the Children First program, including an Adult Attachment Interview and an Adult Involvement Scale.

Intensive research into the neurobiology of attachment is now underway. Efforts to understand and measure attachment should benefit greatly from collaboration among researchers in diverse disciplines-including neuroscientists, child development experts, psychologists, and anthropologists. Collaboration should lead to new insights into children's attachments with fathers, grandparents, child care providers, and other caregivers. In addition, it promises to shed light on how attachments are formed and expressed in different cultures.

and Carlson have written, "the major social responsibility of parents (and other caretakers) is to maintain and embellish the early social concern and understanding of young children to enable them to form long-lasting relations with their own partners and children."[28]

3. **The human brain has a remarkable capacity to change, but timing is crucial.** There is mounting evidence of the brain's neuroplasticity. This means that the brain has the capacity to change in important ways in response to experience. There is now ample scientific support for the view evidence that the brain is not a static entity, and that a person's capacities are not fixed at birth. The brain itself can be altered—or helped to compensate for problems—with appropriately timed, intensive intervention. An intervention is an action, or series of actions, that parents, other caregivers, or professionals undertake in an effort to help an individual or group solve a problem, change a behavior, or improve a particular aspect of their development or functioning. Helping a mother to read her newborn's signals more accurately, reading a story to a group of toddlers, running a program that provides home visits to new parents, and performing surgery are all "interventions."

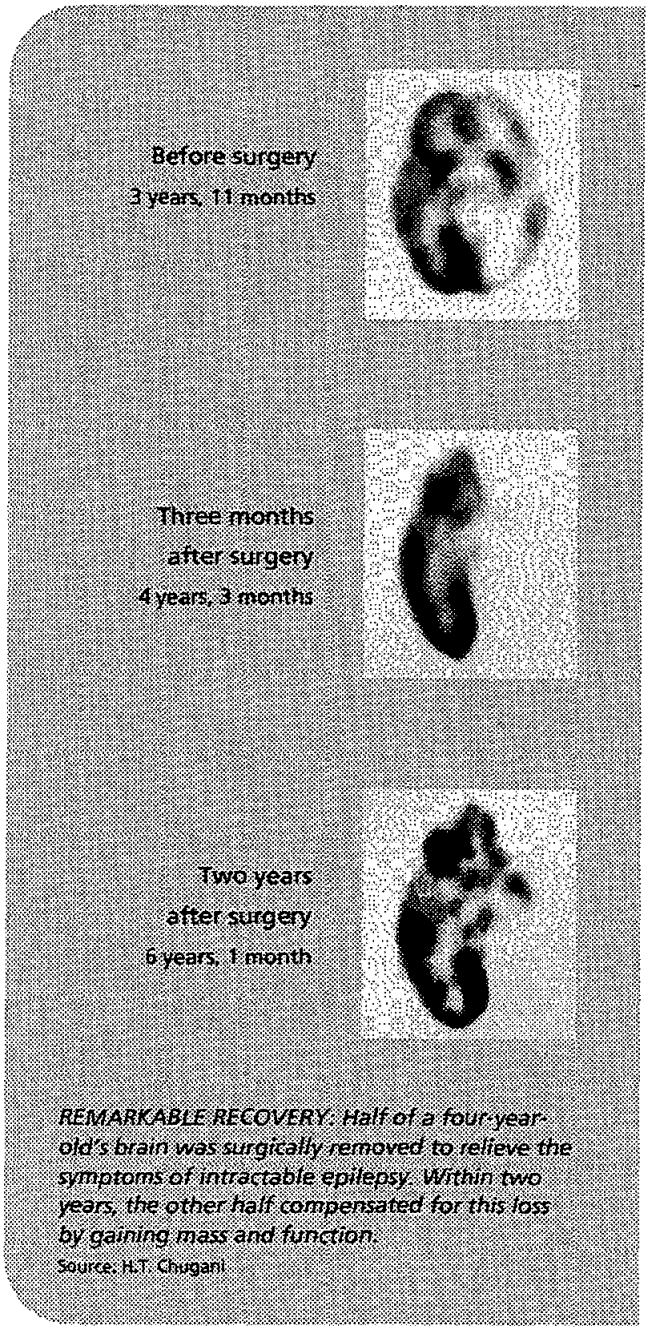
The Brain's Capacity to Compensate

Surgeons and other physicians who treat children for neurological disorders offer dramatic examples of human brain plasticity. It is well established, for example, that a child who loses language due to a stroke often recovers this capacity, because the brain transfers this function to its other hemisphere. In cases of intractable epilepsy, where it is sometimes necessary to remove an entire hemisphere of a child's brain, the remaining hemisphere generally begins to do double duty, and there can be a remarkable resurgence of vital neural pathways allowing substantial recovery of cognitive functioning.

The brain's ability to change and to recover lost functions is especially remarkable in the first decade of life. By the time children enter adolescence, recovery is certainly possible, but tends to be slower and less complete, and may require more intensive intervention. This decrease in plasticity corresponds with a drop in synapse density that accompanies the onset of puberty. But the effects are not just theoretical. Numerous case studies show that over time, the brain gradually becomes less susceptible to external influence or teaching. For example, the literature on feral children—those who have grown up without exposure to human language—suggests that they learn to speak most successfully if they are brought into contact with human society in the first decade of life.[29] The first decade is critical not only for language acquisition, but also for other cognitive functions. Visual processing also requires certain kinds of stimulation in the first decade of life. For instance, children who lose an eye before the age of eight compensate more effectively—and therefore have better depth perception—than those who lose an eye later in life. Based on new insights into brain plasticity, eye surgeons are now removing congenital cataracts much sooner, to ensure that visual acuity will not be lost.

"Prime Times" for Healthy Development

Because the brain has the capacity to change, parents and other family members, friends, child care providers, teachers, doctors, and human service providers have ample opportunities to promote and support children's healthy growth and development. Needless to say, no single strategy will



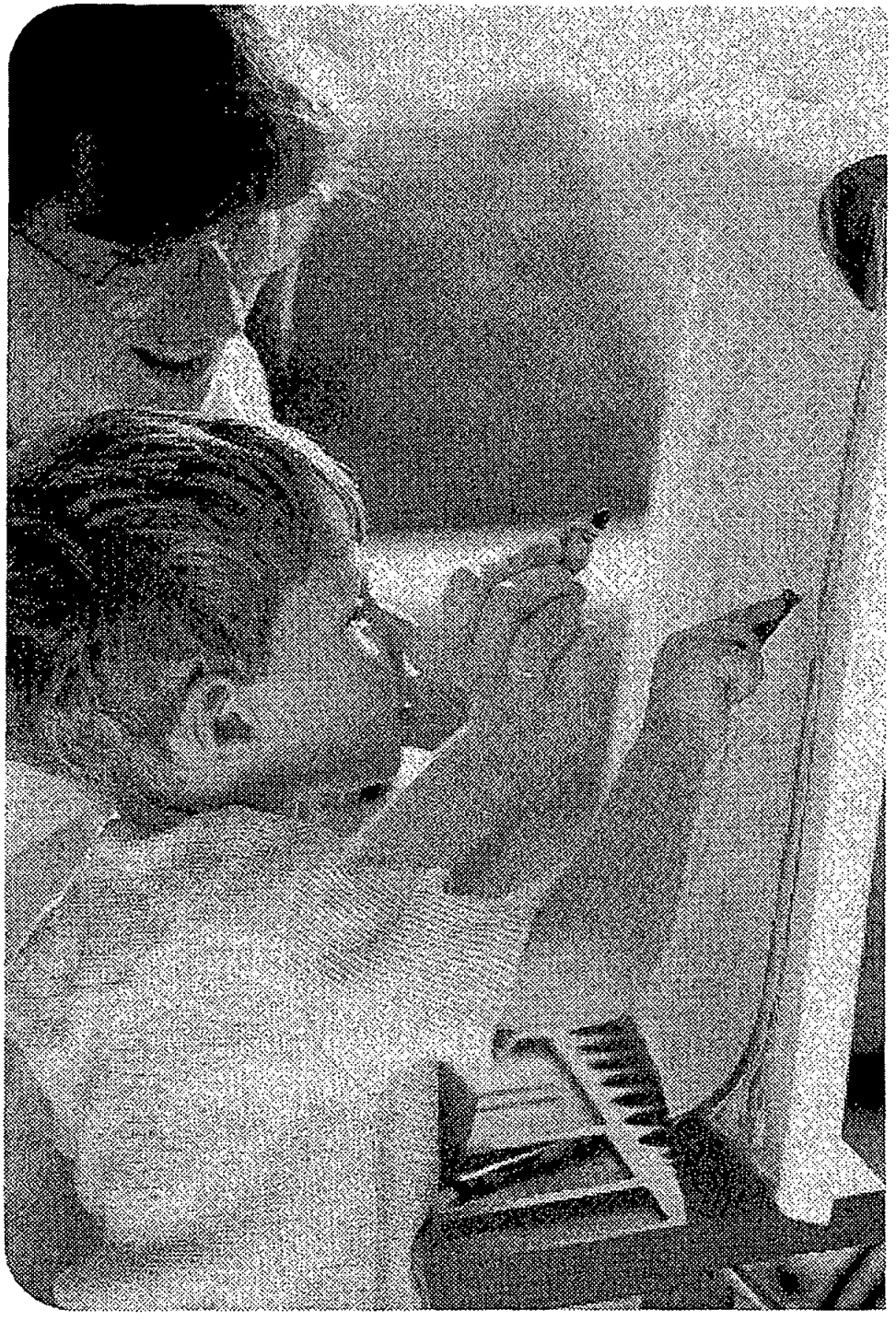
REMARKABLE RECOVERY: Half of a four-year-old's brain was surgically removed to relieve the symptoms of intractable epilepsy. Within two years, the other half compensated for this loss by gaining mass and function.
Source: H.T. Chugani

result in optimal brain development; efforts to promote children's learning must be comprehensive.

Scientists have learned that different regions of the cortex increase in size when they are exposed to stimulating conditions, and that the longer the exposure, the more they grow. Stimulation enlarges the number of dendrites in each neuron, creating larger "dendrite trees" and thickening cortical cells. Research bears out that an enriched environment can boost the number of synapses that children form. Studies of young adults indicate about 15 percent variability in synapse density; researchers believe that most of this variation reflects early experiences.[30]

People who care for children can also take heart from animal studies. William T. Greenough of the University of Illinois performed an important experiment, exposing one group of rats to a stimulating environment, and housing another comparison group in drab cages with very little stimulation. Then he looked at their brains. The rats living in an enriched environment had 25 percent more connections among their brain cells.[31] Translated into human terms, this could mean trillions of extra synapses. But the impact of an impoverished environment can be equal or even more dramatic, thinning out dendrite trees and reducing cortical thickness.[32]

The bottom line is that the brain's plasticity presents us with immense opportunities and weighty responsibilities. But timing is crucial. While learning continues throughout the life cycle, there are "prime times" for optimal development—periods during which the brain is particularly efficient at specific types of learning. In the neurobiological literature, these special periods are described as "critical periods" or "plastic periods." Both terms signify a span of time, in development, when significant alterations in the brain's architecture appear to be possible. As Harry Chugani observes, "Perhaps critical is not a good word. This is an opportunity, really—one of nature's provisions for us to be able to use the environmental exposure to change the anatomy of the brain and to make it more efficient." Once the prime time has passed, opportunities for forging certain kinds of neural pathways appear to diminish substantially.



the normal developmental schedule of experience, neural connections are not made properly, and the cortical columns that result are thinner than they should be—sometimes with devastating results. For example, a normal kitten that is blindfolded during the critical period when visual stimulation is required will never have normal vision. Moreover, if that kitten receives visual input but does not get motor stimulation, this deprivation will affect the kitten's visual-motor coordination.[33]

During developmental "prime times," neurons can create synapses most easily and efficiently. This requires not only energy and sufficient neurotransmitters, but also enough synaptic space. Gary Kraemer reports, based on his studies of monkeys, that competition for synaptic space is an important feature of early brain development. For example, input from each eye competes for synaptic space in an infant's visual cortex. If one eye of an infant monkey is closed during the period when this competition takes place, the synapses formed in response to stimuli from the open eye expand into regions that would normally serve the closed eye. Even during the critical period, opening the closed eye will not restore function unless the eye that has been open is shut.[34]

The concept of the critical period rests on the premise that neurological development depends on the exposure of the brain (and particularly the cortex) to many kinds of stimulation according to a predictable timetable. When there is a disruption of

It has long been known that there are optimal periods for different kinds of learning. Young children who move to a new country or community pick up the language easily, while their adolescent brothers and sisters can't shed their accents and their parents struggle to make themselves understood at all. This is not news. But now we understand that a young child can easily acquire a new language because the brain cells that process language are in the process of being wired, and are therefore especially responsive to experience.

Critical periods do not exist for brain development as a whole, but rather for each of the brain's systems. The brain's intricate circuitry is not formed at a steady pace; rather, brain development proceeds in waves, with different parts of the brain becoming active "construction sites" at different times and with different degrees of intensity. By studying the PET scans of children who came to his hospital for diagnosis and treatment, Harry Chugani and his colleagues have quantified the activity levels of different parts of the brain at various stages of development. In this way, they have gained insight into brain plasticity at particular ages. At one month of age, for example, there is intensive activity in the cortical and subcortical regions that control sensory-motor functions. Cortical activity rises sharply between the second and third months of life—a prime time for providing visual and auditory stimulation. By about eight months, the frontal cortex shows increased metabolic activity. This part of the brain is associated with the ability to regulate and express emotion, as well as to think and to plan, and it becomes the site of frenetic activity just at the moment that babies make dramatic leaps in self-regulation and strengthen their attachment to their primary caregivers. During this period, caregivers play an important role in helping infants to develop self-regulatory capacity by responding sensitively to their emotional signals.

A final point about cortical development in infancy: the fact that increased metabolic activity in the frontal cortex coincides with rapid development of a baby's ability to form attachments and self-regulate is not a simple case of cause and effect. Here again, the dynamic relationship between nature and nurture is evident. The heightened activity reflects, in part, the reinforcement of some synapses and the elimination of others, allowing complex interactions with the world; but these more complex interactions in turn lead to further reinforcement and pruning of synapses.

While learning continues throughout the life cycle, there are "prime times" for optimal development—periods during which the brain is particularly efficient at specific types of learning.

4. **The brain's plasticity also means that there are times when negative experiences or the absence of appropriate stimulation are more likely to have serious and sustained effects.** Brain development reflects a wide range of physical, cognitive and emotional experiences; the brain organizes in response to the

pattern, intensity and nature of these experience. Harry Chugani observes, "We know that rich and positive experiences stabilize certain connections in the brain." He goes on to speculate, "But what about negative experiences? What about aggression and violence? There is no reason to think that they cannot be 'stabilizing' influences in the same way. We can have individuals who, based on early experiences, are in effect 'hard-wired' for negative behaviors." Some neuroscientists consider this an overstatement; others find it too mild.

The following pages summarize presentations made at the conference on a range of major risk factors that may compromise brain development in the prenatal period and the first years of life. In each instance, there is some controversy as to the effects of particular behaviors and whether they can be distinguished from the impact of other risk factors. One further qualification: the studies cited in this section are part of a much larger literature on the impact of negative experiences on early brain development.[35] The major conclusions drawn here are supported by numerous studies of markedly different samples of children using a wide variety of research methods.

"We know that rich and positive experiences stabilize certain connections in the brain. But what about negative experiences?"

The Impact of Trauma and Neglect

Early experiences of trauma or abuse—whether in utero or after birth—can interfere with development of the subcortical and limbic areas of the brain, resulting in extreme anxiety, depression, and/or the inability to form healthy attachments to others. Adverse experiences throughout childhood can also impair cognitive abilities, resulting in processing and problem-solving styles that predispose an individual to respond with aggression or violence to stressful or frustrating situations. Researchers have shown, by observing children and their primary caregivers over time, that whether children form secure attachments hinges on the quality of care they receive; children who are abused or neglected are unlikely to be securely attached to their caregivers. The same researchers have observed, moreover, that both quality of care and security of attachment affect children's later capacity for empathy, emotional regulation, and behavioral control.[36]

But trauma or abuse are hardly the only conditions that can lead to developmental delays or impairments; as many researchers have shown, emotional neglect, social deprivation, and a chronic lack of appropriate stimulation are among the other factors that may jeopardize early development. Based on an expanded knowledge of early brain development, researchers are creating a "road map" for development—marking the key emotional milestones that children must pass at particular junctures on their way to healthy and mature development. Here again, the notion of "prime times" is important. As the brain develops in the first years of life, there are periods when children can meet a new developmental challenge most easily and efficiently. Bruce Perry of Baylor University asserts that when key experiences are minimal or absent, the result may be an inability to modulate impulsivity, immature emotional and behavioral

functioning, and (in combination with other developmental experiences) a predisposition to violence.

Indeed, Perry argues that a great deal of violence in the United States today may be connected to a lack of appropriate attachments early in life. Perry suggests that violence is an outgrowth of a "malignant combination of experiences"—emotional and cognitive neglect and traumatic stress. The combined effect of neglect and trauma can lead to a dramatic impairment of the brain's capacity for modulation and regulation. When these conditions persist, the neurophysiology of the brainstem and midbrain tends to become overdeveloped. These are the areas of the brain that allow only for immediate responses related to biological survival—responses that are primitive and "hard-wired," and not very susceptible to external influence.[37] Perry observes that overdevelopment of these areas is associated with anxiety, impulsivity, poor affect regulation, and hyperactivity. At the same time, cortical functions (such as problem-solving) and limbic functions (such as empathy) become underdeveloped.

The long-term research of Sroufe and his colleagues confirm the link between poor attachment and violence. The children in their study whose primary caregivers were emotionally unavailable in the early years of life did indeed exhibit (according to independent assessment) more aggression and conduct problems in childhood and adolescence.[38] Sroufe notes that across all cultures in which attachment has been studied, "anxious-avoidant attachment," which results from persistent unresponsiveness on the part of the primary caregiver, can indeed make a child more prone to violence.

Stanley Greenspan of the George Washington University School of Medicine and Health Sciences observes that children vary in their response to neglect and trauma, based on individual differences and the organization of their particular central nervous systems. Children who are underreactive to sensations and have low muscle tone tend to respond by becoming more self-absorbed, withdrawn, passive and depressed. In contrast, children who crave sensory input and are very active are more likely to become more aggressive under these circumstances. Intense empathy and nurturing relationships along with limit-setting and practice with regulating behavior can help even the children who tend to crave sensory input become compassionate, thoughtful, and empathetic.[39]

Both quality of care and security of attachment affect children's later capacity for empathy, emotional regulation, and behavioral control.

The Impact of Maternal Depression

A number of researchers have focused their attention on specific situations in which children may not receive the warm, responsive care they need at a crucial stage of development. Some have studied the impact of maternal depression on the development of infants and toddlers.[40] A recent study by The Commonwealth Fund found that one in three birth mothers experiences symptoms of postpartum depression. Among mothers whose depression persists beyond the first six months, the symptoms come and go; but nine percent of mothers who reported lingering depression said that they experience it all of the time.[41]

When mothers' depression was treated or went into remission, their babies' brain activity returned to normal.

When postpartum depression is limited to a few months immediately after birth, it appears to have no lasting impact on children's development. But lingering depression can have adverse effects. *Starting Smart*, published by Ounce of Prevention, says, "Research has shown that parents suffering from untreated depression often fail to respond sensitively to their children's cries and bids for attention, and that they are unlikely to provide the child with the kind of cognitive stimulation that promotes healthy brain development."[42]

Geraldine Dawson and her colleagues at the University of Washington report that depressed mothers of infants tend to express less positive and more negative affect; to be less active and more disengaged from their babies; when they are engaged, tend to be more intrusive and controlling; and often fail to respond adaptively to infants' emotional signals. Their infants tend to be more withdrawn and less active than other babies. They are apt to have shorter attention spans and less motivation to master new tasks than the infants of non-depressed mothers. Dawson also reports physiological effects: infants of depressed mothers tend to have elevated heart rates and elevated cortisol levels.

Proceeding from the premise that parents' behavior shapes young children's emerging ability to express and modulate emotions, Dawson and her colleagues examined the impact of maternal depression on the biological systems involved in emotional development, especially the frontal cortex. The researchers studied the brain functions of 13-to-14-month-olds—30 children of depressed mothers and 30 children of non-depressed mothers—using EEG. The EEG was attached to babies scalps by means of caps that use sponges and warm water as the conductive medium. This allowed researchers to conduct sophisticated brain mapping without causing the baby any discomfort whatsoever.

The researchers exposed the infants to a variety of conditions meant to elicit a variety of emotions—watching an interesting toy, playing with the mother or caregiver, or being separated from the mother. They videotaped the sessions, and correlated the videotapes with the brain mapping produced by the EEG. They found that a substantial proportion of babies with depressed mothers—about 40 percent—showed reduced brain activity. The researchers paid particular attention to the left frontal region—the part of the cortex associated with outwardly-directed emotions (such as joy, interest, or anger). Nine out of ten babies who showed high levels of left frontal activity had non-depressed mothers. On the other hand, 21 of the 28 babies who showed low levels of left frontal activity had depressed mothers.

While not all babies of depressed mothers show negative effects, the pattern is clear: maternal depression can impede healthy brain activity, particularly the part of the brain associated with the expression and regulation of emotions. Dawson is confident that the adverse effects stem primarily from the mother-child interactions, rather than from a genetic predisposition to depression. By correlating the videotapes with the EEG results, she and her colleagues found that babies showed less brain activity when their mothers were more negative and more intrusive. Furthermore, she found that in many cases, when mothers' depression was treated or went into remission, their babies' brain activity returned to normal.

Dawson says that there is mounting evidence that the period of greatest risk for maternal depression is the period from six to eighteen months. When mothers' depression remits by the time their infants reach the age of six months, their babies do not appear to suffer later cognitive delays or emotional symptoms. In contrast, when mothers remain depressed beyond their babies' sixth month, their children tend to show later behavioral problems and cognitive impairment. As might be expected, the more persistent and prolonged a mother's depression, the more likely it is that her child will have behavioral disturbances. There is also some evidence that infants born to mothers who suffer from depression during pregnancy are less active and less responsive to social stimuli than other newborns.

This research dramatizes the need to screen for maternal depression even during the prenatal period, and the importance of encouraging mothers to seek treatment. Fathers or other family members need support as well, since a non-depressed father and a strong relationship between the baby's parents have been shown to moderate the adverse impact of maternal depression on young children.

The Impact of Substance Abuse

New knowledge about the vulnerability of the developing brain to environmental factors suggests that early exposure to nicotine, alcohol, and drugs (in utero and in the postnatal environment) may

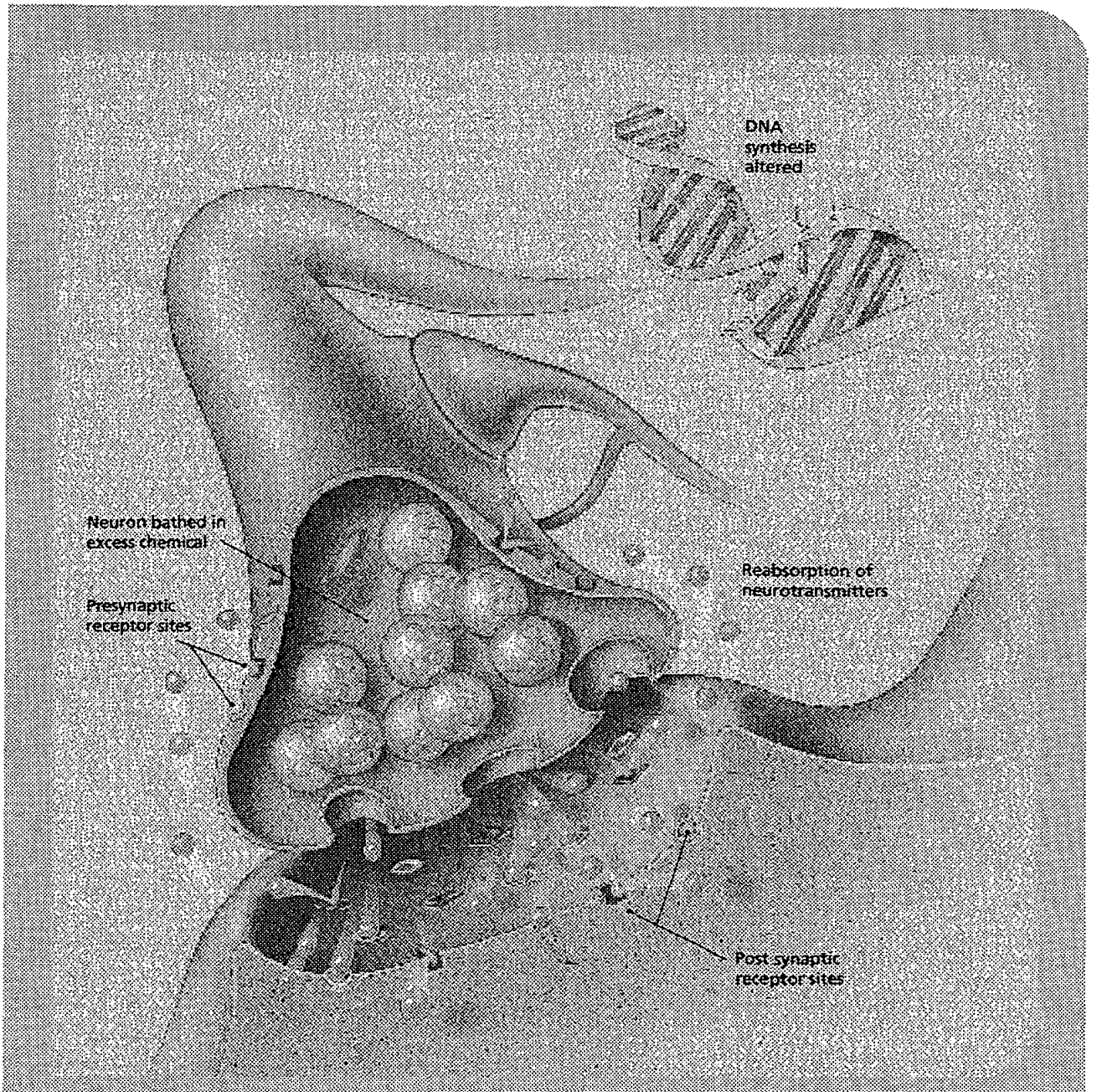
have even more powerful and long-lasting effects on young children than was previously suspected. Recent studies appear to bear this out. Most of the current research focuses on exposure to these substances during the prenatal period, although neuroscientists assume that postnatal exposure (for example, when children breathe in smoke from cigarettes or crack cocaine), also has an adverse impact on brain development.

Maternal smoking during pregnancy is associated with somewhat higher rates of preschool and school-aged behavioral problems.

Pregnant women are routinely advised by their doctors not to drink alcohol while they are planning or expecting a child, but may not know exactly why. In fact, neuroscientists are now gaining new insight into how alcohol affects prenatal brain development. Some important findings have come from animal studies. Studies of mice suggest, for example, that exposure to alcohol early in the prenatal period reduces the number of cells in the neural tube, the part of the embryo that gives rise to the brain and spinal cord.[43] Other studies have shown that when alcohol is administered to rats throughout pregnancy (5 percent alcohol in a protein-rich diet), many neurons in their babies' brains (specifically in the cortex) are smaller than expected and have fewer dendrites—parts of brain cells needed to form synapses.[44] Recent brain research suggests that human infants who are exposed to alcohol before birth face many of the same biological consequences. For example, EEG studies have found that the brain waves of infants born to alcoholic mothers show a distinct pattern of reduced activity, particularly in the left hemisphere.[45]

Mothers who drink heavily during pregnancy are at greatest risk of giving birth to babies with fetal alcohol syndrome (FAS); some researchers believe that two or more drinks per day lead to FAS while others place the dangerous consumption level a bit higher. FAS is associated with low birthweight, later growth deficiencies, facial abnormalities, and a range of neurological disorders. Some children may show few or no adverse effects; but today, more and more children are being diagnosed with fetal alcohol syndrome. By the time they enter preschool, FAS children may show signs of mental retardation; may have impaired perceptual, linguistic, and fine motor skills; and may exhibit behavior problems.

Smoking during pregnancy can also affect early development. Estimates of the percentage of pregnant women who smoke cigarettes range from 17 to 25 percent.[46] Some of these women find it difficult to stop smoking during pregnancy, but manage to cut back. And in many cases, their children show no apparent effects. But the nicotine in tobacco products does cross the placenta and has a direct impact on the developing fetus. A number of studies indicate that maternal smoking during pregnancy can, in some cases, affect brain development, inhibiting neuron growth in particular ways. It can also alter the brain's biochemistry by affecting neurotransmitters—the chemicals that flow across synapses, allowing connectivity among brain cells. As synapses are produced, some portion of these chemicals is not needed and is therefore reabsorbed by neurons and remetabolized. Exposure to nicotine appears to interfere with the reabsorption of certain neurotransmitters, including serotonin.



HOW NICOTINE AND OTHER DRUGS MAY AFFECT SYNAPSES: When a synapse is activated, neurons release more neurotransmitters than they need and then reabsorb the excess at special receptor sites. Scientists hypothesize that drugs such as nicotine and cocaine interfere with this reabsorption by blocking receptor sites. As a result, the neurons' "connection sites" are bathed in leftover chemicals and may become overstimulated.

When that happens, scientists hypothesize, neurons are bathed in the excess chemical, increasing the level of excitation in that part of the brain. Nicotine appears to affect brain development in other ways as well. For example, animal studies suggest that exposure to nicotine can alter DNA and RNA synthesis in the brain. These changes can have clear, long-term consequences even when a fetus is exposed to levels of nicotine that are not usually considered toxic.[47]

Given these effects, one would expect children exposed to nicotine before birth to be more prone to developmental delays or impairments. And in fact, research shows that their behavior may indeed be affected. Animal studies indicate that in utero exposure to nicotine causes decreased learning efficiency and heightened motor activity. Studies of humans suggest that maternal smoking during pregnancy is associated with somewhat higher rates of preschool and school-aged behavioral problems. For example, research conducted at the University of Chicago showed that boys whose mothers smoke more than half a pack of cigarettes a day during pregnancy are much more likely than the sons of nonsmokers to develop conduct disorders later in life.[48]

In the prenatal period, exposure to cocaine can interfere with the production of synapses.

Exposure to cocaine in utero can also be perilous. The prevalence of cocaine use among pregnant women appears to be alarmingly high. In her remarks at the conference, Linda Mayes of Yale University reported that from 17 to 50 percent of women who receive prenatal care at Yale New Haven Hospital use cocaine or crack cocaine two or three times a week throughout their pregnancies. She added that other inner-city hospitals report that as many as 50 percent of pregnant women receiving prenatal care use cocaine or crack. Mayes estimates that nationwide, at least 40,000 and perhaps as many as 375,000 infants born each year have been exposed to cocaine in utero, and often to other drugs as well. After birth, children continue to be exposed to cocaine through passive smoke inhalation. In fact, some 17 percent of children coming to inner-city emergency rooms for clinical care test positive for exposure to cocaine.[49]

To be sure, some children who are exposed to cocaine in utero appear to suffer few ill effects; evidence of functional impairment can sometimes be hard to detect. And since expectant mothers who use cocaine often have a number of other risk factors, it is sometimes difficult to establish cause and effect. However, the research suggests that the consequences of cocaine use during pregnancy can be severe and long-lasting. Exposure to cocaine early in gestation can disrupt the migration of neurons up the cortical wall. As noted earlier, this can lead to a number of serious neurological disorders. Later in the prenatal period, exposure to cocaine can interfere with the production of synapses. To an even greater degree than exposure to nicotine, it may inhibit the reabsorption of neurotransmitters. And indeed, children exposed to cocaine in utero have been found to have disturbances in attention, information processing, learning, and memory. The physiological signs associated with prenatal exposure to cocaine include changes in children's heart rate, blood pressure, and daily cortisol cycles. Mayes' research, comparing 61 cocaine-exposed and 47 non-drug-exposed three-month-old infants, shows that exposure to cocaine tends to show up at this early age as delayed or impaired motor development.[50]

The Impact of Institutionalization

It has long been known that institutionalization has a long-lasting, adverse effect on children's social and cognitive development. Research done in the first half of this century produced solid evidence of this fact, and led to a rapid decline in the number

of such institutions in the United States and Western Europe.[51] In other parts of the world, however, many children still spend their first years in large orphanages. For example, the Romanian government expanded the number of state-run orphanages in the seventies and eighties, and these places still exist despite changes in the government's maternal and child health policies.

In 1994, Maya Carlson and Felton Earls, in consultation with Megan Gunnar, went to Romania to study young children living in these institutions, where children receive adequate custodial and medical care but live in conditions that are unpredictable and make it difficult to form attachments to consistently available caregivers. Their purpose was to study the neurobiological consequences of institutionalization by measuring the children's daily cortisol levels. They also assessed the effects of social deprivation on the children's physical growth and psychological functioning. In conducting this research, Earls and Carlson were guided by the International Convention on the Rights of the Child.

The researchers found that the cortisol levels and daily cycles of the children in the orphanages were abnormal, failing to show the strong daily rhythms typical of home-reared children as young as 12 weeks of age. Compared to home-reared Romanian children of the same age, their morning cortisol levels were much lower, but became higher at noon and remained elevated into the evening hours. Depressed morning cortisol levels have been reported in children who have experienced catastrophic events, such as the Armenian earthquake of 1988, and these levels are related to symptoms of post-traumatic stress disorder.[52]

Carlson and Earls note that the social and cognitive effects of early institutionalization can be partially prevented or reversed when staff-to-child ratios are dramatically improved, when children are given the chance to form stable relationships with consistent caregivers, and when professionally staffed programs of developmental stimulation are introduced. These measures have the greatest impact if they are undertaken when children are very young. The work of other researchers has consistently shown that when children are subjected to severe psychosocial deprivation during the first two years of life, social deficits may be even more difficult to reverse than cognitive deficits.[53]

Recent advances in knowledge of young children's brains help to explain why poverty can have such a detrimental impact on early development.

In collaboration with Megan Gunnar, Carlson and Earls are now expanding their work to include the study of adopted Romanian children.[54] Cortisol analysis is also proving useful for studying "failure to thrive" and for assessing the impact on young children of child care in various settings.[55]

The Impact of Poverty

Many of the risk factors described so far occur together, jeopardizing the development of young children and making research endeavors more challenging. Many of these risk factors are associated with or exacerbated by poverty. Indeed, recent advances in knowledge of young children's brains help to explain why poverty can have such a detrimental impact on early development.

Today, one in four American children under the age of six is growing up in poverty. The one in four figure holds as well for children under age three.[56] Given the crucial role of environmental factors in early brain development, these children are at particularly high risk of developmental delays and impairments. Economic deprivation affects the mother's and child's nutrition, access to medical care, the safety and predictability of their physical environment, the level of stress experienced by their parents and other caregivers, and the quality and continuity of their day-to-day care. Poverty also affects children's in-home and out-of-home stimulation, and their exposure to extreme stress and violence. Epidemiological surveys confirm the impact of these conditions: the risk for poor school readiness and mental retardation is highest among children from families with the lowest socioeconomic status.[57]

Research on the impact of poverty is often difficult, because it requires teasing apart the separate and independent effects of economic hardship and other related risk factors. However, a number of important studies have taken on this challenge. Alan Sroufe and his colleagues have found that poverty and factors associated with poverty have a pervasively negative impact on children's functioning in several areas, and that the negative effects appear to snowball as children get older. Most of the children in their long-term study were healthy, robust babies; most were born without physical disabilities or medical problems. However, as a result of the adverse effects of poverty, most showed gradual declines in mental, motor, and socio-emotional development. Compared to low-risk children, they tended to have poor-quality relationships with their caretakers in infancy and were found to be "anxiously attached" at 12 and 18 months. Of those who attended preschool, 70 percent were considered to have difficulty getting along and cooperating with other children, regulating their emotions, and playing and functioning on their own. By the time they reached elementary school, the great majority—fully 80 percent—showed impairments serious enough to warrant some form of special education services; 18 percent were retained in the same grade sometime in elementary school.

Among the protective factors that made these children more resilient, a secure attachment with their caregivers was the most important.

Sroufe and his colleagues emphasize that the "decline in functioning observed at each developmental period seems to have been related to adverse living conditions, not inherent factors and traits within each child."[58] By observing infants' early environment, support, and relationships, Sroufe's team has been able to predict with reasonable accuracy later attention–deficit hyperactivity disorder (ADHD), depression, and conduct problems.

The research team also found that some children—a distinct minority—appear to thrive despite the adverse effects of poverty. In their study, two children were advanced a grade, and two were placed in classes for the gifted when they reached the sixth grade. Some children excelled in the social arena: as sixth graders, 15 percent of children in the sample were ranked by their teachers above the 90th percentile on measures of peer competence and popularity. Among the protective factors that

made these children more resilient than others in the study, a secure attachment with their caregivers was the most important. In contrast, Sroufe noted that of the 44 children who were considered to be at extreme risk (by virtue of very chaotic homes or abusive caregiving relationships), none managed to thrive socially or academically.

Sroufe and his colleagues have looked beyond poverty and the general high-risk status of the families to examine factors that enabled some of these parents to care well for their children even in the face of poverty. Critical factors included knowledge of child development, social support available to the parents, and especially for parents who had been abused or neglected in their own childhood, therapy to help them resolve abuse issues. An understanding of these factors guided the development of the STEEP preventive intervention program at the University of Minnesota.[59]

5. **Substantial evidence amassed by neuroscientists and child development experts over the last decade points to the wisdom and efficacy of early intervention.** There are, to be sure, some genetic disorders or neurological events (such as a massive stroke) whose consequences are difficult if not impossible to reverse, given current knowledge and methods. But study after study shows that intensive, well designed, timely intervention can improve the prospects—and the quality of life—of many children who are considered to be at risk of cognitive, social, or emotional impairment. In some cases, effective intervention can even ameliorate conditions once thought to be virtually untreatable, such as autism or mental retardation. A number of well documented studies of programs designed to help infants and toddlers and their families, such as the New Mothers Project, the Infant Health and Development Project, and the Syracuse Family Development Project, suggest that well conceived, well implemented programs can brighten children's futures. The programs cited in the following pages were designed, implemented, and/or studied by conference participants. By no means, however, do they represent the full range of initiatives and interventions that have been found to benefit young children and their families.

Children from families with the least formal education derive the greatest cognitive benefits from intervention programs.

Addressing Social Vulnerability

Taking part in a panel discussion, Craig T. Ramey of the University of Alabama at Birmingham reported that intensive early intervention can in fact improve the cognitive developmental trajectories of socially and biologically vulnerable young children. The efficacy of early intervention has been demonstrated and replicated in diverse samples. He observed that children from families with the least formal education derive the greatest cognitive benefits from intervention programs. Moreover, the impact of early intervention appears to be long-lasting: early educational intervention is associated with an almost 50 percent reduction in the likelihood of children being held back in the same grade during the elementary years.

Ramey cited the experience of the Abecedarian Project, which he and his colleagues launched in 1972. The project involved children from 120 poor families, who were assigned to one of four groups:

Prevention and Early Intervention

Numerous efforts to support young children and their families are now underway across the nation. Many are allied with the family support movement, which is committed to the notion that to help children, we have to provide education and support to their parents as well. Many include parent education and home visits. Some of these projects have a strong research component, and have followed children over time to gauge long-term benefits. These early intervention programs take different forms, providing a range of intensive educational and support services such as home visits and high quality child care and early education. None is perfect, but on the whole they have shown significant results. Indeed, programs designed for disadvantaged children have been able to boost IQ by as much as eight points. However, without well-designed follow up services, these benefits are difficult to sustain.

The following programs are among the many initiatives designed to give infants and toddlers a good start in life. Their histories reach back 10 to 25 years, allowing researchers to draw conclusions about their long-term effects.

Carolina Abecedarian Project

From 1972 until 1985, the Carolina Abecedarian Project, an experimental study of early childhood educational intervention, provided sustained services to young children and their low-income families. This project is unique in that it served children from the first months of life through the early elementary school years. Children entered the program from six weeks to three months, and received services for the next five to eight years. Services included high quality, full-day child care for preschoolers, and regular support and education for the parents of school-age children. The infant curriculum designed especially for this program aimed to enhance cognitive, language, perceptual-motor, and social development. In the later preschool years, emphasis was placed on language development and preliteracy skills. Children also received medical treatment on site. Follow-up assessments were conducted at ages 8, 12, and 15.

The study found that:

- Young children's involvement in high quality preschool programs had positive effects on intellectual development and academic achievement.
- At age 12, participating children had IQ scores that averaged 5.3 points higher than a comparison group of non-participants.
- At age 15, compared to the comparison group, participants showed higher achievement test scores and had 50 percent fewer special education placements.

Syracuse University Family Development Project

Between 1969 and 1975, this project provided education, nutrition, health and safety, and human service resources to low-income, primarily African American, families. The services began with prenatal care and continued until children reached elementary school age. Families received home visits on a weekly basis as well as high quality child care five days a week. From 6 to 15 months, children were in half-day care; thereafter they received full-day care. The program followed children into adolescence.

The study found that:

- In grades 7 and 8, girls who had taken part in the program had higher teacher ratings and grades and better attendance records that children in the comparison group. Boys showed no long-term benefits, judging by these measures.
- Program participation decreased the total number, severity, and chronicity of later involvement with the juvenile justice system. In their teen years (ages 13-16), program participants were significantly less likely than a comparison group to have probation records or to be chronic offenders.

The Prenatal/Early Infancy Project

This rigorously evaluated early intervention program has helped young mothers improve their own health and has propelled their children on a path towards success. The Prenatal/Early Infancy Project focused exclusively on the prenatal period and the first two years of life. Beginning in 1977, this project enrolled 400 expectant mothers in Elmira, New York. Eighty-five percent were low-income, unmarried, and teenaged women expecting their first child. The full range of program services included home visits by nurses, screening for health problems, and transportation for health care. Home visits by nurses started during pregnancy and continued monthly until the child reached the age of two. They not only focused on strengthening parental caregiving, but also aimed to help mothers solve problems and plan their own futures.

By helping mothers improve their own skills, this program also helped families become economically self-sufficient. It demonstrated that comprehensive intervention early in a family's life cycle can effectively prevent some of our society's most intractable problems. Researchers who followed these 400 families from pregnancy to four years concluded that the program had more than paid for itself.

The study found that:

- Program participants had an 80 percent reduction in the rate of verified cases of neglect and abuse.
- There was an 83 percent increase in the number of years these mothers participated in the workforce.
- Reduced public assistance expenditures accounted for 80 percent of the cost savings associated with this program.

Follow-up research indicated that the program had a substantial, lifelong impact on participating families—especially for those young families facing the most extreme levels of stress. A 15-year follow-up found that participants continued to show benefits. For example, they were less likely to rely on welfare. For children born into low-income households where mothers were unmarried, there was more than a 50 percent reduction in the rates of abuse and neglect.

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The Infant Health and Development Program

The Infant Health and Development Program (IHDP) provided services to low-birth-weight, premature infants and their families from birth to age three. Established at eight sites serving diverse populations, IHDP began operating in 1984. The program provided home visits over the three-year span, center-based child care with an educational curriculum focused on child development, and group meetings for parents with children between one and three years of age. The children also received regular pediatric care. Compared with low-birth-weight, premature children who received only pediatric care, the IHDP children showed substantial gains.

The study found that:

- At age three, program participants had significantly higher mean IQ scores. Heavier infants scored 13 IQ points higher than infants receiving only pediatric care. Lighter infants scored almost seven IQ points higher than infants receiving less comprehensive services.
- IHDP program participants also had fewer cognitive, behavioral and health problems.
- At age eight, the heavier group continued to register modest gains in their cognitive and academic skills.

the first group received intensive early education in a child care center from about four months of age to age eight; the second group, from four months to age five; the third, from age five to age eight; and the fourth group received no intensive early education services. The early intervention program provided a range of services including early childhood education, family counseling and home visits, health and nutrition services, social work and service coordination services, speech/language services, and transportation. Many of these components were forerunners of those services now specified under Part H (birth to three years) of the Individuals with Disabilities Education Act. Ramey stresses that nothing was done in the Abecedarian program that could not, with sufficient planning and effort, be incorporated into other preschool centers or school systems.

This study showed that the earlier the children received intensive care and education, the greater and more enduring the gains. In fact, children who did not begin receiving the intervention until after the age of five showed no gains in academic performance or IQ. A follow-up study concluded that intellectual and academic gains attributable to the program persisted through seven years in school. In fact, the difference between the intensive early intervention and control groups was more pronounced at age 12 than at age 8.

Ramey also presented findings from two other early educational intervention programs designed to prevent mental retardation and improve school readiness and educational progress. Data from Project CARE (a successor to the Abecedarian Project) show that children who received a full-day, five day per week center-based program supplemented by home visits showed much higher intellectual performance than those who received home visits only or those in a control group who received no services.

The Infant Health and Development Program (IHDP) extended the aims of the first two programs, showing that lower birthweight children benefit less from the same high quality intervention program than other children, probably due to their biological status. It also established a correlation between the level of family participation and the extent to which children benefitted from the program. The more the family participated, the greater the cognitive gains.

Developmental Care for Preterm Infants

All human babies are born with brains that are remarkably unfinished—rough drafts waiting for life's rewrites and edits. The fact that the brain is a work in progress means that from the first days of life, the impact of early experience can be dramatic. This is especially true for preterm infants, who come into the world with brains that have had less time to mature in the protected intrauterine environment, and are therefore even more vulnerable to the environment.

In this vulnerable condition, most preterm babies have been cared for in neonatal intensive care units (ICUs)—settings that have traditionally been designed to meet their medical rather than their developmental needs. In this bright, noisy, rather stark setting, preterm infants have been exposed to severe sensory overload—a dramatic mismatch with the needs and expectations of their nervous systems.[60] Moreover, many preterm babies have been deprived, for sustained time periods, of three environments that have been shown to support healthy development: the protective environment of the uterus, the comfort and tactile stimulation of a parent's embrace; and containment in a family's social group. In her presentation, Linda Gilkerson, reporting on her research and the work of Heidelise Als of Harvard University and others, stated that developmentally appropriate and supportive care for preterm infants—care that is relationship-based and family-centered—can substantially increase preterm infants' chances for physical and mental health, while reducing hospital stays and costs. Glikerson and her colleagues have researched the impact of such care. In a study of 38 randomly selected preterm infants who weighed on average less than two pounds, 20 were able to leave the hospital after an average of 87 days as compared to an average 151 days for the 18 infants in the control group. Hospital costs for the care of these 38 infants dropped by approximately $90,000, compared with average expenditures in a traditional neonatal ICU. Research has also shown that while heavier preterm infants respond most dramatically to enhanced care, those who are at highest risk of poor outcomes—those born with very low birth weights and multiple medical complications—also show improvement in their medical and developmental status when they receive intensive, individualized developmental care.

Preterm infants come into the world with brains that have had less time to mature in the protected intrauterine environment, and are therefore even more vulnerable to the environment.

Gilkerson described the Newborn Individualized Developmental Care and Assessment Program (NIDCAP), a model developed as a framework for providing developmental care to preterm infants. This model trains hospital personnel to observe the behavior of every infant and then develop an individualized caregiving plan based on his or her unique characteristics, particularly the baby's sleep-wake cycles and self-soothing strategies. Parents play a fundamental role in this process and in the delivery of care. The neonatal ICU has been redesigned to provide a greater sense of security, protection, and intimacy through the frequent presence of parents, a great deal of physical contact and containment by parents and caregivers, attention to the pacing of care, and continuity of care providers. They use low lights, reduce noise, and, whenever possible, schedule doctors' rounds to accommodate the babies' sleep cycles. Preterm infants cared for in this setting have shown improved patterns of brain functioning, particularly in the frontal lobe which plays a crucial role in the executive functions of the brain such as attention state regulation and planning.

Researchers can detect auditory processing problems in babies six to nine months old that usually lead to language impairment.

Brain Research and Neurological Impairments

New insights into the brain's early development and functioning have allowed some researchers to design interventions that address neurological impairments with greater precision. The research cited below offers examples.

Stanley Greenspan's work with autistic children poses two key questions: Can the environment be designed to help children overcome central nervous system differences—including both those that are hard-wired at an early age, and those that remain plastic and flexible? To what extent is it possible to help children recover function or learn new functions for the first time? Based on his experience working with children with a range of different developmental delays or impairments, Greenspan has concluded that children's capacity to respond to intervention in the early years is "greater than we thought."

Greenspan presented the case of a boy diagnosed with autistic spectrum disorder who first came to his attention a few months before his third birthday. His behavior was characterized by repetitive actions: he would repeat the alphabet in a mechanical way, and would spend a lot of time lining up objects. At other times he seemed aimless; occasionally, he would produce an appropriate sound, word, or gesture. Greenspan began an intensive program encompassing family support, speech work, occupational therapy, and an interactive play approach called "floor time." This approach is designed to take into account a child's particular central nervous system patterns and expressions, as well as his or her current developmental level. It rests on the concept that not all experiences, however stimulating, will help the central nervous system grow and recover functions. Rather, specifically designed experiences are necessary to help children with impairments develop new capacities. This work has also led to the identi-

fication of specific types of experiences that can facilitate both intellectual and emotional growth in children without impairments as well.

Over time, the boy presented by Greenspan became more interactive, creative, and more socially adept. He began to form gratifying friendships, and his IQ went up to a high range. By age eight, he was highly verbal, fully conversational, warm, engaging, and creative. He enjoyed friendships and was doing well in a challenging academic program in a regular school. In all, Greenspan and his colleagues have worked with about 200 children diagnosed with autistic spectrum disorder, and he reports that about two-thirds of them these children have responded well to his program, challenging the notion that they will inevitably be limited, socially and cognitively, as adults.[61]

To be sure, not every autistic child benefits to the same degree from this kind of program. Citing the research of Michael Rutter, Alan Sroufe notes that children who do not have language and those with tested IQs below 50 do not usually respond well to intervention.[62] Sroufe believes that success stories should be presented carefully, so that they do not inspire false hope in parents with autistic children.

A second example of an intervention that has emerged from recent brain research is the work that April Benasich and her colleagues at Rutgers University are doing with infants and toddlers who have auditory processing problems. They have designed early interventions for children who have a specific language impairment—a developmental speech or language disorder that cannot be traced to any known cause. Benasich reports that from 3 to 10 percent of preschool children have been found to have this type of disorder.[63]

With the aid of brain imaging studies, the Rutgers researchers have concluded that these children's problems can often be traced to a faulty brain mechanism which existed well before language problems became apparent to parents or pediatricians. Benasich and her colleagues can detect auditory processing problems in babies six to nine months old that usually lead to language impairment. The ability to assess these processing problems in the first year of life, in conjunction with a more general assessment of an infant's perceptual-cognitive abilities, is an important step towards early intervention for children at high risk for language-based learning disabilities. Once a problem has been pinpointed, specific, individualized interventions can be introduced at a time when the brain's plasticity is particularly marked. For example, by means of specially designed computer games, children can be taught to speed up the rate at which they process shifts, within words or phrases, from one sound to another.

Information gathered by neuroscientists about the sequence and timing of brain development can be immensely useful to parents, teachers, health providers, policy makers in diverse fields, and other people responsible for the well-being of children and families. What kinds of learning experiences (including toys and games) are appropriate for children of different ages? What is the right age to begin reading instruction? When children appear to have difficulty with a particular cognitive task, what is the best time to intervene? When and how should children be given opportunities to begin learning foreign languages? Insight into developmental prime times can shed light on questions like these. The concluding section of this report addresses the policy questions that new knowledge about the brain most frequently elicits.

Where Do We *Go From Here?*

Nobel Laureate Murray Gell-Mann opened his remarks to participants at the June 1996 brain conference by observing that in most spheres of knowledge, what we don't know far exceeds what we do know. Brain research is no exception. Coming years promise to yield new discoveries about how the brain develops and how children's capacities grow and mature. Neuroscientists are likely to shift their attention from more general questions about how brain circuitry is formed to more specific investigations of the functions of particular regions of the brain. This investigation is also likely to focus on how—and how much—the brain's development and functioning are influenced by the environment.

Where is the Consensus?

There appeared to be substantial agreement among speakers at the conference that the current knowledge base is sufficiently ample to warrant immediate action. A framework for action, speakers agreed, might be designed around key assertions summarized in this report, including the importance of the interplay between nature and nurture; the importance of secure early attachments; the extent and rapidity of early development; the brain's remarkable plasticity; and the wisdom and efficacy of prevention and high-quality well-designed early intervention.

During the discussions, three key principles of societal responsibility emerged that appeared to have resonance for most participants:

- **First, do no harm.** The evidence is clear and compelling: early and developmentally appropriate care and education are vital to the health and well-being of our children. The prenatal period and the first three years of life are particularly crucial. As Edward Zigler of Yale University underscored, new insights into the brain suggest that the principle that guides medical practice should be applied just as rigorously to all policies and practices that affect children: first, do no harm.

This means enabling parents to fulfill their all-important role in providing and arranging for sensitive, predictable, reliable care for their children. Research on the impact of early attachments on brain development confirms that warm, responsive caregiving is a crucial ingredient in the healthy development of children. But unless parents have consistent access to a wide range of services—including (but not limited to) prenatal care and adequate nutrition; competent, responsive care during and following childbirth; affordable parental leave; and high-quality, affordable child care and health care—efforts to improve results for

In most spheres of knowledge, what we don't know far exceeds what we do know. Brain research is no exception.

Who is a Caregiver?

Child Care and Early Education

When reports about young children are written, it is always a struggle to find a word or phrase to describe the grownups who take care of them. Mothers? Yes, but not always. Parents? That takes fathers into account, but what about Grandpa or Aunt Martha? And what about the neighbor who "watches" the twins five days a week while mom and dad are at work? Or Ms. Sanders, the teacher at the Rainbow Child Care Center?

To be sure, a "child care provider" can play an immense role in children's early development. But that term doesn't do justice to parents and other people who have primary responsibility for a child. And so, we have resorted to "caregiver." Often we speak of the "primary caregiver"—the adult who has major responsibility for a child's day-to-day well-being and development. It's a word that can apply to mothers or fathers or Grandma or Ms. Sanders.

Of course, it is awkward to use one word for such different kinds of relationships, but that awkwardness may have an advantage. It points up the important idea that relatives and child care providers do not replace working parents. They may relate to a child differently than a mother or father would, but from a child's perspective, every important caregiver is a potential sources of love and learning, comfort and stimulation. From a neuroscientist's perspective, every important caregiver has the potential to help shape a young child's future.

Child Care/Early Education Demand and Supply

The number of mothers with infants and toddlers who work outside the home has surged in recent decades. In 1965, 21 percent were in the labor force; by 1994 that number reached 59 percent. This dramatic increase has created an unprecedented demand for child care services. The growing number of working mothers is not the only reason for this rise in demand. A third of all families in which the mother does not work outside of the home also use a regular child care arrangement for their youngest preschool-age child.

To meet this demand, the supply of child care has risen sharply. In 1990, there were 80,000 centers in the United States, serving between four and five million children. In addition, it is estimated that there are 118,000 regulated homes serving 700,000 children. There are also approximately 685,000 to 1.2 million family child care homes that are not licensed or registered, serving 3.4 million children.

Despite this increase, there appear to be gaps between supply and demand. This problem is especially acute for infants and toddlers. Moreover, parents are hard pressed to find child care that is affordable and meets their quality standards. In a nationally representative study of the U.S. workforce, 58 percent of parents looking for child care reported that they found no realistic options in their communities.

A Shift in Child Care Settings

Over the past 25 years, the arrangements that families rely on to care for their children have shifted. There has been a sharp drop in the use of care by relatives other than parents, such as grandparents, aunts, and uncles. Among families with employed mothers of infants and toddlers, 36 percent arrange for care in the homes of

friends, neighbors, relatives, or regulated family child care providers; 23 percent use centers. Preschool children average 35 hours in their primary arrangement if their mothers work outside of the home, and 20 if they do not. Infants who are in center-based care spend more hours each week in child care than older children.

Child Care Quality

Mounting concern about the quality of child care across the nation reflects a growing consciousness that for many children, child care is "education before school." A recent report, based on a three-year study known as Quality 2000, asserts that the U.S. is now facing a "quality crisis" in early care and education.

There is ample evidence for this assertion. Three multi-site observational studies of both center care and family child care conducted between 1988 and 1994 reveal a dismal picture of quality. These studies indicate that only 12 to 14 percent of children are in child care arrangements that promote their growth and learning; at the same time, from 12 to 21 percent are in child care arrangements that are unsafe and jeopardize their development. The statistic for infants and toddlers is even more alarming: 35 to 40 percent spend their days in settings that have been deemed detrimental to their health, safety, and development.

The hallmark of quality for non-parental care is not very different from quality by mothers or fathers: warm, responsive, consistent caregiving geared to the needs of individual children. Researchers have identified specific, interrelated characteristics of center-based settings associated with high-quality early care and education and better results for children. These include:

- a sufficient number of adults for each child—that is, high staff-to-child ratios;
- smaller group sizes;
- higher levels of staff education and specialized training;
- low staff turnover and administrative stability; and
- higher levels of staff compensation.

The capacity of providers to offer responsive care on a consistent basis hinges, in part, on what goes on "behind the scenes"—the laws, regulations, funding, licensing and training that create a context for quality. In particular, quality is affected by state regulations. Children who live in states with high regulatory standards have higher quality early care and education than children who live in states with low standards.

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In family child care (care in the home of the provider), children fare better emotionally and cognitively when their caregivers:

- are committed to taking care of children and are doing so from a sense that this work is important and it is what they want to be doing;
- seek out opportunities to learn about children's development and child care, have higher levels of education, and participate in family child care training;
- think ahead about what the children are going to do and plan experiences for them;
- seek out the company of others who are providing care;
- are regulated by the states;
- have slightly larger groups (three to six children) and slightly higher numbers of adults per child; and
- charge higher rates and follow standard business and safety practices.

As in center-based arrangements, studies find that these characteristics of quality go together. Providers who have one of these characteristics are likely to have others. In other words, providers who are intentional in their approach provide more sensitive and responsive education and care.

Improving Quality

There are indications that the quality of care and early education is declining. Although the educational level of staff has improved, ratios and group sizes appear to be getting worse. Furthermore, numerous programs do not meet their own state standards for group size and staff-to-child ratios, especially in programs for infants and toddlers. Compensation remains low, and not surprisingly, staff turnover is high.

Recent studies encourage some optimism about efforts to improve quality. A study of family child care training by the Families and Work Institute revealed that children are more likely to be securely attached to providers who have received effective training, and that the quality of the caregiving environments has improved somewhat. Another study by the Families and Work Institute showed that when the state legislates higher staff-to-child ratios and more rigorous educational requirements for staff, children clearly benefit: they are more securely attached, exhibit better cognitive and social development, are more proficient with language, and have fewer behavior problems.

children will have to keep their focus on after-the-fact intervention rather than on prevention or promotion. Policies or practices that prevent parents from forming secure attachments with their infants in the first months of life require urgent attention and reform. At the same time, parents need more information about how the kind of care they provide affects their children's capacities; they also need reassurance that there are many ways to meet children's needs, and that learning to read their infants' and toddlers' cues is one of the most important ways they can promote healthy brain development.

"First, do no harm" also means mounting intensive efforts to improve the quality of child care and early education, so that parents can be

sure that when they are at work, their young children's learning and emotional development are being fostered. Today, more than half of all mothers with babies under the age of one work outside of the home. Most American children of preschool age attend some type of out-of-home child care. And the vast majority of them spend their days in settings that have been judged by researchers to be of mediocre to poor quality. Infants and toddlers receive lower-quality care, on average, than three- or four-year-olds. Now that neuroscientists have documented the impact of early experience on our youngest children, and now that we know beyond a doubt that adverse conditions can dramatically impair their functioning, it is no longer reasonable to wait until children are five to worry about the quality of their care and education.

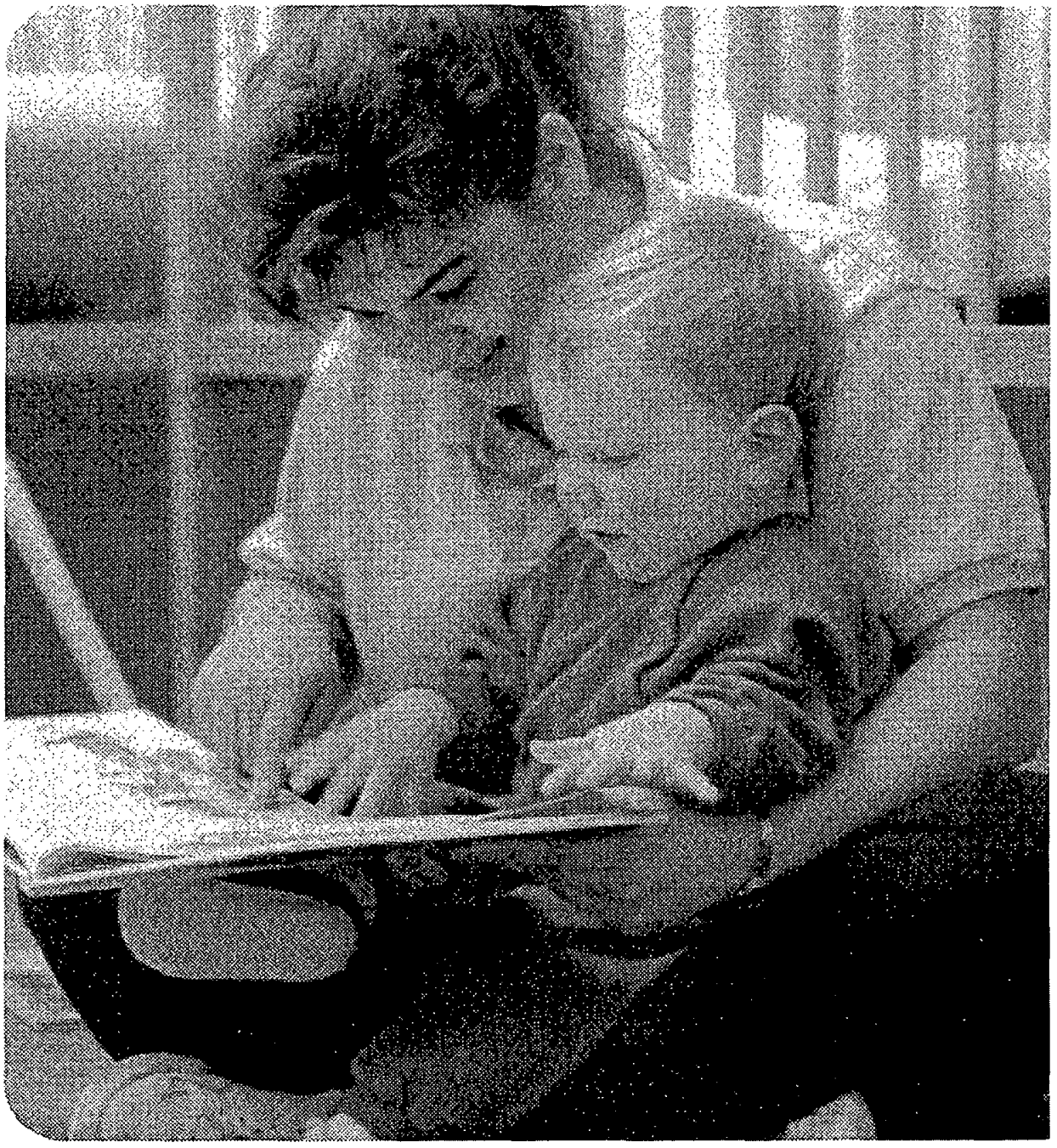
■ **Prevention is most effective, but when a child needs help, intervene quickly and intensively.** Knowing that early experience has such a decisive influence on brain development, parents may worry that every unpleasant sensation or upsetting experience will become a neurological nightmare. They may rest assured that in most cases, a history of consistent and responsive care cushions children from the ups and downs that are inevitable in everyday life; in fact, minor mishaps are among the stimuli that promote healthy development and help children cope with stress later in life. Given timely and intensive help, children can scale a wide range of developmental hurdles; moreover, they can often recover even from serious stress or trauma.

The brain is, after all, a work in progress, designed to be adjusted and fine tuned throughout life. Certainly there are conditions that cannot be significantly remedied or repaired, given today's knowledge. But the list of conditions that can be prevented or improved is growing, as researchers and practitioners learn more about what works (and why) for diverse children with diverse needs.

There is widespread agreement about the value of early intervention, but to have the greatest impact it must be timely and well-designed, and it must be followed up with appropriate, sustained services and support. In coming years, more detailed knowledge about specific aspects of brain development and functioning will allow the design of interventions that more closely match children's needs, and that can be offered at the time when they can do the most good.

Risk is not destiny. The medical, psychological, and educational literatures contain a sufficient number of examples of people who develop or recover significant capacities after critical periods have passed to sustain hope for every individual.

■ **Promote the healthy development and learning of every child.** There was wide agreement among speakers at the conference that children who do not receive appropriate nurturing or stimulation during developmental prime times are at heightened risk for developmental delays or impairments. There was also general agreement that if we miss early opportunities to



promote healthy development, later remediation may be more difficult and costly, as well as less effective, given the knowledge, methods and settings that are currently available.

However, this theme was sounded repeatedly: *risk is not destiny*. Numerous cases were cited of individuals who have thrived despite adverse conditions. The medical, psychological, and educational literatures contain a sufficient number of examples of people who develop or recover significant capacities after critical periods have passed to sustain hope for *every* individual. Ongoing efforts to enhance cognitive, emotional, and social development must be supported in every phase of the life cycle.

Where Is the Debate?

Presentations and discussions at the conference not only revealed new insights into early brain development; they also highlighted issues that have sparked controversy. Disagreements—about substance or emphasis—clustered about three related questions. Each points to possible directions for future research.

- **Which plays a greater role in early brain development—nature or nurture?** Today, most experts on early development, whether neurobiologists or psychologists, tend to view brain development as a dynamic process, described by Stanley Greenspan as "an elaborate dance between biology and the environment."[64] But which partner leads and when? Is it the genetic endowment that most severely limits an individual's capacities? Or is it the environment? These questions continue to spark controversy wherever brain development is discussed.

- **Is the brain flexible throughout the early years, or only at certain times?** This debate focuses on the question: just how critical are critical periods? Neuroscientists have established that there are time spans when different parts or systems of the brain are more or less vulnerable to environmental influence. But how long are these critical periods? And when they draw to an end, do windows of opportunity (and risk) slam shut? Or are they merely lowered?

Some neuroscientists acknowledge the brain's unique plasticity, but emphasize that the developing brain—particularly the cortex—requires specific stimuli on a fairly rigid schedule. For example, Bruce Perry has written that during critical periods, "specific sensory experience is required for optimal organization and development of any brain area... Absent such experience and development, dysfunction is inevitable...."[65] Writing about the development of sensorimotor systems in primates, Gary Kraemer describes "neural patterns that will not exist unless the organism has certain experiences and makes certain responses to them....[S]ensory mechanisms can be tuned, but at some point their functional characteristics must be 'locked.'" Kraemer adds that the "locking process itself may occur even if expected stimuli have not arrived. Thereafter, sensorimotor systems cannot be tuned to the environment the way they would have been at an earlier developmental stage."[66]

Others argue that in most areas of early development, "prime times" stretch for rather extended periods. For example, Harry Chugani notes that until about age 12, the human brain can, with relative ease, master many cognitive functions that adolescents and adults learn with more difficulty, such as acquiring languages or learning to play a musical instrument.

This debate also touches on the brain's capacity to repair itself. Is this capacity limited to very brief periods? Studies of spontaneous recovery by individuals who have suffered brain damage tend to support the notion of rather brief prime times during which neuroplasticity allows the brain to repair itself. However, other neuroscientists stress that we do not yet understand the brain mechanisms responsible for spontaneous recovery. New research on spinal cord injuries suggests that, to a greater extent than scientists previously thought, regional reorganization can occur in adulthood.[67]

- **Given what we know about the impact of early experience on brain development, should we broaden our understanding of "resilience"?** It is often assumed that in all but extreme cases, children can bounce back from the hurts and disappointments that life inevitably brings. Indeed,

Tough Questions

New insights into early development point to this conclusion: the experiences children have and the attachments they form in the first three years of life have a decisive, irrefutable impact on their later development and learning. As more and more evidence emerges supporting this finding, parents, teachers, and policy makers are beginning to pose tough questions. A full discussion of these issues is beyond the scope of this report; the following paragraphs merely frame four key questions, and suggest directions that the search for solutions might take.

■ Should new mothers stay home?

Since warm, responsive care is so crucial in the first years of life, shouldn't mothers or fathers put off employment and devote themselves to caring for their infants and toddlers? This longstanding debate may be rekindled as the relationship between secure attachment and healthy brain development is better understood. It is a reasonable question, so long as the decision remains a personal, family matter, and so long as working parents are not blamed for any and every developmental hurdle their children encounter. Given the economic realities of their lives, millions of women do not have the option of staying home, even in their child's first year. Today, most working women (55 percent) are indispensable providers, contributing half or more of family income. New welfare requirements compel many others to work or attend training programs. Moreover, research shows that deep-seated guilt and anxiety about balancing work and family can harm not only mothers, but also children; when mothers believe that they are doing the wrong thing, either by working or by staying at home, children may be adversely affected. Ultimately, what is best for families is to have real choices, and that requires policies and societal attitudes that support parents whether or not they work outside the home. In particular, families need access to affordable, high quality child care and early education.

■ What should be done when parents do not provide their children with the kind of care and setting that promote healthy development?

This wrenching issue has been the subject of heated debate in recent years, and promises to stir more controversy in the future. Americans appear to be particularly concerned about young children being raised by teenaged parents. Some have proposed placing young children from chaotic, neglectful, or abusive homes in orphanages, but this approach makes no sense in view of research showing the adverse impact of institutionalization on brain development. Others have suggested foster care for young mothers *and* their children. How can parents be helped and, when appropriate, supervised effectively, so that families can stay together? How can existing parent education efforts and family support programs be strengthened or extended? The challenge in coming years will be to search for answers that support both families and young children.

■ Can we realistically hold out hope for children whose early development is compromised?

This is not an academic question. How it is answered affects the expectations parents and teachers convey to children; the placements and tracking decisions made by school administrators and teachers; and the kinds of decisions judges and juries hand down when juvenile offenders stand before them. As a society, we should never

give up on any child. To be sure, as children move into the second decade of life, it appears to be more difficult to bring about change, but it is not impossible. As researchers learn more about brain plasticity, new ways to promote the development of people of all ages are likely to emerge. Moreover, brain development is not just a matter of intellectual development, but also physical, emotional, and social well-bring. Children whose development is delayed in one area may have extraordinary capacities in other spheres that are less apparent and less likely to be measured.

■ Should we withdraw resources from older children and give them to young children?

How should we, as a nation, invest in the next generation, given the importance of early development? Should public education begin sooner and end earlier? If so, which agencies or organizations should provide that early education? Should we fund high schools at lower levels, in order to devote adequate resources to child care and early education? The relationship between budgets and policies is always complex, and there is no simple solution. But ensuring children's healthy development is not a zero-sum game. To be sure, good nutrition is vital in the prenatal period and the first years of life, but the needs of young children cannot justify skimping on the nourishment provided to older children and youth. By the same token, the early years are certainly crucial for healthy development, but there must also be strong support for school-age children and adolescents, as well as for adults who want to continue their education and strengthen their skills. Optimal development and learning for Americans of all ages must be a top national priority, so that a good start in life for our youngest children is not purchased at the expense of their older brothers and sisters.

scholars have produced numerous studies of resilience, showing that it resides not solely in the child, but also in the context in which he or she lives. This research reports that children who grow up in deprived or disadvantaged settings can adjust well to the demands of school and become successful learners if they have access to a supportive community and a strong bond with at least one adult whom they can count on in their extended family or neighborhood.[68]

But given new findings about how early experiences—both positive and negative—affect brain development, our current understanding of resilience may not be sufficiently broad or complex. Reliable support from a coach or an aunt may certainly help to buoy children's self-esteem and strengthen their survival skills. And a supportive community network certainly can make a difference. But we need to know much more about a wide range of protective factors—biological, psychological, social, and ecological—that affect an individual's ability throughout life to withstand stress and to thrive despite all odds.

Implications for Policy and Practice

New insights into early development confront policy makers and practitioners in many fields with thorny questions and difficult choices. Some of these questions deal with communicating new findings and engaging the public in efforts to pro-

mote healthy development. How can we convey to parents, caregivers, and teachers the opportunities and risks of the early years of life without creating paralyzing anxiety, or without setting off a frenzy of inappropriate or ill-considered enrichment efforts? How can we emphasize the opportunities of the early years without dimming hope or shrinking resources for adolescents and adults?

Mothers and fathers are not—and must not be made to feel—solely responsible for every hurdle their children may encounter.

Other questions reflect the dilemmas that confront policy makers in every sphere of human services. How do we balance support for universal policies and programs, designed to achieve optimal development for all children, with support for initiatives that focus on those children who live in settings or conditions most likely to jeopardize healthy brain development? How can we scale up national initiatives that address the needs of our youngest children, such as Early Head Start, while allowing for flexibility and initiative at the state and local levels? What can we learn from other countries that have launched promising efforts to reduce risks to early brain development?

There needs to be a lively, sustained national debate about the health and well-being of America's children. As we move into the next century, our children need and deserve policies that reflect the importance of the early years, and that reflect the principles that emerged from the brain conference. In particular, new knowledge about early development adds weight and urgency to the following policy goals identified in several major reports.[69]

- **Improve health and protection by providing preventive and primary health care coverage for expectant and new parents and their young children.** Expectant mothers and fathers must have access to the care, knowledge, and tools they need to protect their babies. The prenatal period is a time of active brain development. And yet, one in five pregnant women receives little or no prenatal care in the crucial first trimester; for African American, Latina, and American Indian women, the number is one in three. In addition to prenatal care, pregnant women need safe homes, adequate nutrition, and buffering from extreme stress. With adequate health care and parenting supports, there is a great deal that expectant mothers and fathers can do to promote the healthy development of their children, and to avoid serious risks.

The first three years of life are also filled with important health and safety risks, but millions of children in this age span are uninsured or underinsured. Basic medical care should focus on young children's physical and emotional health and well-being. It should include preventive health screening, well-baby care, timely immunization, and information and supports for parents. This kind of care is cost-effective and provides a sturdy foundation for a lifetime of good health.

- **Promote responsible parenthood by expanding proven approaches.** All parents can benefit from solid information and support as they raise their children; some need more intensive assistance. There is solid evidence that effective parent education/family support pro-

grams promote the healthy development of children, improve the well-being of parents, and are cost-effective.

- **Safeguard children in child care from harm and promote their learning and development.** Researchers have found that most child care settings are of mediocre to inadequate quality, and the nation's youngest children are the most likely to be in unsafe, poor quality child care. More than one-third are in situations that are detrimental to their development. Most of the rest are in settings where very little learning is taking place. In effect, we are warehousing millions of children during their most formative years. The "first, do no harm" principle applies powerfully to early care and education. Studies show that it is possible to improve quality, creating settings in which children can thrive and learn. This is a large task, but even modest changes can make a difference: for example, a national study of family child care found that after providers received 18 to 36 hours of training, children were more likely to be securely attached to them and the quality of caregiving environments improved.[70]

- **Enable communities to have the flexibility and the resources they need to mobilize on behalf of young children and their families.**

Piecemeal programs appear to be less effective than programs embedded in comprehensive efforts to rebuild communities. A grassroots effort is now underway across the nation to mobilize on behalf of young children and their families—to bring together decision makers, to create a vision of the kind of community they want to be part of, to develop goals and sustainable strategies for achieving that vision, to determine how to finance their efforts, and to make provisions for gauging results.[71] These efforts should be carefully studied and further developed. They need and deserve support from national, state, and local leaders, as well as from leaders of business, the media, community organizations, and religious institutions.

Conveying New Knowledge about the Brain

Finally, new knowledge about the brain must be communicated to families and the public at large with immense care. While parents have a powerful impact on their children's development and learning, many factors play a role; mothers and fathers

are not—and must not be made to feel—solely responsible for every hurdle their children may encounter. While warm, responsive care does indeed help to promote healthy development, some neurological conditions remain fairly resistant to change. And while the neuroscientist's lens may appear to magnify or isolate such neurological problems, they are in fact only one facet of these children's rich and complex lives. The notion of critical periods also needs to be carefully qualified. To be sure, nature provides prime times for development and learning, but parents and other caregivers can take advantage of these times in many ways, drawing upon their own varied resources and beliefs. Moreover, it is never too late to improve the quality of a child's life.

In short, new insights into early brain development suggest that as we care for children in the first years of life, and as we institute policies or practices that affect their day-to-day experience, the stakes are very high. The research tells us that the "quiet crisis" of America's youngest children may have even more serious, lasting consequences for children and families, and for the nation as a whole, than we previously realized. But we can draw strength from the knowledge that there are many ways that we as parents, as caregivers, as citizens, and as policy makers can address this crisis. We can take comfort in the recognition that there are many ways to raise healthy, happy, smart children. We can take heart in the knowledge that there are many things that we as a nation can do, starting now, to brighten their future and ours.

Glossary

AMYGDALA. An almond-shaped mass of gray matter located in each half of the cerebrum near the hippocampus. Part of the limbic system, the amygdala is concerned with the expression and regulation of emotion and motivation.

ATTENTION–DEFICIT DISORDER. See ATTENTION–DEFICIT HYPERACTIVITY DISORDER.

ATTENTION–DEFICIT HYPERACTIVITY DISORDER (ADHD). A syndrome of learning and behavioral problems that is characterized by difficulty in sustaining attention, by impulsive behavior, and often by excessive activity.

AUTISM. A disorder originating in infancy that is characterized by a limited ability to interact socially, stereotyped ritualistic behavior, and language dysfunction.

AXON. The part of a neuron (brain cell) that carries outgoing signals to another neuron. A neuron usually has only one axon.

BRAIN SCAN. A computerized image of the brain produced by brain imaging technologies. See MAGNETIC RESONANCE TECHNOLOGY (MRI) AND POSITRON EMISSION TOMOGRAPHY (PET).

CELL MIGRATION. The movement of a cortical neuron during development to its proper position on the cortical wall.

CEREBELLUM. A large component of the brain situated between the brainstem and the back of the cerebrum. It is concerned with maintaining the body's equilibrium and coordinating movement. The cerebellum relays signals to the muscles from higher brain regions where decisions are made. Recent studies indicate that it also plays an important role in cognitive functions.

CEREBRAL CORTEX. The neuron-rich, furrowed, outer portion of the cerebrum. The cortex controls higher mental functions, such as thinking, planning, remembering, and analyzing.

CEREBRUM. The large, rounded structure of the brain that includes the cortex. The cerebrum controls and integrates motor, sensory, and higher mental functions including thought, reason, emotion, and memory. It is divided into two hemispheres that are joined by the corpus callosum.

CORTEX. See CEREBRAL CORTEX.

CORTICAL LADDERS. A phrase often used to describe long glial cells in the cortex. For normal development to occur, neurons must climb these cortical ladders at the right time, and must reach the right destinations.

CORTICAL NEURON. A brain cell that is located in the cerebral cortex.

CRITICAL PERIOD. A time span when a particular part of the brain is most apt to change and most vulnerable to environmental influences.

DENDRITE. A hairlike structure within a neuron that receives incoming signals from another neuron. Each neuron has many dendrites.

DENDRITIC TREE. A network that forms as the number of dendrites in a neuron multiplies. The growth of dendritic trees explains, in part, why individual neurons get bigger and heavier as the brain develops.

ELECTROENCEPHALOGRAPH (EEG). An instrument that detects and graphs the brain's electrical activity in the form of waves.

GLIAL CELLS. The brain contains two main kinds of cells—neurons and glial cells. Glial cells support and complement the various functions of neurons. In the cerebral cortex, long glial cells form "cortical ladders" that neurons must climb to reach their proper positions during brain development. This process is known as neuronal migration or cortical cell migration.

HEMISPHERE, RIGHT AND LEFT. The two halves of the cerebrum.

HIPPOCAMPUS. A curved elongated ridge that is an important part of the limbic system. It has been shown to play an important role in organizing memories.

HYPERACTIVITY. A state of being excessively active.

HYPOTHALAMUS. The part of the brain that lies below the thalamus. Its functions include regulating body temperature, certain metabolic processes, and other autonomic activities.

LIMBIC SYSTEM. A group of cortical and subcortical structures (including the cingulate cortex, the hypothalamus, the hippocampus, and the amygdala) that are especially concerned with emotion and motivation.

MAGNETIC RESONANCE IMAGING (MRI). A medical technology that produces computerized images of tissues and organs using magnetic energy.

NEURAL PATHWAY. A series of synapses that forms a network in the brain. These pathways can be activated by a particular experience.

NEURON. A cell that is part of the brain or central nervous system. Each neuron contains an axon, a cell body, and numerous dendrites.

NEURONAL MIGRATION. See CELL MIGRATION.

NEUROPLASTICITY. The capacity of the brain to change or adapt in response either to experience or to damage.

NEUROTRANSMITTERS. Chemical substances, such as serotonin or dopamine, that enable electrical impulses to pass across a synapse from one neuron to another.

PLASTICITY. See NEUROPLASTICITY.

POSITRON EMISSION TOMOGRAPHY (PET). A brain imaging technology that generates a computerized image not only of the brain's structure, but also of activity levels in various parts of the brain.

PRUNING. A term often used to describe an important feature of brain development—the selective elimination of synapses.

SYNAPSE. A connection between two brain cells, formed when the axon of one neuron hooks up with the dendrite of another neuron.

THALAMUS. The thalamus is the brain's "relay station" because it receives input from the body's sensory, motor, and other systems and dispatches them to the appropriate region of the cerebral cortex.

ULTRASOUND. The use of ultrasonic waves for diagnostic or therapeutic purposes, usually to visualize an internal body structure or monitor a developing fetus.

VESICLE. A small sac, usually containing fluid. In a neuron, vesicles are containers for neurotransmitters.

Appendix A

Conference Speakers, Respondents and Moderators

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Appendix B

Examples of Early Intervention Programs

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
High/Scope Perry Preschool Project Ypsilanti, MI	Three- and four-year-old children attended a preschool program 5 days per week, for 2.5 hours per day. The preschool program was comprehensive, including education, health and family support services.	A total of 133 children were randomly assigned to either a program group or a comparison group. Since the study's inception in 1963, researchers have been tracking a variety of indicators, including: utilization of special education services, juvenile delinquency and arrests, teen pregnancy, employment history, and post-secondary education. The latest report followed both the program group and comparison group through 27 years of age. Two years of the program cost $14,400 per child. It was funded by the state of Michigan.	By the time participants reached age 27, every $1 invested in the program had yielded savings of $7.16 in costs that might have been incurred if the program had not existed. The program savings to taxpayers (in constant 1992 dollars discounted annually at 3 percent) is estimated to be $88,433 per child from the following sources: ■ savings in schooling, due primarily to reduced need for special education services. ■ higher taxes paid by preschool program participants because they had higher earnings once they entered the work force. ■ savings in welfare assistance ■ savings of the criminal justice system and to potential victims of crimes. **Bottom Line:** The economic return from the Perry Preschool program outperformed the stock market from 1963-1993.	The follow-up study of participants at age 27 showed that program group members were more likely than the comparison group to: ■ report monthly earnings of $2,000 or more (29% versus 7%). ■ Own their own homes (36% versus 13%). ■ Own second cars (30% versus 13%). Other key findings included: ■ Program group members were less likely than comparison group members to receive welfare assistance or other social services (59% versus 80%).
Source: Schweinhart, L.J., H.V. Barnes, and D.P. Weikart. 1993 *Significant benefits: The High/Scope Perry Preschool Study Through Age 27.* Monographs of the High/Scope Educational Research Foundation, No. 10. Ypsilanti, MI: High/Scope Press.				

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
Carolina Abecedarian Project Chapel Hill, NC	Children between the ages of 6 weeks and 5 years received early childhood education 5 days a week, year round. The parents of children between the ages of 5 and 8 were in a parent involvement program.	A total of 111 children were randomly assigned to either a comparison or program group. There were 3 different program groups — educational services, preschool program only and primary school program only. Services cost approximately $10,000 per student per year. Funding was from public education dollars from federal, state and local governments.	An investment of $10,000 per year for one child can yield an estimated minimum savings to society of approximately $100,000 per child. (This number may understate actual savings realized.) The savings reflect reduced spending on special education, welfare and juvenile crime.	Services begun during children's preschool years had positive impacts on their intellectual development and academic achievement At age 12: ■ children in the program group had IQ scores that measured 5.3 points higher than those in the comparison groups. At age 15: ■ children who participated in the preschool years earned significantly higher scores in both reading and math. ■ overall 31.2% of members in the program group were retained in grades compared to 54.5% of members in the comparison group. ■ 24% of the children in the program group utilized special education services, contrasted with 48% of the children in the comparison group.
Sources: Campbell, F.A. C.T. Ramey. 1994. *Effects of Early Intervention on Intellectual and Academic Achievement: A Follow-Up Study of Children from Low-Income Families.* Child Development. 65:684-698. Campbell, F.A., and C.T. Ramey. 1995. *Cognitive and School Outcomes for High-Risk African-American Students at Middle Adolescence: Positive Effects of Early Intervention.* American Educational Research Journal. 32(4):743-772.				

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
Parents as Teachers (PAT) St. Louis, Missouri	Parents with children from birth to age five received information on child development through home visits, parent groups, and referrals for needed services that the program could not offer. Their children received periodic health screenings.	This evaluation studied a sample of 400 families in 37 diverse school districts across the state of Missouri. These families were randomly assigned to a program group or a comparison group. The evaluation looked at intellectual and language abilities of children at age 3 and improvements in parents' knowledge of child development and childrearing practices. Funding sources: Local, state, and federal funding streams and private sources including foundations, hospitals, churches, and businesses. Average annual cost per family to provide Parent as Teachers Service: $646.	Cost savings data are not available for the study of the Missouri program. In some Parents as Teachers programs, where cost savings have been calculated, special education costs have been drastically reduced for developmentally delayed children who participated in the program. For example, one small study of a Texas Parents as Teachers program showed that 45 percent of children were delayed in some area of development upon entry into the program. However, upon completion, researchers found that 75% of the developmentally delayed children no longer needed special services and were able to participate in a regular classroom setting. The average cost for a child to attend a regular classroom in this Texas community is nearly $5,000 per year, compared to $12,500 per year for special education. This reveals a $7,500 cost savings when special education is averted.	In the Missouri study: ■ At age 3, Parents as Teachers children performed significantly higher than national norms on measures of intellectual and language abilities. ■ Most children from minority families did better than average on performance measures of achievement and language abilities. ■ A follow-up study which re-evaluated the children when they were in first grade, found that compared with other first-graders, 55% of PAT children were rated "above average" by their teachers. Teachers also reported that 74% of PAT parents *always* assisted with homework.
Sources: Pfannenstiel, J., T. Lambson, V. Yarnell. 1991. *Second Wave Study of the Parents as Teachers Program.* St. Louis: Parents as Teachers National Center, Inc. Pfannenstiel, J., T. Lambson, V. Yarnell. 1996. *The Parents as Teachers Program: Longitudinal Follow-Up to the Second Wave Study.* Oakland Pk, KS: Research and Training Associates, Inc.				

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
Prenatal/ Early Infancy Project Elmira, NY	Home visits by nurses started during pregnancy and continued on a monthly basis until the child was 2 years old. This home visitation program aimed to improve: ■ outcomes of pregnancy (i.e. reduction in low-birthweight and preterm babies). ■ qualities of parental caregiving (including reducing associated child health and development problems). ■ maternal life course development (helping women return to school, find work and plan future pregnancies).	The study sample included 400 program participants in a semi-rural community in Elmira, NY. Of these participants, 85% were low-income, unmarried and teenaged young women who were pregnant with their first child. Participants were randomly assigned to one of three groups: the first received home visits by nurses; the second received home visits plus transportation for health care and screening for health problems; the third received only transportation and screening. In 1980, the program cost $3,173 per family for 2.5 years of intervention. (In 1996 dollars, the program costs were estimated to be $7,800 per family.) Funding sources: federal, state and local government dollars.	The initial investment in this program ($3,173) was recovered with an added dividend of about $180 (1980 dollars) per family within two years after the program ended. Additional studies on the long-term benefits of this program are now underway in Elmira, New York, Memphis, Tennessee; and Denver, Colorado. The savings reflect decreased spending on welfare and food stamps; increased tax revenues because of a higher labor force participation rate; and a reduction in costs related to child abuse and neglect. Specifically, research shows that reduced Medicaid, welfare and food stamp expenditures accounted for 80% of cost savings.	Results demonstrated: ■ Among women who smoked, those who were visited by nurses had 75% fewer preterm deliveries. ■ Among young adolescents (aged 14 -16 year), those who were visited by nurses had babies who were nearly 400 grams heavier that those in the comparison group. During the first two years after delivery: ■ Program participants had a 15% lower incidence of reported neglect or abuse. ■ Program participants paid 87% fewer visits to the physicians for injuries and poisoning after the program ended. ■ Program participants lived in homes with fewer safety hazards; and their homes were more conducive to a child's intellectual and emotional development. ■ Four years after the birth of their first children participants had 42% fewer second pregnancies and 83% of mothers had jobs. 15 years later: ■ Program participants used welfare 2.5 years less ■ They had fewer subsequent children. ■ For children born into households where mothers were unmarried and low-income, there was more than a 50% reduction in the rates of abuse and neglect. ■ There were 67% fewer arrests for these mothers.

Source:
Olds, D.1997 The Prenatal/Early Infancy Project. In George W. Albee & Thomas. Gullotta, *Editors. Primary Prevention Works,* Vol. VI of Issues in Children and Families' Lives. Thousand Oaks, CA:Sage Publications, pp.41-67.

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
The Infant Health and Development Program	Infants at eight sites received pediatric follow-up, a developmentally-focused early care and education program, and family support. Major goals: reducing developmental and health problems among low-birth-weight, premature infants.	The evaluation was designed to assess the efficacy of combining early child development and family support services with pediatric follow-up. A total of 985 infants, stratified by site and weight, were randomly assigned to one of two groups. The first group received, through age three, pediatric follow-up as well as an early care and education program focused on child development, and family support. The comparison group received only pediatric follow-up.	A formal cost/benefit analysis has not been a part of this study.	■ At age three, the program group had significantly higher mean IQ scores than the comparison group. ■ Heavier infants in the program group scored 13.2 IQ points higher than the lighter infants in the comparison group. ■ Lighter infants in the program group scored 6.6 IQ points higher than lighter infants in the the comparison group. ■ Children in the program group exhibited fewer behavioral problems than children in the comparison group.
Source: Brooks-Gunn, J., F. Liaw, and P. Klebanov. 1992. *Effects of Early Intervention on Cognitive Function of Low Birth Weight Preterm Infants.* Journal of Pediatrics: 120:350-9.				

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
Avance Parent Child Education Program San Antonio, Texas	Children from birth through age two received educational child care (3 hours per week) while parents attended three-hour classes for the first year of the program. Parents could also participate in adult literacy programs and English as a second language (ESL) classes. Participants were high-risk, low-income families. Most were Mexican American. The major goal: to help the families develop strong parenting skills.	At each of two sites, mothers were divided into two groups: a program group and a comparison group. Mothers in the comparison groups did not receive any services during the course of the evaluation. All groups were followed for two years from the time they enrolled. Mothers were evaluated at the end of the first year and again one year later to assess changes in parenting knowledge and interactions with their children. Services cost approximately $1,616 per family per year. Funding sources: federal, state and local governments as well as private sources including foundation and corporate giving.	Although a cost/benefit analysis has not been performed for this initiative, the results in the next column demonstrate that the program has had a positive impact on mothers' behaviors.	Compared with mothers in the comparison groups, mothers in the program: ■ Provided a richer, more educationally stimulating environment for their children —a factor that has been linked to later academic success. ■ Were more active in verbally communicating with and teaching their children. ■ Talked more to their children and initiated more playful interaction with them.

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FOREWORD

In the United States today—probably the most technologically advanced, affluent, and democratic society the world has ever known—the crucially formative years of early childhood have become a time of peril and loss for millions of children and their families. Now, however, there is an opportunity to prevent much of this damage. A remarkable degree of consensus is emerging on the essential requirements that positively influence a child's early growth and development as well as on the ways that parents and others can provide our youngest children with a healthy start.

The human being experiences a prolonged period of immaturity and vulnerability—the longest of any known species. During the first three years of life, much has to be acquired, much mastered, much tried and found wanting, much discovered and put to use. Ideally, this learning time is spent in close relationship with adults who offer nurturing love, protection, guidance, stimulation, and support. For the caregivers, it is an enduring, long-term, highly challenging commitment. Rearing by a few caring, responsive, dependable adults leads to strong attachments and provides a secure base from which the infant can explore the larger social and physical world. Such secure early attachments are essential for human development.

Historically, several requirements have been valuable for healthy child development:

- An intact, cohesive, nuclear family, dependable under stress
- A relationship with at least one parent who is consistently nurturing, loving, enjoying, teaching, and coping
- Easy access to supportive extended family members
- A supportive community, whether it be a neighborhood, religious, ethnic, or political group
- Parents exposed to childrearing during the years of their own growth and development through explicit and implicit education for parenthood
- A perception of opportunity during childhood with a tangible basis for hope of an attractive future
- Predictability about the adult environment that enables a child to take advantage of opportunities in the environment

The ancient and fundamental desire of parents to do well by their children has not changed, but the setting is now quite different. Economic, social, and demographic pressures affect American families powerfully. In the past three decades—a moment in human history—the change in regular patterns of contact between American children and their adult relatives is remarkable. Not only are their mothers home much less, but there is little if any evidence that fathers spend more time with their

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children, and grandparents, too, are largely absent from the daily life of most children. Nor is quality child care sufficiently available to fill the gap. Powerful institutions of society such as business and government have done little to strengthen families in the rapidly changing circumstances of the late 20th century.

If some traditional sources of stability and support have become weakened by enormous historical changes, then how can young children's development best be nurtured? The pivotal institutions are the family, the health care system, the emerging child care system, religious institutions, community organizations, and the media.

Building on its long-standing concern with the healthy development of children and youth, Carnegie Corporation of New York in 1991 established the Carnegie Task Force on Meeting the Needs of Young Children. The mission of the task force was to develop a report that would provide a framework of scientific knowledge and offer an action agenda to ensure the healthy development of children from before birth to age three. The thirty members of the task force are leaders of various sectors of American life—business, science, media, education, economics, health, child development, and the law. They looked intensively at the major influences affecting the development of children in the first three years of life. This distinguished group has proceeded with great vigor, understanding, and foresight. The report is broadly integrative, bringing together information from many different sources and recommending actions that cut across existing barriers. The focus is consistently on the experience of growing up as well as the experience of parents and others who care for our youngest children. The report shows clearly how the first few years can be put to good use for child development, health, education, and positive human relationships.

I want to express my heartfelt gratitude to the task force for their vital contribution to the well-being of the nation's youngest children. In particular, I must single out a few people who made special contributions in leadership roles: the first chairman, Richard W. Riley, now secretary of education; the co-chairmen, Eleanor E. Maccoby and Julius B. Richmond; and Carnegie staff members Michael H. Levine, Elena O. Nightingale, Linda A. Randolph, Vivien Stewart, and above all Kathryn Taaffe Young. In years to come, people everywhere who care about children will have reason to share my appreciation.

If the American people come to understand what this report says and why, prospects for the nation's future will improve. If there is anything more fundamental than a decent start in life, I wonder what it could be.

DAVID A. HAMBURG
President, Carnegie Corporation of
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PREFACE

This report draws attention to a much-neglected period of childhood: the first three years of life. Although research in the past thirty years has greatly enriched our knowledge of the importance of this period, arrangements for the care and nurturance of our youngest children have not kept pace. Indeed, the life situation of many of these youngest children has deteriorated badly. This report outlines what we know about the requirements for optimal development during this period, considers the ways in which society might reverse the deteriorating trends, and describes the necessary conditions for families to function well in the interests of their young children.

Human infants usually come into the world with a well-organized capacity for adapting to their environment. Much of this capacity is attributable to our unique central nervous system. But the unfolding of the developing brain is not inevitable. It depends on a fostering environment, one that is reasonably stable while at the same time stimulating, responsive, protective, and loving.

When nurturing conditions are absent, the baby becomes apathetic and loses weight. Pediatricians refer to this as "failure to thrive." This condition is easy to recognize, but less extreme forms of environmental deficiency can have negative effects that may go unnoticed but that may nevertheless threaten the child's future. In the second and third years of life, the teaching begins that enables children to respect the rights of others and restrain impulsive behavior that is potentially disruptive to others. Daily, even hourly, prosocial "lessons" need to be interwoven with nurturance if the child is to become sufficiently social to take advantage of later learning opportunities.

Because the family is the main provider of the environment of the infant and toddler, it is clear that the family's care of the young child largely determines the child's early progress. Our attention to supporting the development of the child, therefore, must focus on family members: on their commitment to the child, their availability, and their resources. But families do not function in a vacuum. The context in which they rear children—their economic, social, and community supports—has much to do with their effectiveness.

Preserving the fabric of any society requires the continuous replacement of older generations by adequately prepared younger ones. The society as a whole, and individual families within it, must provide the conditions that allow children to progress toward competent adulthood. The earliest years of life thus lay the foundation for all that follows. Research has

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given us rich knowledge of development during this period, but we are applying this knowledge very poorly. Infant mortality rates are too high, child immunization rates are too low. As the nation's governors remind us, too many children arrive at school—or even at preschool—ill prepared to learn. More children are born into poverty (now almost 25 percent of children); more children are in substandard care while their parents work; and more children are being reared by single parents. All these conditions increase the risks that children will not be adequately prepared, by the end of their first three years, for the next phase of development.

Awareness has been growing that this "quiet crisis" in the lives of so many young children threatens not only the children themselves, but also our future as a nation. In 1991, recognizing the urgency of the situation, David A. Hamburg, the president of Carnegie Corporation of New York, appointed the Task Force on Meeting the Needs of Young Children, charging it to focus on the earliest period of children's lives: from the prenatal period to age three. This judgment reflected the fact that this age period is perhaps the most neglected. There are no clearly defined institutions such as preschools or schools to serve it. Instead, agencies that serve young children and their families are disparate, with health, welfare, educational, and social service agencies working independently and sometimes at cross-purposes. The establishment of the task force also reflected the importance of this earliest age period as a time for establishing the foundation of future healthy development. The task force recognizes, of course, that a good start during these earliest years will not immunize a child against all the problems that may befall it at later times; a good start does, however, improve the chances that the child will be equipped to surmount future difficulties.

While we recognize that all families need some educational and social supports, clearly some families are in greater need than others. Of necessity, therefore, the report focuses on the more needy families. We believe, however, that the nation needs to be vigilant about the well-being of *all* its young children.

Neither the problems facing families nor the solutions to those problems can be neatly compartmentalized. In families under stress, problems do not come singly, and they are linked in complex ways. These complexities brought the task force to conclude that any proposed solutions must rest on comprehensive approaches. No single service system can deal with the multiple problems many families face. And clearly, no one model will meet the needs of all. There cannot be a single federal, state, local, or private sector solution. Rather, resources and commitment from all these levels and sectors will be necessary.

Through this report, we hope to raise the level of consciousness of the nation concerning the plight of families rearing young children.

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Among the many challenges that face our nation, we feel that none should have higher priority than the adversity that many such families face. Some of the major risk factors that endanger young children and their families—poverty, poor-quality child care, violence in the streets—are not amenable to easy or immediate solutions. Still, there are things that can be done in the immediate future to begin to reverse the alarming trends. This report focuses on what is possible, given current resources and the will to mobilize them. We can do no less than set to work on this agenda. Our nation's future is at stake.

As the co-chairmen of the task force, we wish to acknowledge the devotion of its members to the work of the group. They contributed their time and expertise in more ways than we can adequately describe. We should note that, because of the complexity of issues considered, concluding our work was no easy task. The pervasive mutual respect among members enabled us to come to a consensus. We are grateful to each of them.

Several individual acknowledgments are in order. We are indebted to Secretary of Education Richard Riley, who served as the task force's first chair. His leadership helped in establishing the task force and in charting our early work. We are fortunate that he has gone on to serve us all as the secretary of education. We are also indebted to Isabel Sawhill and Michael Wald, who left us to take up appointments in the Clinton Administration, and to Ramon Cortines, who left to become Chancellor of the Board of Education of the City of New York.

To Kathryn Taaffe Young, who served as director of studies and who was the primary author of the report, we are all profoundly grateful. Out of our often rambling and diffuse discussions, she found coherence and lucidity and has created an art form to admire.

We also add a note of appreciation to Linda Randolph, who served as the executive director of the task force until her return to Mount Sinai School of Medicine in September 1993. We are grateful for the guidance and support of the Carnegie Corporation steering committee, which included David Hamburg, Elena Nightingale, Michael Levine, and Vivien Stewart. We are particularly grateful to Michael Levine for his major contribution to the report.

Other Carnegie Corporation staff members deserve special recognition. Jeannette Aspden edited the report and managed the publication process. Laura Hankin provided research assistance throughout the life of the task force. The task force particularly wishes to acknowledge the invaluable contribution of Bonnie Piller, who typed all the many drafts of the report and whose tireless efforts and cheerful manner made the task force's work run smoothly. In addition, Nidia Marti, Sara Wolpert, Kathleen Sheridan, and Georganne Brown provided behind-the-scenes support.

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The task force is grateful to the authors of commissioned papers and to the participants in the January 1993 meeting on "Services That Work" (see Appendixes B and C). Larry Aber, Sarah Brown, Joan Lombardi, Ellen Galinsky, Terry Bond, Eleanor Szanton, Carol Berman, Helen Blank, Emily Fenichel, and Ruby Takanishi reviewed drafts of the report and offered advice on ways to improve its structure and substance.

Joseph Foote, Robert Hodapp, and Rima Shore each provided valuable editorial assistance in all parts of the report, and Sally Janin and Cynthia Cliff of Janin Design Communication brought insight and inspiration to the design of the report.

And lastly we acknowledge the leadership of the Corporation's president, David A. Hamburg, in conceiving the idea of a task force. He showed his characteristic vision, imagination, and courage in marshaling Carnegie's resources to tackle one of the most important and complex problems facing this nation.

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Executive Summary

Starting Points: Meeting the Needs of Our Youngest Children

Our nation's infants and toddlers and their families are in trouble. Compared with most other industrialized countries, the United States has a higher infant mortality rate, a higher proportion of low-birthweight babies, a smaller proportion of babies immunized against childhood diseases, and a much higher rate of babies born to adolescent mothers. Of the twelve million children under the age of three in the United States today, a staggering number are affected by one or more risk factors that undermine healthy development. One in four lives in poverty. One in four lives in a single-parent family. One in three victims of physical abuse is a baby under the age of one.

These numbers reflect a pattern of neglect that must be reversed. It has long been known that the first years of life are crucial for later development, and recent scientific findings provide a basis for these observations. We can now say, with greater confidence than ever before, that the quality of young children's environment and social experience has a decisive, long-lasting impact on their well-being and ability to learn.

The risks are clearer than ever before: an adverse environment can compromise a young child's brain function and overall development, placing him or her at greater risk of developing a variety of cognitive, behavioral, and physical difficulties. In some cases these effects may be irreversible. But the opportunities are equally dramatic: adequate pre- and postnatal care, dependable caregivers, and strong community support can prevent damage and provide a child with a decent start in life.

Researchers have thoroughly documented the importance of the pre- and postnatal months and the first three years, but a wide gap remains between scientific knowledge and social policy. Today, changes in the American economy and family, combined with the lack of affordable health and child care and the crumbling of other family supports, make it increasingly difficult for parents to provide the essential requirements for their young children's healthy development.

More than half of mothers of children under the age of three work outside the home. This is a matter of concern because minimal parental leave is available at the time of birth, and child care for infants and toddlers is often hard to find and of poor quality. Most parents feel overwhelmed by the dual demands of work and family, have less time to spend with their children, and worry about the unreliable and substandard child care in which many infants and toddlers spend long hours. These problems affect all families, but for families living in poverty, the lack of prenatal and child health care, human services, and social support in increasingly violent neighborhoods further stacks the deck against their children.

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These facts add up to a crisis that jeopardizes our children's healthy development, undermines school readiness, and ultimately threatens our nation's economic strength. Once a world leader and innovator in education, the United States today is making insufficient investments in its future workforce—our youngest children. In contrast to all the other leading industrialized nations, the United States fails to give parents time to be with their newborns, fails to ensure pre- and postnatal health care for mothers and infants, and fails to provide adequate child care.

The crisis among our youngest children and their families is a quiet crisis. After all, babies seldom make the news. Their parents—often young people struggling to balance their home and work responsibilities—tend to have little economic clout and little say in community affairs. Moreover, children's early experience is associated with the home—a private realm into which many policymakers have been reluctant to intrude.

The problems facing our youngest children and their families cannot be solved through piecemeal efforts; nor can they be solved entirely through governmental programs and business initiatives. All Americans must take responsibility for reversing the quiet crisis. As the risks to our children intensify, so must our determination to enact family-centered programs and policies to ensure all of our youngest children the decent start that they deserve.

Recommendations for Action

The task force concluded that reversing the quiet crisis calls for action in four key areas that constitute vital starting points for our youngest children and their families.

Promote Responsible Parenthood

Our nation must foster both personal and social responsibility for having children. To enable women and men to plan and act responsibly, we need a national commitment to making comprehensive family planning, pre-conception, prenatal, and postpartum health services available, and to providing much more community-based education about the responsibilities of parenthood. To promote responsible parenthood, the task force recommends

- Planning for parenthood by all couples to avoid unnecessary risks and to promote a healthy environment for raising a child
- Providing comprehensive family planning, pre-conception, prenatal, and postpartum services as part of a minimum health care reform package.
- Delaying adolescent pregnancy through the provision of services, counseling, support, and age-appropriate life options
- Expanding education about parenthood in families, schools, and communities, beginning in the elementary school years but no later than early adolescence
- Directing state and local funds to initiate and expand community-based parent education and support programs for families with infants and toddlers

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Guarantee Quality Child Care Choices

For healthy development, infants and toddlers need a continuing relationship with a few caring people, beginning with their parents and later including other child care providers. If this contact is substantial and consistent, young children can form the trusting attachments that are needed for healthy development throughout life. Infants and toddlers should develop these relationships in safe and predictable environments—in their homes or in child care settings. To guarantee quality child care choices the task force recommends

- Strengthening the Family and Medical Leave Act of 1993 by expanding coverage to include employers with fewer than fifty employees, extending the twelve-week leave to four to six months, and providing partial wage replacement
- Adopting family-friendly workplace policies such as flexible work schedules and assistance with child care
- Channeling substantial new federal funds into child care to ensure quality and affordability for families with children under three and making the Dependent Care Tax Credit refundable for low- and moderate-income families
- Providing greater incentives to states to adopt and monitor child care standards of quality
- Developing community-based networks linking all child care programs and offering parents a variety of child care settings
- Allocating federal and state funds to provide training opportunities so that all child care providers have a grounding in the care and development of children under three
- Improving salary and benefits for child care providers

Ensure Good Health and Protection

When young children are healthy, they are more likely to succeed in school and, in time, to form a more productive workforce and become better parents. Few social programs offer greater long-term benefits for American society than guaranteeing good health care for all infants and toddlers. Good health involves more than health care services. Being healthy means that young children are able to grow up in safe homes and neighborhoods. To ensure good health and protection, the task force recommends

- Making comprehensive primary and preventive care services, including immunizations, available to infants and toddlers as part of a minimum benefits package in health care reform
- Offering home-visiting services to all first-time mothers with a newborn and providing comprehensive home visiting services by trained professionals to all families who are at risk for poor maternal and child health outcomes
- Expanding the Women, Infants and Children (WIC) nutritional supplementation program to serve all eligible women and children
- Making the reduction of unintentional injuries to infants and toddlers a national priority

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- Expanding proven parent education, support, and counseling programs to teach parents nonviolent conflict resolution in order to prevent child abuse and neglect, and implementing community-based programs to help families and children cope with the effects of living in unsafe and violent communities
- Enacting national, state, and local laws that stringently control the possession of firearms

Mobilize Communities to Support Young Children and Their Families

Broad-based community supports and services are necessary to ensure a decent start for our youngest children. Unfortunately, community services for families with children under three are few and fragmentary. To reverse the crisis facing families with young children, the old ways of providing services and supports must be reassessed, and broad, integrated approaches must be found to ensure that every family with a newborn is linked to a source of health care, child care, and parenting support. To mobilize communities to support young children and their families, the task force recommends

- Focusing the attention of every community in America on the needs of children under three and their families, by initiating a community-based strategic planning process
- Experimenting broadly with the creation of family-centered communities through two promising approaches: creating family and child centers to provide services and supports for all families; and expanding and adapting the Head Start model to meet the needs of low-income families with infants and toddlers
- Creating a high-level federal group, directed by the President to coordinate federal agency support on behalf of young children and to remove the obstacles faced by states and communities in their attempts to provide more effective services and supports to families with young children
- Funding family-centered programs through the Community Enterprise Board in order to strengthen families with infants and toddlers
- Establishing mechanisms, at the state level, to adopt comprehensive policy and program plans that focus on the period before birth through the first three years of a child's life

A Call to Action

The task force calls upon all sectors of American society to join together to ensure the healthy development of our nation's youngest children.

- We ask the ***President*** to direct a high-level federal group to review the findings of this report and to ensure the adequacy, coherence, and coordination of federal policies and programs for families with young children.
- We urge ***federal agencies*** to identify and remove the obstacles that states and communities encounter as they implement federally funded programs or test innovative solutions.

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- We call upon *states* to review their legislative and regulatory frameworks, particularly with regard to child care, in order to raise the quality of services for children under the age of three.
- We call upon *community leaders* to assess the adequacy of existing services for families with young children (especially those with multiple risks), to recommend steps to improve and coordinate services, and to introduce mechanisms for monitoring results.
- We call upon the *private and philanthropic sectors*, including foundations, to pay more attention to families with children under three and to expand their support of initiatives that give our youngest children a decent start in life.
- We urge *educators*, to incorporate services to children under age three in their plans for the schools of the twenty-first century, to increase their efforts to educate young people about parenthood, and to provide more training and technical assistance to child care providers.
- We call upon *health care decision makers* to include, in any plan for national health care reform, comprehensive prenatal care for expectant mothers and universal primary and preventive care for young children and to consider establishing a specific standard of coverage and service for young children.
- We urge *service providers* in child care, health, and social services to work together by taking a family-centered approach to meeting the needs of young children and the adults who care for them. We ask them to offer staff, parents, and other caregivers opportunities to learn more about the needs of families with young children, about child development, and about promoting children's health and safety.
- We call upon *business leaders* to support policies that result in family-friendly workplaces in businesses of every size, for example strengthening the Family and Medical Leave Act of 1993 and introducing flexible work schedules.
- We call upon the *media* to deliver strong messages about responsible motherhood and fatherhood, to promote recognition of the importance of the first three years, and to give us all insight into the quiet crisis.
- We call upon *mothers and fathers* to secure the knowledge and resources they need to plan and raise children responsibly. When these resources are not available, we urge them to make their needs known to government representatives, community leaders, and service providers.

All Americans must work together, in their homes, workplaces, and communities, to ensure that children under the age of three—our most vulnerable citizens—are given the care and protection they need and deserve. Nothing less than the well-being of our society and the future of its vital institutions is at stake.

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PART I:

THE QUIET CRISIS

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THE QUIET CRISIS

Across the United States, we are beginning to hear the rumblings of a quiet crisis. Our nation's children under the age of three and their families are in trouble, and their plight worsens every day. To be sure, the children themselves are not quiet; they are crying out for help. And their parents' anxieties about inadequate child care and the high cost of their child's health care can be heard in kitchens, playgrounds, pediatricians' waiting rooms, and workplace cafeterias across the nation. But these sounds rarely become sound-bites. Babies seldom make the news: they do not commit crimes, do drugs, or drop out of school. We don't hear interviews with parents as they anguish over finding decent, affordable child care; we don't notice the unmet prenatal needs of expectant mothers. Policymakers are rarely forced to contend with these realities. And so, the problems of our youngest children and their parents remain a quiet crisis.

Consider the state of America's youngest children and their families. In 1993 the National Educational Goals Panel reported that nearly half of our infants and toddlers start life at a disadvantage and do not have the supports necessary to grow and thrive.[1] A significant number of children under three confront one or more major risk factors:

- *Inadequate prenatal care.* Nearly a quarter of all of pregnant women in America, many of whom are adolescents, receive little or no prenatal care. Many of these pregnancies are unintended: the United States has the highest rate of unintended pregnancy in the industrialized world.
- *Isolated parents.* More divorces, more single-parent families, and less familial and community support have made parents feel more isolated than ever before in raising their young children.
- *Substandard child care.* More than half (53 percent) of mothers return to the workforce within a year of the baby's birth. High-quality child care settings are scarce, and many infants and toddlers spend thirty-five or more hours per week in substandard child care.

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The Quiet Crisis

Of the 12 million children under the age of three in the United States today, a staggering number are affected by one or more risk factors that make healthy development more difficult.

Changes in Family Structure Are Troubling

- In 1960, only 5 percent of all births in the United States were to unmarried mothers; by 1988, the proportion had risen to 26 percent.
- About every minute, an American adolescent has a baby; every year, about 1 million adolescents become pregnant.
- Divorce rates are rising: In 1960, less than one percent of children experienced their parents' divorce each year; by 1986, the percentage had more than doubled, and by 1993 almost half of all children could expect to experience a divorce during childhood and to live an average of five years in a single-parent family.
- Children are increasingly likely to live with just one parent, usually the mother: In 1960, fewer than 10 percent of all children under the age of eighteen lived with one parent; by 1989 almost a quarter of all children lived with one parent. Fathers are increasingly absent from the home.

Many Young Children Live in Poverty

- One in four infants and toddlers under the age of three (nearly 3 million children) live in families with incomes below the federal poverty level.
- While the number of children under six increased by less than 10 percent between 1971 and 1991, the number of poor children under six increased by more than 60 percent.

More Children Live in Foster Homes

- From 1987 to 1991, the number of children in foster care jumped by more than 50 percent—from 300,000 in 1987 to 460,000 in 1991.
- Babies under the age of one are the fastest growing category of children entering foster care, according to a study conducted in New York and Illinois.

Infants and Toddlers Are Spending Less Time with Their Parents

- Pressures on both parents to work mean that they have less time with their young children; more than half of mothers of infants now work outside the home.
- More than 5 million children under the age of three are in the care of other adults while their parents work. Much child care for infants and toddlers is of substandard quality, whether it is provided by centers, family child care homes, or relatives.

Health Data Are Discouraging

- In the United States, nine out of every thousand infants die before age one—a mortality rate higher than that of 19 other nations.
- The mortality rate is higher for infants born in minority families: African American babies are twice as likely to die within the first year of life as white babies.
- In 1992, rates of immunization against common childhood diseases among two-year-olds were only 30 percent in some states; in most states, they were below 60 percent.

Physical Abuse, Neglect, and Unintentional Injury Are Common

- One in three victims of physical abuse is a baby—less than a year old. In 1990, more one-year-olds were maltreated than in any previous year for which we have data.
- Almost 90 percent of children who died of abuse and neglect in 1990 were under the age of five; 53 percent were less than a year old.
- The leading cause of death among children aged one to four is unintentional injury. ○

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- *Poverty.* Almost a quarter (24.9 percent) of families with children under age three live in poverty. The large majority of these families are headed by one parent, usually the mother. These families often live in unsafe neighborhoods, and have poor access to quality child care, health services, or family support programs.
- *Insufficient stimulation.* Only half (50 percent) of infants and toddlers are routinely read to by their parents, and many parents do not engage in other activities to stimulate their young child's intellectual development. It is not surprising, then, that teachers report that 35 percent of American kindergarten children arrive at school unprepared to learn.

These numbers add up to a crisis that, though quiet, threatens to undermine our nation's economic strength and competitiveness. The Carnegie Task Force on Meeting the Needs of Young Children urges a national response. We call upon all Americans and America's vital institutions to focus attention on our youngest children and their families, and to adopt new initiatives to respond to their problems. They have an urgent need for our compassion and our help, and we, as a nation, have an incalculable stake in their well-being.

Reversing a Pattern of Neglect

This report has two related aims. First, we document the conditions of children and their families from the prenatal period to age three. We seek to focus attention on the importance of the first three years of life, and to describe how the nation neglects children in this age group. Second, we offer realistic, workable

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measures for ameliorating the problems we document. Many of these measures are already in place on the local level and have proved successful there. They need only be adapted and expanded to help young children and their families throughout the country.

The problems we describe are many, and they are massive; not one lends itself to a simple solution. But the task force has proceeded from the assumption that, given sufficient focus and sufficient political will, America can begin to find its way toward solutions. We can formulate and implement social policy that responds, over time, to the most urgent needs of our young children and their families. We can begin to reverse a pattern of neglect.

But that effort requires discipline. When the task force undertook this journey, it knew that it could not explore every road or follow every byway; it could not afford to be all over the map. Instead, it selected, based on extensive research and deliberation, four starting points that seemed likely to move our nation toward the goal of giving all children the early experience they need to reach their full potential and ensuring that no child falls between the cracks.

Persuaded that strong families and communities are essential to successful development in this early period, the task force chose these starting points: promoting responsible parenthood; guaranteeing quality child care choices; ensuring good health and protection; and mobilizing communities to support young children and their families.

This report provides no single answer, no single solution to the many problems facing children under three and their families. Nor does it focus its recommended actions on a single segment of our society: all of us must work together. If we do, we as a nation can be more than compassionate. We can also realize our common values: strong families and communities, an informed citizenry, a productive workforce, and a competitive and sound economy. Investing in these first three years is fundamentally necessary for children themselves, for their families, and for our nation. It is time to sound—and answer—the alarm about the neglect of our nation's young children and their families.

The Critical Importance of the First Three Years

How individuals function from the preschool years all the way through adolescence and even adulthood hinges, to a significant extent, on their experiences before the age of three. Researchers have thoroughly documented the importance of the pre- and postnatal months and the first three years, but a wide gap remains between scientific knowledge and social policy. This is particularly true in two areas: our policies reflect neither our growing knowledge of early brain development nor our understanding of factors that tend to protect young children or place them at risk.

The Developing Brain

Parents and experts have long known that babies raised by caring adults in safe and stimulating environments are better learners than those raised in less stimulating settings and that the effects can be long-lasting. Recent scientific findings provide a basis for these observations: Over the past decade, scientists have gained new insights into molecular biology that illuminate the workings of the nervous system. At the same time, they have acquired

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powerful research tools, including sophisticated brain scans that allow them to study the developing brain in greater detail, and with greater precision, than ever before. Brain scans also allow scientists to measure the impact of the environment on brain function.

This research points to five key findings that should inform policymakers' deliberations on early childhood policy:

- ***First, the brain development that takes place before age one is more rapid and extensive than we previously realized.***

Positron emission tomography (PET) studies show that the biochemical patterns of a one-year-old's brain qualitatively resemble those of the normal young adult.[2] This is astonishing, considering the immense scale of early brain development. From a few initial cells, the brain develops billions of brain cells, or neurons, over a period of several months. And once these neurons are formed, they must migrate to their correct locations.[3]

Brain cell formation is virtually complete before birth, but brain maturation is far from over: the next challenge is the formation of connections among these cells—up to 15,000 connections, or synapses, per neuron. These synapses form the brain's physical "maps" that allow learning to take place. We now know that in the months after birth, this process proceeds with astounding rapidity, as the number of synapses increases twentyfold, from 50 trillion to 1,000 trillion.[4]

- ***Second, brain development is much more vulnerable to environmental influence than we ever suspected.***

We have long understood that factors other than genetic programming affect brain development. Nutrition is perhaps the most obvious example: we know that inadequate nutrition before birth and in the first years of life can so

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seriously interfere with brain development that it may lead to a host of neurological and behavioral disorders, including learning disabilities and mental retardation.

Beginning in the 1960s, scientists began to demonstrate that the quality and variety of the environment have a direct impact on brain development. Today, researchers around the world are amassing evidence that the role of the environment is even more important than earlier studies had suggested. For example, histological and brain scan studies of animals show changes in brain structure and function as a result of variations in early experience.

These findings are consistent with research in child development that has shown the first eighteen months of life to be an important period of development. Studies of children raised in poor environments—both in this country and elsewhere—show that they have cognitive deficits of substantial magnitude by eighteen months of age and that full reversal of these deficits may not be possible. These studies are based on observational and cognitive assessments; researchers say that neurobiologists using brain scan technologies are on the verge of confirming these findings.[5]

In the meantime, more conventional studies of child development—using cognitive and observational measures—continue to show short- and long-term benefits of an enriched early environment.

- *Third, the influence of early environment on brain development is long lasting.*

We have long suspected that early experience affects later behavior; researchers are now beginning to amass scientific evidence to prove it. One study followed two groups of inner-city children: the first group was exposed, from early infancy, to good nutrition, toys, and playmates; the second was raised in less stimulating settings. The study showed that these factors had a measurable impact on brain function at twelve years of age. The impact by age fifteen appeared to be even greater, suggesting that over time the benefits of early intervention are cumulative.[6]

- *Fourth, the environment affects not only the number of brain cells and number of connections among them, but also the way these connections are "wired."*

Scientists now know that the newborn's brain consists of many more neurons, and more synapses, than it will ever need. Like a sculptor chiseling a form from a block of marble, nature creates the adult brain by eliminating excess neurons and synapses from the very dense immature brain. The result is a more specific and more efficient pattern of connections. This process of refinement continues well into adolescence, but it is most dramatic in the early years of life.

Researchers have not yet isolated the precise factors that control the pruning of excess neurons and synapses, but they know it is not random. Certainly, genetic programming plays a role, but there is growing evidence that the process is guided, to a significant degree, by sensory experience.[7] In other words, the brain uses information about the outside world to design its architecture, particularly in the early years of life.

- *And fifth, we have new scientific evidence for the negative impact of early stress on brain function.*

Researchers have concluded that a child's social environment can quite probably activate hormones in ways that adversely affect brain

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function, including learning and memory. These effects may be permanent.[8] This research provides a scientific basis for the long-recognized fact that children who have experienced extreme stress in their earliest years are at greater risk for developing a variety of cognitive, behavioral, and emotional difficulties.

All of these findings point to this conclusion: both nature and nurture play a role in human development. We can now say, with far greater confidence than ever before, that the brain responds to experience, particularly in the first years of life. That means that by ensuring a good start in life, we have more opportunity to promote learning and prevent damage than we ever imagined.

Protective Factors in the Early Years

At various points throughout childhood, children are influenced by factors that eventually lead to good or bad outcomes. The "protective factors" that help the child to achieve good outcomes (and avoid bad ones) fall into three broad categories:

- *Temperament and perinatal factors* (such as full-term birth and normal birthweight): having characteristics that attract and encourage caregiving
- *Dependable caregivers:* growing up in a family with one or two dependable adults whose childrearing practices are positive and appropriate
- *Community support:* living in a supportive and safe community

The interaction of these three factors largely influences the direction of children's development. Not surprisingly, it is the interaction with parents and family members that promotes or hinders the young child's development. Indeed, scientists have found that a major influence in the difference between good and poor outcomes is the quality of parent and family interactions.[9] And clearly the first few years of life establish a trajectory for the parent–child relationship.[10] This period of life appears to be what might be called a "starting point"—a period particularly susceptible to the protective mechanisms of parental and family support.[11] A well-functioning family during the first few years provides a particularly important building block for healthy development.

But what specific parent and family interactions in the first three years help children avoid later psychosocial problems? Primarily, a loving, caring relationship with the child's parents. Infants thrive on one-to-one interactions with parents. The secure attachment that develops between baby and parents is an important achievement for the infant's first year.[12] Sensitive, nurturant parenting is thought to provide infants with a sense of basic trust that allows them to feel confident in exploring the world and forming positive relationships with other children and adults. Conversely, when parents are unable to respond sensitively to their infants' needs because of factors such as marital conflict, depression, or their own history of abuse, the infant develops feelings of helplessness that lead to later difficulties.

Infants' early experiences with adult caregivers also provide the building blocks for intellectual competence and language comprehension. Touching, holding, and rocking a baby, as well as stimulating the child through talking and reading, seem most effective for later development. When parents perform

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Being Three: Milestones for Early Growth and Development

For millennia, parents have recognized the newborn's basic need for safety, nourishment, warmth, and nurturing. Now science has added stunning revelations about human development from birth to age three, confirming that parents and other adult caregivers play a critical role in influencing the child's development.

The importance of the first three years of life lies in the pace at which the child is growing and learning. In no other period do such profound changes occur so rapidly: the newborn grows from a completely dependent human being into one who walks, talks, plays, and explores. The three-year-old is learning and, perhaps more important, is learning how to learn.

At age three, children can—given good care and sufficient stimulation—attain a high degree of "competency." Competent three-year-olds are

- Self-confident and trusting
- Intellectually inquisitive
- Able to use language to communicate
- Physically and mentally healthy
- Able to relate well to others
- Empathic toward others

These attributes add up to a good start in life.

Self-Confident and Trusting

Children send signals: Newborns cry and fuss and later smile and frown, one-year-olds point and reach for objects, toddlers ask for help verbally. From adult responses to those signals, infants and toddlers learn

- What they can expect from adults
- That they are important, that their needs and desires matter, and that their actions make a difference
- That they can trust their caregivers, which encourages them to talk, explore, challenge, and learn about the world around them
- That they can succeed
- That adults can be helpful

Intellectually Inquisitive

Even at birth infants show startling intellectual abilities. Newborns touch, see, hear, smell, taste, and make sounds to gather information about their world. Parents and other caregivers exercise enormous influence on intellectual development:

- Babies modify their behaviors in response to sensory information they receive
- Soon, babies use objects that adults give them as tools
- Infants and toddlers imitate adults, pretending to eat dinner, talk on the telephone, play house, read, and care for babies.

Gradually, children embrace the concept of time: infants are locked in the present, but three-year-olds can begin to evoke the past and anticipate the future. Competent three-year-olds can focus on important events and enjoy the challenge of learning new facts, skills, and ways of understanding the world.

Able to Use Language to Communicate

Learning language begins in early mother–child interaction as babies take turns in "conversations" of back-and-forth gazing and gesturing. Through many such exchanges, children learn that

- Their behavior communicates
- They can signal effectively and purposefully, with the expectation of being answered
- Eventually, through language, they can negotiate their own needs while respecting the needs of others, which is the basis of mature friendships and adult relationships

By age three, competent children have replaced crying and smiling with simple, grammatical language. They can verbally

- Exchange ideas, concepts, and feelings with others
- Channel aggression and frustration in healthy ways, learning to substitute words for fists or objects to settle their arguments and vent their feelings

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Physically and Mentally Healthy

Most three-year-old children who are in good health will reach these physical, intellectual, and emotional milestones. Some children, however, are born with disabilities or acquire them through illness or injury. Many such children can, however, with appropriate support and help, move with good speed toward these developmental goals. In addition to biological factors, children's normal growth and development depend on good nutrition, adequate prenatal and comprehensive health care, and a safe home and neighborhood.

By age one, infants triple in weight, double in length, and achieve 80 percent of total brain growth. Adequate nutrition fuels this activity and nourishes brain growth, as well as promoting motor development such as creeping, crawling, and walking. Good health care protects children from disease and corrects problems that may interfere with normal growth. A safe home enables children to grow without the trauma of witnessing or being a victim of violence, which can erase the child's progress toward self-confidence, trust, and curiosity.

The keys to good physical and mental health are

- Preventive services, such as comprehensive prenatal care, immunizations, and screenings to identify and treat visual, hearing, and other problems and to enhance learning and language development
- Adequate nutrition
- Consistent, stimulating, and comforting contact with caring adults
- Homes and communities that are free from violence

Able to Relate Well to Others

From the first moments of life, children have an innate need to relate to other human beings. Parents and other caregivers provide food, warmth, and touching, protecting children from being overwhelmed by information and experiences. They also set limits and teach children to respect the needs and rights of others.

Young children learn from these experiences that they can

- Count on adults to teach them and satisfy their needs
- Make good use of adults when necessary, which offers a beginning to more mature relationships later in life
- Regulate their own impulses and behave in ways that will be acceptable or gratifying to others

Empathic toward Others

Empathy appears to exist in newborns, who make distress cries in response to the cries of other infants. Children

- By age two or three show emotional distress and intervene when others are suffering
- Develop a sense of helping rather than hurting or neglecting, respecting rather than belittling, and supporting and protecting rather than dominating or exploiting others
- By age three have begun to be aware of the thoughts, feelings, and experiences of others

Children's capacity for empathy grows in the context of secure attachments and the example of caring adults: toddlers, for instance, imitate their mothers in helping other children.

This growing sense of connectedness and social responsibility—together with the development of self-confidence, intelligence, language, physical and mental health, social relations, and empathy—makes the first three years of life critical for the individual and for society. ○

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these behaviors in a responsive and attentive manner, they foster their child's early cognitive competence in ways associated with later academic achievement, work performance, and social adaptation.[13]

Parents are also the primary instruments of early socialization. By establishing consistent routines, teaching acceptable behaviors, guiding health habits, and helping children to control disruptive or overly impulsive behavior, parents lay the foundations for the child's capacity to behave in socially acceptable ways.

During the first three years of life, children also learn—or fail to learn—to get along with other people, to resolve disputes peaceably and not through violence, to employ words as tools of learning and persuasion, to be self-confident, and to explore the world without fear. If children are to master these tasks, they need contact with caring adults who are themselves mature and self-controlled and who are knowledgeable about human development. This is the essence of healthy childrearing. A child who learns early is being prepared for life; an individual who must learn these lessons later, as a teenager or adult, faces a daunting task of self-reconstruction.

Just as protective factors help children avoid later problems, so do risk factors lead to later problem behaviors. But the important point about risk factors is that they are often *multiplicative*, not additive, in their effects. Consider, for example, children's risk for social and academic difficulties. When children showed only one risk factor, their outcomes were no worse than those of children showing none of the identified risk factors. But when children had two or more risk factors, they were four times as likely to develop social and academic problems.[14]

An important longitudinal study conducted in Hawaii clearly demonstrates the operation of both risk and protective factors. When children with a variety of perinatal health problems grew up in families that were both poor and dysfunctional, they much more often showed later antisocial behaviors such as truancy and delinquency.[15] Specifically, children who had not developed secure attachments to their parents *and* whose parents had poor parenting skills, high degrees of life stress, and low amounts of social support were much more likely to demonstrate antisocial behaviors.[16] By the same token, various factors protected children from future harm. Children were much less likely to be antisocial or delinquent when their parents showed positive, appropriate child-rearing practices and had high levels of social support.

Policymakers must recognize that it pays to help families increase protective factors in raising their young children. Enhancing parents' social supports, encouraging positive parenting practices, and stimulating the child's cognitive development all appear effective in enabling children to achieve a good start in life.

Striking Changes in the American Family

In recent decades, America has been experiencing great change that has contributed to the quiet crisis of our families with infants and toddlers. Two of the most-often-cited causes of this crisis are changing values and the growing economic pressures on families. Examination

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of the major changes in family relationships and structure provides a basis for understanding how our public and private policies undermine the healthy development of our nation's youngest children.

More Working Mothers

One of the most dramatic changes in the American family is the unprecedented rise in the number of working mothers in the past twenty years. More and more mothers must find an acceptable balance between raising their children and working to produce family income. In the 1970s, few mothers of infants worked outside the home; today, more than half do.[17] The large number of working mothers is a matter of concern because the American workplace is, by and large, not family-friendly, and arrangements for child care for children under three are often hard to find and of poor quality.

Parents increasingly feel the dual stresses of work and family life. On one hand, a growing economy and increased productivity are assumed to hinge, at least in part, on getting more out of those who are working. On the other hand, parents are expected to spend more time with their children, to "get their priorities straight" and value being parents. As a consequence, parents feel overwhelmed. The National Study of the Changing Workforce found that[18]

- Three in ten men and four in ten women "often" or "very often" feel used up at the end of the workday; seven in ten feel that way "some of the time."
- Four in ten men and women "often" or "very often" feel so tired in the morning that it is hard to get up and face another day at work.

Parents are finding that they must devote much more time to earning a living and that they have much less time for their children than their parents had a generation ago. This shift is largely due to the family's economic need to have mothers in the paid labor force.[19] The more hours mothers are employed, the fewer hours they are able to devote to "primary caregiving activities" such as dressing, feeding, playing with, and talking to children. Employed mothers spend an average of six hours each week in primary child care activities—twice as much time as fathers (employed or unemployed) and just under half the average time spent by "nonworking" mothers.[20]

This parental-time deficit also can greatly intensify stress and strain, especially for mothers. After meeting the demands of paid work, mothers more frequently than fathers work a "second shift" at home doing housework and caring for the children. When paid work, housework, and child care are added together, mothers work roughly fifteen hours longer each week than fathers. Not surprisingly, mothers report that they are physically exhausted and emotionally drained.[21]

PARENTS INCREASINGLY FEEL THE DUAL STRESSES OF WORK AND FAMILY LIFE.

Many parents report that they are uncomfortable with the loss of family time, the overload and exhaustion that interfere with good parenting. Parents no longer feel willing to "do it all in order to have it all." Both men and women say that they want to work fewer

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hours; neither men nor women want to sacrifice their families to the extent that they have. They do, in fact, value being parents.

Working parents of infants and toddlers need affordable, quality child care; most find it hard to come by. In fact, one quarter of nonworking mothers of young children say that they would seek employment if affordable, quality child care were available.[22]

Empirical studies have established the importance of quality child care for infants and toddlers, but that care is not widely available today in America. Two large, multisite studies have found that the child care they observed, whether center- or family-based, was of such substandard quality that it adversely affected infant and toddler development.[23]

These studies showed that in center-based care, infants and young toddlers spent more than half their time wandering aimlessly; older toddlers were unoccupied a third of the time. Fewer than a third of these children had mastered and were engaged in age-appropriate reciprocal, cooperative, and pretend play with other children. A similar picture emerged in family child care settings. Only 41 percent of providers planned activities for their children: 20 percent of regulated providers, 46 percent of nonregulated providers, and a distressingly high 80 percent of relative providers did not give any thought to what the children were doing during the day. Overall, only 9 percent of family child care and care by relatives was rated as providing good-quality care; 56 percent provided "custodial care," and 35 percent provided care that was completely inadequate. The highest percentage (69 percent) of inadequate care took place, surprisingly, in relatives' homes; and the lowest, 13 percent, in regulated homes. The assumption has been that family child care will be more like a family, that providers will be more sensitive, and that the children will receive more quality attention and care. The validity of this assumption appears to be in doubt.

More Single-Parent Families

No change in American families should concern this nation more than the skyrocketing number of single-parent families. Since 1950, the percentage of children living in one-parent families has nearly tripled. This tripling is attributable to both increased divorce rates and to the tenfold increase since 1950 in the numbers of births outside marriage.[24] One of four American children now lives in a single-parent home.

But even the term "single-parent family" is a misnomer, since the vast majority of these families—fully 90 percent—are headed by women. These mother-only families often receive little or no help from the child's father: nationwide, only 50 percent of divorced fathers contribute financially to their child's support, and most rarely see their children.[25] As a result, mothers must manage a variety of roles and responsibilities on their own.

The resulting economic deprivation and stress take their toll. Compared to children living in two-parent families, children in single-parent households score worse on measures of health, education, and emotional and behavioral problems.[26] Later on, these children are more likely to drop out of school, to become heads of single-parent families themselves, and to experience a lower socioeconomic status as adults. These conditions—during both early and later childhood—appear to persist even after one adjusts for family income, mother's education, and minority status.[27]

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The movement away from the traditional nuclear family is especially pronounced among African Americans, a population that shows declining rates of marriage and remarriage.[28] Many factors contribute to this trend, including the burden of living in poor and unsafe neighborhoods; restrictive Aid to Families with Dependent Children rules that penalize two-parent families; and the obstacles encountered by many African American men as they search for jobs in a difficult economy. For all these reasons, and others, significant percentages of African American children under the age of three are being raised in "single-parent" homes.[29] In reality, many of these children have more than one caregiver. Grandmothers often serve as second mothers to these infants and toddlers; another member of the household—an aunt or a cousin—may become the primary caregiver; or a close friend may take on parenting responsibilities.

This extended notion of family has a positive aspect: it reflects a sense of collective responsibility for children. But it can also add to the stress of already burdened households by disrupting its members' schooling or work lives. When a grandmother leaves a clerical job,

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By 1990, families with children under three years of age constituted the single largest group living in poverty in the United States.

or a sister misses school, to take care of an infant, the long-term consequences to the individual and the household may be devastating.

Another aspect of the changing face of the American family is adolescent pregnancy. More than one million adolescent girls become pregnant in this country every year; approximately half of these pregnancies go to term. Many of these pregnancies are unintended; most often the adolescent parents are unmarried.[30] Compared with older women, most adolescent mothers are neither financially nor emotionally prepared for parenthood. Although certain programs help adolescent mothers,[31] these mothers generally face higher risks of postponed education and of long-term welfare dependency. Children of adolescent parents more often suffer from poor health and poor scholastic performance. For a variety of reasons, at later ages, these children more often become teen parents themselves and consequently have greater difficulty in finding employment and achieving self-sufficiency.[32]

More Family Isolation and Violence

Only a few decades ago, America's families lived in neighborhoods of extended family and friends, in communities served by religious and volunteer organizations. Families sought and found information, advice, help, and emotional (at times, even financial) support from these networks. They depended as well on other community institutions: schools, businesses, parks, recreational facilities, and transportation systems all provided essential supports.

The networks and institutions of the nation's "civil society" seem to have weakened.[33] Most of today's families seem far more isolated from friends, kin, and community life.

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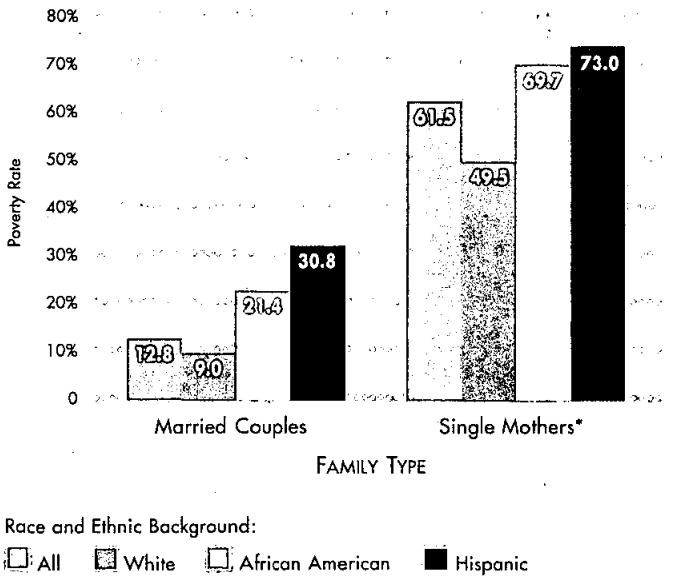
Because people move more often, young families are less likely to live near extended family networks. Greater numbers of working mothers and varied work schedules have interrupted the old rhythms of neighborhood life, making it more difficult for parents to connect with other parents, to support each other, and to build friendships.[34] Few young parents have the time or energy to join volunteer organizations.

When the fabric of community life unravels, parents and their young children suffer. In low-income neighborhoods, fear of crime and violence undermines parents' sense of security and increases their isolation as they struggle to keep their young children safe, healthy, and happy.[35]

Indeed, the escalating rate of violence in many American cities means that families are raising children in what have been described as "inner-city war zones."[36] Evidence from six cities tells the story that even very young children experience extreme violence (assaults, homicides, and rapes) and everyday aggression (shoving, punching, and kicking) as both victims and witnesses.[37] In one survey, 47 percent of mothers reported that their children had heard gunshots in their neighborhood, and one in ten of these young children had witnessed a knifing or shooting before age six. Half of the violence occurred at home and half in the streets.[38]

Although violence is more prevalent in poor inner-city neighborhoods, no city or town is immune. Parents are feeling increasingly unable to protect their children. Nor are traditional protectors—teachers, clergy, youth organization workers, and child care staff members—able to ensure the safety of young children.[39] All too many families feel vulnerable and helpless.

POVERTY AMONG CHILDREN UNDER THREE, 1990



*97% of all children under three who live with single parents live with their mothers, 3% live with their fathers.

Source: S.D. Einbinder. A statistical profile of children living in poverty: Children under three and children under six, 1990. Special analysis prepared for the Cross-National Studies Research Program, Columbia University School of Social Work.

More Young Children in Poverty

By 1990, families with children under three years of age constituted the single largest group living in poverty in the United States: 25 percent of these families fall below the poverty line. The rates are higher still for African American and Hispanic families and single-parent families of young children.[40] Across all ethnic groups and family structures, more children under three live in poverty than do older children, adults, or the elderly.

The poverty rate among young children has risen even though overall American poverty rates are no higher today than they

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were twenty years ago.[41] This trend contrasts sharply with the status of the elderly. In 1970, one-fourth of those aged sixty-five or older had incomes below the poverty line; today, fewer than an eighth of all elderly people live in poverty,[42] thanks primarily to increased social security and other government benefits. These statistics show that great improvements can be made in the economic conditions of groups of people when social policy directly and forcefully addresses their needs.

MOST POOR CHILDREN UNDER THE AGE OF THREE HAVE AT LEAST ONE WORKING PARENT.

Poverty among young children is a multifaceted problem that is not always eliminated when parents work. In fact, most poor children under the age of three have at least one working parent. But parents' wages are not enough. Housing, transportation, child care, and health care all cost families more today than twenty years ago.[43] In addition, real wages have declined disproportionately for younger as compared to more experienced workers; the decline is even steeper among workers with little education.

Poverty undermines families and the well-being of children in many ways. Poor children are often hungry and inadequately nourished. Many live in overcrowded housing, in unsafe buildings or neighborhoods. Too many are homeless: studies estimate that, of the approximately 100,000 American children who are homeless each night, nearly half are under six years of age.[44]

Such deprivation stacks the deck heavily against poor infants and toddlers. These children more often suffer poor health, maltreatment, and later academic failure.[45] Poverty also seems intertwined with inadequate parenting skills and inconsistent parental behavior. Poor parents—often young, working, raising children alone, and having few supports—simply become overwhelmed, further lessening their infant's or toddler's odds of developing normally.

There are many approaches to improving the income security of families in poverty. Among those that have been implemented are the Family Support Act of 1988, the profamily reforms in the federal tax system (Earned Income Tax Credit, Dependent Care Tax Credit, and personal exemption), as well as federal and state quality education and job training, housing, and neighborhood economic development initiatives. Other means, such as child and family allowances, have been proposed.

Judgments about the specifics of these approaches are beyond the purview of this task force. However, the task force emphasizes that any comprehensive effort to strengthen families must include attention to income security as well as to service and support strategies. The charge of this task force has been to identify strategies that will foster the healthy development of this nation's youngest children. Our recommendations apply to all families with children under three, although most will be particularly helpful to children and families living in poverty.

A National Investment

As the United States approaches the twenty-first century, it faces unprecedented economic challenges at home and abroad. Once the world's innovator and leader in higher education, the United States today is making insuffi-

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cient investments in its future workforce—its youngest children. In contrast to all the leading industrialized nations, the United States fails to give parents time to be with their newborns, it fails to ensure pre- and postnatal health care for mothers and infants, and it fails to provide adequate child care. The result is significant losses in the quality of its future workforce, citizenry, and parents.

There are, of course, other than economic reasons for protecting young children and their families. Children need to be treasured for their own sake, not merely for what they do for the labor market when they are grown. The task force regards these humanitarian concerns as necessary, wise, and natural to the human species. The issues of "human capital" are real, however, and we now consider them further.

Economists refer to a nation's people as its "human capital." This term encompasses all of our ideas, labor, knowledge, and problem-solving skills—in short, everything used to get the job done. The sum of human capital largely determines a nation's economic performance. In the electronic age, the quality of a nation's human capital is even more important than it was in the industrial age. Producing an automobile requires 40 percent ideas, skills, and knowledge and 60 percent energy and raw materials; producing a computer chip requires 2 percent energy and raw material (mainly sand) and 98 percent ideas, skills, and knowledge.[46]

Increased productivity rates are mainly attributable to improvements in human capital. Since 1929, physical and natural resources (that is, machines and materials) have accounted for 20 percent of productivity increases; 80 percent is attributable to human factors.[47] We can only expect human factors to become even more important in coming years.

America's business and political leaders are understandably worried about the nation's children and its educational system. Their concern is well founded, but school reform alone is not the answer. A child's capacity to achieve a good education depends in large part on what happens by age three. If the nation is to improve its workforce, it must recognize that, as the 1993 National Education Goals Report notes, "almost half of American babies start life behind and do not get the support needed to catch up."[48] Efforts to raise educational standards and achieve workforce quality goals are unlikely to

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America Lags Behind

The United States:

- Is *not* one of 150 nations that have signed or ratified the UN Convention on the Rights of the Child (Cambodia, Iran, Iraq, Libya, and South Africa have also not signed).
- Is *not* one of 127 nations that permit employees to take paid parental leave after the birth of a baby (as do Canada, France, Germany, and Japan, among others).
- Has a *worse* low-birthweight rate than 30 other nations.
- Has a *smaller* proportion of babies immunized against polio than 16 other nations.
- Has one of the *worst* adolescent pregnancy rates in the developed world—twice high as England and seven times as high as the Netherlands.

Our policies contrast sharply with those of most other industrialized countries, particularly those in Europe. European child care for children under age three varies significantly from country to country, but generally speaking, the Europeans are moving toward paid leaves for new parents and a range of subsidized child care options for toddlers.

Here are some examples of countries that offer job protection and paid leaves to employed parents (usually, but not always, mothers) who have sufficient work histories:

- In Germany, a new parent can receive modest financial support while staying at home for up to one and a half years, or she can work part-time at her previous workplace.
- In France, she can count on modest compensation at home for as long as three years, or she can go back to work and take advantage of subsidized child care.
- In Sweden, she receives full pay while staying at home with a new baby for a year and a half, or she can opt to work part-time for a longer period and receive full pay.
- In Finland, she can stay home until her child is three, knowing that her job (or a comparable job) will be waiting for her when she returns. She receives her full salary for one year and a lesser amount for the next two years. Or she can take advantage of subsidized child care.
- In Austria, she can stay at home throughout her child's first two years, or work part-time until the child's third birthday, while receiving financial support equivalent to the wage of an unskilled worker. ○

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succeed until this half of America's babies either start life on an equal footing with their peers or receive the support they need to catch up.

Any effort to strengthen the workforce must begin with the family, a key factor in the development of human capital. The family supplies the fundamental learning system to the young child and is the first source of the child's sense of self-worth, motivation, skills, and knowledge.[49] By supporting families during the child's earliest years, society ensures that children will enter school ready to learn, ready, in time, to take their places in the global economy. But the United States ranks low in supporting children under the age of three and their families; other nations, including such high-wage competitors as Germany, invest heavily in early childhood programs.

With regard to young children, America does not put its money where its mouth is: public and private rhetoric strongly supports children and families, but most governmental and business actions do not. Americans view young children as the responsibility of the family, and little economic value is placed on mother' at-home childrearing efforts. Because of this, neither the public nor the private sector has invested much thought or resources in making parents' lives, and the lives of their young children, easier. Still, the stresses imposed by today's demographic, economic, and social trends affect all families, even the

The Costs of Societal Neglect

Each year, American taxpayers reach deep into their pockets to meet the costs, both direct and indirect, of policies that are based on remediation rather than prevention.

- In the six years between 1985 and 1990, estimated public outlays related to teenage childbearing totaled more than $120 billion. More than $48 billion could have been saved if these births had been postponed until the mother was 20 or older.
- Of teens who give birth, 46 percent will go on welfare within four years; of unmarried teens who give birth, 73 percent will be on welfare within four years.
- In 1991, federal and state expenditures for Aid to Families with Dependent Children, the largest entitlement program for poor families, totaled $20 billion plus administrative costs of $2.6 billion.
- In 1991, the estimated annual cost of treating fetal alcohol syndrome was $74.6 million.
- Initial hospital care for each low-birthweight infant averages $20,000. Total lifetime medical costs for a low-birthweight infant average $400,000.

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International Year of the Family

In designating 1994 as the International Year of the Family, the United Nations adopted the slogan, "Building the smallest democracy at the heart of society." UN members thus recognize the family as the fundamental building block of a democratic society.

most fortunate. And it is not just the families and their children who pay the price, but the nation as a whole. Parents pay the price in anxiety, in lost wages, in missed opportunities. Children pay in poor health, in delayed development, in a clouded future. And the nation pays twice—now, in reduced productivity and increased social disruption, and in the future in a workforce unequal to the demands of the twenty-first century. To avoid these consequences, comprehensive services and supports for families and young children are increasingly necessary.

A Family-Centered Approach

The quiet crisis of families with children under three requires immediate and far-reaching action. But such action cannot be limited to governmental programs or business initiatives. The problems facing our youngest children and their families cannot be solved through piecemeal efforts. Americans can work together and invest together confident that they share common values: a strong family, an educated citizenry, a productive workforce, and a competitive and sound economy.

This report argues that America's compassion for its youngest children, measured in investments in high-quality supportive services and opportunities, must no longer be a matter of chance but of sound social policy. Chance is not a force that can sustain children or families, or nations. The task force is convinced that the nation must

- Promote opportunities for responsible parenthood
- Guarantee quality child care choices for children under three
- Ensure good health and protection for infants and toddlers
- Mobilize communities to support young children and their families

These four goals are interrelated, and each addresses a different aspect of the quiet crisis currently growing in this nation. In Part II, the task force proposes workable measures to strengthen families and to foster the healthy development of America's youngest children.

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PART II:

Starting Points for Our Youngest Children

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Promote Responsible Parenthood

We begin with parenting—the most critical starting point. Perhaps nothing we humans do is more relentlessly demanding; nothing calls on a wider range of physical and emotional capacities. To parent a child entails at least two decades of sustained attention; many see it as a lifetime commitment. At the same time, if parents are to acquire the resources they need to support their children, they must work, usually outside the home. Balancing these responsibilities is never easy. For all these reasons, the challenges of parenthood are daunting, but its rewards go to the core of what it means to be human—intimacy, growth, learning, and love.

It is difficult to think of an enterprise that is more deeply private. Childrearing is inseparable from daily domesticity—that messy accumulation of meals and rent payments, laughter and laundry, that fills a home. The kind of care parents give to children, the context they create for their growth, and the framework they create for later learning spring from the rhythms of that life and from the values that give it meaning.

At the same time, it is difficult to imagine an enterprise that has greater impact on public life—on the productivity of our citizenry, the vitality of our culture, and the strength of our public institutions. The time, resources, and energy that parents give to their children influence the children's success as students and their contributions as citizens.[1]

THE CHALLENGES OF PARENTHOOD ARE DAUNTING, BUT ITS REWARDS GO TO THE CORE OF WHAT IT MEANS TO BE HUMAN—INTIMACY, GROWTH, LEARNING, AND LOVE.

Developing social policy related to early childhood means negotiating the middle ground between these private and public interests. The goal of the task force, in addressing the issue of responsible parenthood, was not to prescribe an approach to childrearing; rather, we sought to identify the kinds of information and services parents need for their own self-directed learning and growth, so that they can make sound choices for their children.

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We proceed from these assumptions: When women and men make a reasoned commitment to have children, they are more likely to parent well. Their growing children are more likely to meet life with optimism, competence, and compassion. And when women and men are unprepared for the opportunities and responsibilities of parenthood—as is the case all too often in America today—the risks to their children are many and serious.

In the past, parenting skills were often handed down from one generation to the next, as extended families, living in close proximity, shared responsibility for raising children. The enormous changes of this century, increased mobility in particular, have altered the demographics—and consequently the child care arrangements—of many communities. Generally speaking, new mothers and fathers today are less likely to have learned parenting skills first-hand.[2]

THE CHILDREN OF ADOLESCENT PARENTS ARE MORE LIKELY TO SUFFER POOR HEALTH, TO LAG IN SCHOOL, AND TO BECOME TEENAGE PARENTS THEMSELVES.

How then can those who want children prepare themselves for the opportunities and responsibilities of parenthood? How can society help? The task force found that those undertaking parenthood would benefit from education, services, and support in three key areas:

- Planned childbearing
- Prenatal care and support
- Parent education and support

PROMOTE PLANNED CHILDBEARING

One of the most effective ways to promote healthy child development is to encourage women and men to plan childbearing so that it occurs under circumstances that minimize risk for the child. Too often in America, childbearing is not planned. Fully 56 percent of all pregnancies in this country are unintended—one of the highest rates of unintended pregnancy in the industrialized world.[3] Women with unintended pregnancies are less likely than those with planned pregnancies to seek appropriate care for themselves while pregnant, to reduce or quit smoking, or to comply with recommended immunization schedules once the baby is born.[4] The risks of child abuse and neglect, low birthweight, and infant mortality are greater for unplanned children than for those actively planned and welcomed into the world.[5]

The rising rate of teenage pregnancies, 80 percent of which are unplanned,[6] is cause for concern. The risks of unplanned childbearing are compounded in teenagers: Most adolescents are not financially or psychologically ready for parenthood.[7] Adolescent mothers are also at increased risk of long-term welfare dependency.[8] The children of adolescent parents are more likely to suffer poor health, to lag in school, to experience behavior problems, and to become teenage parents themselves.[9] And it is not just a question of the child's welfare: mother, father, and child all fare better if parenthood is postponed to a time when the young people are prepared to accept the responsibilities and opportunities of parenthood.[10]

The costs to society of adolescent pregnancy are immense. In the six years from 1985

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to 1990, public outlays related to adolescent childbearing totaled more than $120 billion. It has been estimated that more than $48 billion could have been saved if these births had been postponed until the women were at least twenty years old.[11] In 1990 alone, government spent $25 billion on social, health, and welfare services to families begun by adolescent mothers. By the time babies born to adolescent mothers in 1990 reach voting age, they will have cost the U.S. taxpayer some $7 billion.[12]

The task force concluded that planned childbearing is best achieved when young women and men have access to both family planning services and educational opportunities. Both conditions are essential: educational guidance about planned childbearing works *only* if it is accompanied by a full range of family planning services; likewise, family planning services are better employed when individuals are knowledgeable about their merit and utility.

But improved education about planned childbearing and easier access to family planning services will *not* by themselves solve all of the problems of unintended or at-risk pregnancies. If young women and men are to delay parenthood, they need to believe that other life options more appropriate to their age are available to them.

Those who study poverty in inner-city or rural areas are concerned by the number of very young women—some of them no more than children themselves—who, by becoming mothers, limit their ability to escape degrading conditions. Perhaps if these women and their partners believed that they could make a better life for themselves through quality schooling, job training, and improved economic opportunities, they might delay childbearing. Promoting responsible parenthood means, in part, persuading women and men of reproductive age that they may risk losing opportunities if they do not plan their families wisely.

The task force recommends that efforts to assist women and men in planning for a family must be a part of widely available preventive health services. These services and educational opportunities must be improved, expanded, and adequately financed. Efforts to promote planned childbearing will be most effective when they occur in the context of better life options and increased economic opportunities for both men and women.

Make Family Planning Services Available

Family planning—deciding when to conceive a child, using contraception until that time, and arranging prenatal care—has contributed significantly to the reduction of infant mortality over the past 20 years. On average, women now wait longer than previous generations before having children.[13] Contraception lengthens the interval between births, which in turn contributes to a reduction in low-birth-weight babies.[14] Contraceptive services also lower the number of unintended pregnancies.

Public investment in family planning is known to be cost-effective. According to one set of calculations, every public dollar spent to provide contraceptive services saves an average of $4.40 that would have to be spent on medical care, welfare, and other social services for women who would qualify for such services if they became pregnant.[15] In this way, public investment in family planning saves taxpayers over $3 million each year. This conclusion is based on the following data:

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- Each year, about 4.5 million American women now obtain contraceptives from a publicly subsidized source. (They account for about 25 percent of women who use contraceptives.)
- Without public funding for contraception, an average of 1.2 million unintended pregnancies could be expected to occur each year.
- Of these pregnancies, at least 40 percent would probably end in abortion; the other 60 percent—totaling 720,000 pregnancies—would be brought to term.

Increasing the proportion of planned, low-risk births requires a national commitment to making family planning services and information widely and easily available. Additionally, prompt and careful study of innovative ways of making new forms of contraception (for example, Depo-Provera, Norplant, and the "morning-after pill") more readily available must be part of this national commitment. A full range of family planning services must be available so that when birth control efforts fail, access to other services is also possible. These include comprehensive prenatal services and support for every pregnant woman, and in some circumstances access to abortion and adoption services.

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Particular attention should be paid to involving men in family planning efforts. Avoiding pregnancy is still perceived by most Americans as "women's work." Pregnancies would undoubtedly be better timed if men understood the importance of planning pregnancies and were willing to communicate with their partners on this issue. The media in general, and male role models in particular, should be urged to help create a climate in which male involvement in family planning is accepted and even encouraged.

The financial benefits of family planning services have been documented, yet the available funds have been drastically reduced. Between 1980 and 1990, total public dollars spent for contraceptive services fell by one-third (from $350 million to $232 million, adjusted for inflation) despite a 15 percent increase (from 34 to 39 million) in the number of women at risk of unintended pregnancy during that same period.[16]

The task force recommends a substantial increase in the resources for family planning services so that they are funded at a level high enough to meet documented needs. Additionally, we recommend that family planning services be included among the preventive health services required as part of a minimum benefits package in health care reform.

Prepare All Young People for Parenthood

Children learn about parenthood and planning for a family from their own parents and families, with the support of schools, religious groups, and community organizations. The quality of this information now ranges from silence, through oblique references to sexuality, to frank, matter-of-fact talk about the medical, financial, and social dimensions of parenthood. With smaller and more isolated families, the opportunities to learn about the joys and responsibilities of parenthood at home have been reduced, and responsibility for "family life education" in American society has shifted primarily to schools. Parents generally support this trend: more than 75 percent of parents feel that schools should play a role in family life education.[17] Although many school districts now offer family life education from kindergarten through grade twelve, the content and quality of the curricula vary considerably.

The task force recommends a substantial expansion of efforts to educate young people about parenthood. Families should be the first source of such education, but schools, places of worship, and community-based youth development organizations also have parts to play. Education about parenthood can begin in elementary school; it should start no later than early adolescence. Such education should cover, in an age-appropriate, culturally sensitive manner, these topics:

- The development of infants, young children, and adolescents, and how parents, families, and communities can meet their needs
- Models of childrearing, parenting skills, and the significance of family composition and environment on child development
- Impact of childbearing and childrearing on the educational and occupational choices of parents, especially mothers

INCREASING THE PROPORTION OF PLANNED, LOW-RISK BIRTHS REQUIRES A NATIONAL COMMITMENT TO MAKING FAMILY PLANNING SERVICES AND INFORMATION WIDELY AND EASILY AVAILABLE.

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Preparing Young People for Responsible Parenthood

Early adolescence provides unprecedented opportunities for educators and health professionals to capitalize on young people's natural curiosity about bodily changes to promote healthier lifestyles that will have long-lasting benefits. By the same token, it is during adolescence that this same curiosity may lead young people to engage in self-damaging behaviors that may shorten life or impair its quality. For example, more and more adolescents are becoming sexually active at an earlier age, risking pregnancy, sexually transmitted diseases, a high miscarriage and abortion rate, and poor pregnancy outcomes such as low-birthweight babies. To be healthy, young people need both critical information and access to health services. Two promising directions are described below.

Comprehensive Human Biology Curriculum

- A comprehensive human biology curriculum has been developed by educators at Stanford University. The Human Biology Middle Grades Life Science Project has developed a two-year curriculum that should help adolescents understand and cope with the social, behavioral, and health problems they encounter. The curriculum covers adolescent development and physiology, genetics, and environmental science. Units such as "Your Community Culture," "Youth and Family," and "Become an Adult" help students to learn about human development and to develop the responsible attitudes and behaviors that are the foundations of effective parenthood.

Comprehensive Family Life Education and Health Services

- A growing number of middle and high schools, with parental approval, are offering adolescents a good start toward responsible parenthood by combining family life education with the needed health services and supports to avoid early childbearing. Comprehensive school health services help adolescents to delay sexual activity, offer knowledge about effective methods of pregnancy and disease prevention, including abstinence and contraception, and provide prenatal health services to adolescents who do become pregnant; the centers also provide preventive health services such as immunizations. Young people find these health centers responsive, convenient, and economical.

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Together, these approaches provide a comprehensive strategy that more schools should adopt.

- Human reproduction, including the role of overall health in reproductive outcomes; methods of birth control, including abstinence; and the importance of health protection and promotion in the prenatal period
- The causes of sexually transmitted diseases and ways of avoiding them
- The effect of behavioral and environmental threats (including stress, poor nutrition, violence, and substance abuse) on the health of pregnant women and of children and families
- The availability of social services and other neighborhood supports, ranging from family planning and early intervention services for families at risk to Head Start programs and community health and social services

Religious groups, community programs, and the media can deliver helpful and healthy messages that complement those that young

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people receive at home and school. These messages must emphasize that all children need committed parents and families. Young men in particular must understand their responsibilities as fathers.

Encourage Pre-conception Care

Research confirms the lessons of common sense: it is unwise to isolate planning for a family from general health and social services. Evidence points increasingly to the importance of a woman's overall health status to her reproductive life. Indeed, all aspects of a woman's life affect the child she carries.

A landmark U.S. Public Health Service report observed that pre-conception diagnosis and treatment of medical and psychosocial risks can eliminate or reduce hazards to mother and child and are more likely to be effective because they can be initiated without harm to any fetus. "For example, preexisting illness such as diabetes or hypertension should be adequately treated or controlled, and behavior such as smoking, drinking, or using illicit drugs should be modified or eliminated before pregnancy onset," the report said. "Preconception identification of women with any kind of medical illness or unhealthy behaviors provides the opportunity for appropriate treatment, pregnancy planning, early entry into prenatal care, or recommendations for avoidance of pregnancy."[18]

Women who want children should have a medical checkup before conception. Too often, women are several months pregnant before seeking medical advice, and the delay may compromise healthy fetal development.[19]

Because the greatest sensitivity to environmental factors occurs between 17 and 56 days after conception, this period is especially important.[20] A woman whose pregnancy is unplanned is at particularly high risk, as are women who are taking prescription medications or abusing alcohol or drugs. These women may be risking serious damage to the embryo and fetus without knowing it; a checkup before conception will give them the opportunity to change their use of these substances in time to avoid potential damage to the fetus.[21]

Many substances adversely affect fetal development. Fetal alcohol syndrome, the most serious consequence of heavy drinking in pregnancy, may cause learning disabilities and mental retardation in the child[22]; smoking, poor nutrition, and the use of other drugs worsen the effects of alcohol. These substances are particularly harmful to the fetal brain, which experiences the fastest growth of any organ during pregnancy.[23] Other substances are also harmful: exposure to lead early in fetal life, for example, can cause irreversible damage to the developing central nervous system, and even exposure to dental and other x-rays can harm a fetus.

What a woman does *not* consume is also important. For example, folic acid deficiency in the diet of pregnant women may cause spinal column defects in the child. A chronically malnourished woman is apt to be in relatively poor physical condition before and during pregnancy. Compared to a well-nourished woman, she is less likely to be able to fight off infections and more likely to deliver prematurely a low-birthweight baby with physical, behavioral, and intellectual difficulties.[24]

Women and men need to know these facts. The task force concurs with the Public Health Service in recommending that, by the year 2000, all parents-to-be make a pre-conception

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health visit that would cover nutrition, contraception, and healthy behaviors in a comprehensive way.[25]

Ensure Comprehensive Prenatal Care and Support

Pregnancy provides one of life's "teachable moments." A pregnant woman is likely to be highly receptive to information about her own health care, that of her family, and especially that of her soon-to-arrive child. The task force recommends that prenatal care be broadly defined to include at least four components:

- Early and continuing risk assessment
- Health education and promotion
- Medical and social support services
- Medical treatment for at-risk conditions

In the best settings, prenatal care is carefully tailored to the needs, preferences, and risk profile of the individual woman. It may include HIV screening: approximately 30 percent of infants born to women infected with HIV (Human Immunodeficiency Virus) will be HIV-infected and will have significant health problems.[26] Doctors and nurse–midwives attend not only to medical needs, but also to each woman's nutritional and psychological needs. They advise pregnant women against smoking, substance abuse, environmental toxins, and excessive stress. They are alert to signs of domestic violence. Sensitive physicians also attempt to diagnose and treat depression: depressed pregnant women are more likely to jeopardize their own and their babies' health through smoking, substance abuse, and poor nutrition.[27]

WE HAVE OVERWHELMING EVIDENCE THAT PRENATAL CARE IS CRUCIAL TO THE HEALTH AND WELL-BEING OF OUR YOUNGEST CHILDREN. BUT THE EVIDENCE IS ALSO MOUNTING THAT MILLIONS OF AMERICAN CHILDREN ARE COMING INTO THE WORLD WITHOUT BENEFIT OF THIS CARE.

More than physical health is at stake during the prenatal period. An infant's capacity for learning in the critical years following birth is intimately tied to brain development *in utero* (see Part I), and thus to the prenatal environment that the mother provides. During pregnancy, chemical, viral, or bacterial agents may cross the placental barrier and cause abnormalities in the developing embryo or fetus, particularly the developing brain. Children exposed to drugs *in utero* are prone to learning difficulties, attention deficits, and hyperactivity as well as to behavioral and psychosocial problems.[28]

The benefits of prenatal care, particularly in the first trimester, have been repeatedly documented: women who receive a full course of such care stand a much better chance of delivering healthy, full-term, normal-weight babies than women who do not. Low-birthweight infants (2500 grams or less) are significantly more likely than normal-birthweight infants to have neurodevelopmental handicaps.[29] Centers that follow low-birthweight infants report rates of learning difficulties running as high as 40 to 45 percent.[30] Further, low-birthweight and premature babies are more likely to have congenital anomalies and more frequent respiratory tract infections. Over 40 percent of these infants are rehospitalized more than once in their first year of life.[31]

In short, we have overwhelming evidence that prenatal care is crucial to the health and well-being of our youngest children. But the

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evidence is also mounting that millions of American children are coming into the world without benefit of this care, and their numbers are increasing[32]:

- About one-fourth of pregnant women do not receive the recommended level of prenatal care.
- The percentage of pregnant women who receive virtually no prenatal care (no more than a visit or two in the last few weeks of pregnancy) has increased in recent years.
- Mothers are less likely to obtain adequate or prompt prenatal care if they are young, poor, unmarried, relatively uneducated, uninsured, or living in inner cities or rural areas.

There are some encouraging signs: since the 1980s, the proportion of African American and Native American women who obtained early prenatal care rose from about 40 percent to 60 percent.

Women with unintended pregnancies tend to obtain prenatal care later than those with intended pregnancies. Women who do not expect to conceive may be less aware of the signs and symptoms of pregnancy and therefore may recognize the pregnancy later. Those who view their pregnancy negatively may delay prenatal care while deciding whether to seek abortion. Moreover, an unplanned pregnancy is likely to evoke ambivalent feelings that may result in late or sporadic care. Here again, one sees the links among family planning, intended pregnancy, early prenatal care, and healthy infants.

The task force concurs that all pregnant women must be drawn into comprehensive prenatal care early in pregnancy. This requires

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Prenatal Care: the Key to a Healthy Baby

Obtaining early and comprehensive prenatal care is the best thing a woman can do to have a healthy baby. Yet the importance of prenatal care in reducing infant mortality and low-birthweight babies is not always understood by the general public, nor are services readily available to all pregnant women.

Through the Southern Regional Project on Infant Mortality, many states in the South are developing innovative and effective strategies to increase the availability and use of prenatal care.

South Carolina Mounts a Public Awareness Campaign

South Carolina's "Caring for Tomorrow's Children" program combines a media campaign, a statewide hotline, and an incentive program to spread the message about the importance of prenatal care.

- The media component brings its message to the public through posters, billboards, brochures, and television and radio announcements.
- The campaign links pregnant women to the statewide information and referral hotline to help them make their first prenatal care appointments.
- The incentive program encourages women to begin prenatal care as early as possible by offering coupons redeemable for services and products such as diapers and bibs. Coupons are validated by the woman's prenatal care provider at each appointment.

Louisiana and Georgia Help Reduce the Shortage of Prenatal Care Providers

In 1990 the Louisiana legislature passed the Health Care Access Act. The act requires medical, nursing, and allied health schools to adopt programs and policies that will result in more perinatal health care providers returning to rural and other underserved areas. State medical school admissions policies must ensure that students from rural and underserved areas make up half of each first-year class. The act also encourages support and relief services for overworked health care professionals who practice in medically underserved areas of the state.

In 1986 Georgia developed the Nurse Midwifery Project to recruit certified nurse–midwives for underserved areas of the state. Within three years, 3,318 women and their infants received prenatal and delivery services through the project, at a total cost of only $1.4 million. The project has been successful in lowering infant mortality rates: The state's infant mortality rate in 1988 was 12 per thousand; for infants whose mothers received prenatal and delivery services from the project's certified nurse–midwives the rate was 8.2.

The District of Columbia Employs a Maternity Outreach Mobile Van

The District of Columbia's Department of Health and Human Services employs an outreach worker to drive a van through the city's neighborhoods and transport pregnant women who have not yet obtained prenatal care to an appropriate provider. Each week the van travels to those areas of the city with the highest infant mortality and morbidity rates. The outreach worker talks to women in the neighborhoods, distributes perinatal health care information, and offers advice on good prenatal health care habits and nutrition. The person-to-person contact enables the outreach worker to build relationships with the local people, who often help her identify women who are in need of transportation and referral assistance. ○

the intensification of national, state, and local efforts to improve the availability and use of prenatal services. Specifically we recommend the removal of the barriers that now stop women from receiving comprehensive prenatal care, including inadequate financing and the absence of local services, particularly in inner-city and isolated rural areas. Cultural and language barriers and the lack of child care, transportation, and translation services also keep many women from receiving prenatal care. A woman's fears about being pregnant or her lack of understanding of the importance of care are

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Improving Life Outcomes for Adolescent Mothers and Their Children

Many communities are taking a two-generation approach to changing life outcomes for the better, by offering programs that serve both mothers and their babies. The services may be offered through community settings such as schools, health facilities, or neighborhood family-child centers. When programs are well-designed, beginning during pregnancy and continuing after the baby is born, outcomes are encouraging, especially for adolescent mothers and their children.

Visiting Nurses

One highly promising strategy to reach mothers and children is through home visits. Frequent home visits by nurses during pregnancy and the first two years of the child's life have been shown to reduce many of the health and social problems associated with childbearing among adolescent, unmarried, and low-income mothers.

Pregnant women who participated in the Prenatal and Infancy Home Visiting Program in Elmira, New York, for example, cut down on cigarettes and improved their diets, experienced greater informal social support, and made better use of childbirth education and the Women, Infants, and Children (WIC) nutritional supplementation program. These women also had 75 percent fewer preterm deliveries. Babies born to young adolescents who had been visited by nurses weighed more on average than babies of young mothers who had not been visited. Among mothers who were poor, unmarried, and adolescent, a 75 percent reduction in cases of child abuse and neglect was observed. Children who were visited by nurses had 32 percent fewer emergency room visits during the second year of life, and low-income, unmarried women who were visited participated in the workforce 80 percent more and bore 43 percent fewer subsequent children than those provided with less comprehensive services.

School-Based Programs

Another promising way to improve outcomes for young mothers and their babies is by using comprehensive school-based programs. The Polly T. McCabe Center in New Haven, Connecticut, for example, is a short-term public school for pregnant students and new mothers, who otherwise might be forced to drop out of school. In addition to education, the center offers social and medical services. It features small class sizes, high-quality individually paced instruction, personalized guidance, and mentoring. Students are encouraged to consider long-term life options as they make progress toward completing their high school education. The goal of the program is to help the students plan for eventual self-sufficiency—including delaying subsequent childbearing, which has been shown to be a major predictor of greater success in life.

The most surprising finding of this program's evaluation was that students who remained seven weeks or longer postnatally were almost three time less likely to deliver a new baby within the next two years than students who left McCabe sooner. Five years after the birth of their first child, those same students still showed the effects of their stay at McCabe: 70 percent of the short-stay mothers had delivered one or more children, while only 45 percent of those who stayed seven weeks or more had done so. ○

also barriers to seeking out prenatal care. Clinicians, educators, and social workers must help pregnant women understand how important prenatal care is to their own and their children's well-being.

Of all of these barriers, money is probably the most important for most women. Health care financing systems are badly needed to support continuity among prenatal, delivery, and postpartum care. Financing for prenatal care is often spotty; it sometimes does not cover delivery; and it often fails to provide even rudimentary follow-up care to new mothers who need extra support and education.

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We have ample evidence that investments in prenatal care pay off: For example, the Office of Technology Assessment concluded in 1988 that prenatal care helps decrease the incidence of low-birthweight infants. For every instance of low-birthweight averted by earlier or more frequent prenatal care, the U.S. health care system saves between $14,000 and $30,000 in newborn hospitalization, rehospitalization in the first year, and long-term health care costs.[33]

WHILE WE READILY ACKNOWLEDGE THE VALUE OF JOB TRAINING IN OTHER AREAS, WE TEND TO ACT AS IF PARENTING SKILLS SHOULD COME NATURALLY.

The task force recommends that all pregnant women have universal access to comprehensive prenatal care as a core component of any health care reform package that this nation adopts. It would be a wise and cost-effective investment to have pregnant women phased in first, because of their overrepresentation among the uninsured and because a healthy start in a child's life holds the promise of a lifetime of productivity.

Provide Opportunities for Parent Education and Support

No job is more important to our nation's future than that of a parent, and no job is more challenging. But while society readily acknowledges the value of job training in other areas, it tends to act as if parenting skills should come naturally. Too often, policymakers base decisions on this assumption, overlooking their own experience, both as parents and as children. For most parents, raising children is a trial-and-error process marked by countless frustrations. Parents across all social and economic strata enter parenthood wanting to do a good job, but they frequently have limited experience or knowledge about raising children. They are often reluctant to admit that they might benefit from learning more about children and parenting. Yet, effective parent education and support can build on families' strengths so that parents feel more knowledgeable, more confident, and more valued.

The task force notes that many—perhaps most—parents could benefit from parent education and support, parent-to-parent support, or both. This is especially true for parents of infants and toddlers. Even in the best of circumstances, the newness of the parental role, coupled with the child's rapid physical, intellectual, and emotional development, make the parents' job demanding and at times overwhelming. As a result, parent education and support programs have appeared, ranging from grassroots, community-based efforts staffed with volunteers (for example, the pioneering Family Focus Program begun in Evanston, Illinois), to statewide programs, such as those in Kentucky, Missouri, and Minnesota, that are available on a universal and voluntary basis.

These initiatives are found under many names in different localities; moreover, the distinctions remain blurred between parent education and family support. Operationally, the two go hand in hand. In some instances, a family support program may be mostly a parent education and emotional support program; elsewhere, it may include services such as literacy classes or job training. Most programs have abandoned a one-size-fits-all approach and recognize that the critical ingredient is responsiveness to family strengths and needs.

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Pregnancy and the immediate postpartum period also offer excellent opportunities to provide new mothers with important health education. Sensitive practitioners can talk with mothers about the importance of breast-feeding, nutrition, and injury prevention; can refer them to helpful community services; and can detect early signs of child abuse. Follow-up care for mothers in high-risk settings (for example, very young single mothers) is especially important. In poor communities, young parents need a dependable person who can provide social support through the months of pregnancy and beyond.

Key Elements of Supportive Parent Education

Families vary tremendously in their structure, values, needs, and resources, as well as in their ability to seek and use parent education and support. Still, certain key elements define successful parent education. Successful programs

- Establish and maintain an ongoing relationship with parents
- Are geared to the strengths, styles, and needs of individual families
- Increase understanding of child development and parent–child relationships
- Provide models of parenting
- Teach new parenting skills
- Provide a network of social support with other parents
- Facilitate access to community resources

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Two Programs that Improve Parents' Childrearing Skills

Imaginative programs in Oregon and Texas demonstrate that parent education and support can be offered to the general population as well as to specific groups and can improve parents' childrearing skills.

Oregon — Birth to Three

Since 1978, the nonprofit organization Birth To Three has brought new parents in Eugene, Oregon, together to share experiences, study early child development, form a support network, and learn about community resources. Programs are community- or school-based and are run by professional staff members assisted by volunteers.

More than 10,000 families have benefited from this program, which is offered to all families—there are groups for single parents, working parents, and parents with multiple births. A program aimed at pregnant teenagers and teenage parents includes weekly group meetings, home visits, crisis assistance, and life-skills training. All parents have access to a resource hotline, newsletter, and posters; a weekly parenting column also appears in the local newspaper.

Texas — Avance

A widely acclaimed family support and education program begun in Texas in 1973 serves Mexican American families. Each year Avance serves 2,000 families with young children in Houston, San Antonio, and the Rio Grande Valley. Avance operates in public housing centers, in elementary schools, and through its family service centers. Its Parent–Child Education Program conducts home visits by trained staff members (many of them former participants), presents weekly classes on child growth and development, and disseminates information about community services, English classes, and high school and employment preparation courses.

Avance provides free child care so that mothers can attend classes; when their children are older, some mothers serve as volunteer aides at the child care center, thus learning more about child development. Avance staff members, most of whom have some college education in relevant disciplines, emphasize individual attention to the child and support for the mother. Avance also involves fathers: staff encourage fathers to participate at the centers and connect fathers with job training initiatives, parenting education, and social support networks.

Evaluations show that Avance programs improved families' ability to provide an emotionally stimulating and nurturing environment for their young children, positively influenced mothers' childrearing attitudes and knowledge, and expanded mothers' use of community resources.

Good parent education and support programs share many goals. They seek to respond to family strengths and needs, to improve parental attitudes and behavior toward the child, and to heighten the child's chances of becoming a healthy and resilient adult. Beyond that, great variation exists.

The task force finds that parent education and support can be effective. A variety of programs have been found to have consistent and persistent influence on both parental behavior and the intellectual development of the young children.[34] Researchers have also found secondary benefits: for example, mothers who have taken part in parent education programs provide more age-appropriate toys and spend more time reading to their young children than do mothers who have not. Modest benefits also accrue to the parents: compared with other mothers, for example, program participants express more confidence and satisfaction

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with parenting. These are welcome results, because improved interactions within the family system may have a substantial and lasting influence on the family environment and the child's development.

Parent education and support programs should match family strengths and needs. For example:

- Parents who lack transportation or who have other young children at home may benefit more from an individualized, home-based approach; more socially oriented parents, including adolescents, might prefer peer discussion groups.
- Parents of infants may find a home-based approach more effective; as their babies become toddlers, they may prefer a combination of a play group and group discussion.
- Working parents might find it more sensible to have parent education and support tied to a child care program.
- Parents of children with special needs may find it helpful to participate in groups headed by other experienced parents. Such parent-to-parent support networks have been established in virtually every state.
- Parents living in rural areas, where groups might be more difficult to assemble, might seek advice and support from professionals and other parents via computer networks or teleconferencing.

The task force recognizes that families with high levels of stress and severe economic hardship have urgent needs that clearly cannot be met through education alone. For these families, parent education will do little good unless it is combined with substantive and sustained support. As a task force member said, "A few parent education classes in the public housing projects and other places where low income people are congregated will not eliminate child abuse and other forms of violence, get children ready for school, instill responsibility, conscience and good values in young children." Parent education opens the door, but it must be linked to ongoing family support. However, the desire of families to take good care of their infants and toddlers can provide an opportunity to address other issues.

The task force concluded that to serve these families, parent education and support programs must be built into a coordinated array of services such as health care, child care, literacy classes, and job training. Some communities have formed coalitions to coordinate services. These coalitions have been able to generate public support and local funding, utilize local resources, and identify and expand promising new programs; they also are able to match families with suitable programs. Parent education and support programs appear to have come to be accepted as one of the basic elements of an integrated approach to supporting families.

FAMILIES WITH HIGH LEVELS OF STRESS AND SEVERE ECONOMIC HARDSHIP HAVE URGENT NEEDS THAT CLEARLY CANNOT BE MET THROUGH EDUCATION ALONE.

Many parent education and support programs enthusiastically recruit local community members as key staff contacts with parents. This approach has the advantages of providing training and employment for members of the community, drawing on the insights of people who have lived in similar social situations, and avoiding disparities in culture, language and values between clients and practitioners.[35]

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How States Can Support Parenting Education

State initiation and financing of family support programs is still relatively new. Many states have developed successful programs designed to meet various needs: to prepare children for school (Missouri), to teach parenting techniques (Minnesota), to improve family literacy (Kentucky), and to support teenage parents (Maryland).

Missouri's Parents as Teachers (PAT) program sends certified parent educators to visit expectant families at home and teach them how to be "their child's first teacher." PAT staff members set up group meetings for parents, screen children for early detection of problems, and link parents with other community resources, such as child care, health, and social services. Because this state-legislated program crosses all socioeconomic and educational boundaries, it attracts both high-risk families and those who need less intensive services and supports. Evaluations show that PAT children score well above national norms on measures of school-related achievement and that parents like the program. PAT had grown from four pilot sites in Missouri in 1981 to 1,233 programs in forty-two states, the District of Columbia, and four foreign countries by late 1993.

Minnesota's Early Childhood Family Education program is a statewide, state-funded effort operating in more than 300 school districts. It offers child development information and parenting techniques, encourages healthy communication between parent and child, and promotes positive parental attitudes. The program is open to all families with children from birth to kindergarten. Parents and children spend an average of two hours a week at the center: parents spend time with their children and talk with other parents while their children, overseen by trained early childhood educators, engage in discovery and cooperative play, learn to separate from parents, and develop cognitive and motor skills. Centers employ licensed early childhood and parent educators, as well as aides and volunteers from local communities.

Kentucky enacted the Kentucky Education Reform Act of 1990 to reduce barriers to learning. Family Resource Centers (for families with children up to age five) operate out of elementary schools. Within two years, 223 centers, funded through a competitive grant process, opened throughout the state; a total of 378 centers now serve 57 percent of the state's families with children under the age of five. The Family Resource Centers offer before- and after-school child care, child development education for pregnant women and mothers, literacy training for mothers who are earning their GED, training and supervision for child care providers, and health and social services referrals. The program receives local and private funding.

Maryland's Friends of the Family is a statewide network of family support centers administered by an independent agency established with state assistance in 1985 to address high rates of teenage pregnancy and child abuse and neglect. Today, this public–private agency oversees thirteen family support centers that primarily serve mothers younger than twenty-five with children younger than three. All centers provide social support services, assistance in child development and parenting education, and assistance for those completing their GED. The centers emphasize close community ties through their policy advisory boards, which include parents, community leaders, and social service agency representatives. They also find hard-to-reach families and provide supplementary services such as child care and transportation. ○

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For example, South Carolina's Resource Mothers home visiting program links pregnant adolescents with "resource mothers"—experienced mothers who live nearby. They have successfully raised their own children and can help new mothers learn the adaptive skills they urgently need; they can also help them gain access to community resources. Just as importantly, resources mothers offer sympathetic and sustained attention.[36] Such prenatal and postpartum home visiting services have been shown to improve the health of babies, reduce child abuse, and save money.[37]

Some experts have concluded, however, that the most successful programs depend on more highly trained professionals who can apply general principles to different family types and cultures.[38] Debate about staffing exists, but there is agreement that a key component for both professionals and paraprofessionals is the individual's level of training. A number of universities are now engaged in research and program development focused on parent education and support.

Shift in Thinking Needed

The task force recommends that parent education and support be available on a voluntary basis to all parents with children under age three. It is a preventive strategy that can strengthen all families, particularly those with infants and toddlers, thus improving conditions in which very young children are raised. It is often said that children are our most valuable natural resource, but children do not come without families. It is time to develop strategies to conserve and nurture the family environment of our future generations. A commitment to providing parent education and support programs in every American community could signal a shift in national thinking from the current state of supporting specific individuals and families to valuing families within the community.

Policymakers and program administrators recognize the need for such programs along with other services that benefit families with young children. Innovative state legislation, such as Missouri's Parents As Teachers Education Act of 1981, and statewide initiatives, such as those launched in Minnesota and Kentucky—open the way to support families. The task force encourages all states and communities to use funds from existing state and federal sources and from new sources, such as the federal Family Preservation and Support Service Program, to initiate and expand community-based parent education and support programs for families with infants and toddlers.

CHILDREN ARE OUR MOST VALUABLE NATURAL RESOURCE, BUT CHILDREN DO NOT COME WITHOUT FAMILIES. IT IS TIME TO DEVELOP STRATEGIES TO CONSERVE AND NURTURE THE FAMILY ENVIRONMENT OF OUR FUTURE GENERATIONS.

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Guarantee Quality Child Care Choices

Over the past three decades, American family life has changed dramatically, forcing a reconsideration of family policy. The most significant change has been the increasing numbers of mothers in the workforce. Whereas only 17 percent of mothers of one-year-olds worked full-time or part-time in 1965, fully 53 percent were in the labor force in 1991. More than five million infants and toddlers are now in the care of other adults while their parents work.[1] In a very real sense, both parents and child care providers are jointly raising many of this nation's youngest children.

How well is the current system of child care meeting the needs of our youngest children and their families? In some well-run settings, competent child care providers attend to small numbers of children, and infants and toddlers experience a happy and stimulating day. But in many other settings, five, six, or even seven infants are cared for by one well-meaning provider. At any one time, this caregiver can console, nurture, pick up, and talk to only one or two babies; the other babies are ignored. Children (and adults) in these settings—which probably constitute the majority—are overstressed and unhappy.

Yet many parents of infants and toddlers have few child care choices. They would like to stay home longer after their baby is born, but someone must pay the bills. Faced with the challenge of arranging child care for the first time, most parents feel scared, guilty, and terribly alone. Most are concerned about what will happen when they are not with their baby; they seek a provider who they think will give the baby the kind of care and consistency they would if they were at home. Unfortunately, many parents are forced to "make do"—to accept care that is safe and affordable but that falls short of the quality they would like for their young child. Many find themselves searching again and again for new arrangements as their initial "choices" prove unreliable and unstable. The disruption to the child, the family, and the parents' working life is immense and costly.

More than 5 million infants and toddlers are now in the care of other adults while their parents work.

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The Search for Child Care

Unpaid bills have piled up, helpful in-laws have departed, and the young parents of a newborn now face the challenge of finding child care. The father is already back at work and, six months after delivering, the mother must also earn money. She lost her job when she left to have the baby.

The couple agonizes over whether the mother is leaving the child too soon, whether they can find care as good as they themselves provide, whether they can find *any* acceptable care. They have talked with friends and family, done their reading, and they know that the arrangement they make will influence the healthy development of their child.

Friends warn of problems; a few say, "You just have to be lucky." They visit family child care settings in the neighborhood and child care centers. The family child care home they liked had no openings, and in the other, the parents agreed, the provider was already caring for too many young children—three infants and two four-year-olds. In one center they are appalled to see a worker feeding five babies, lined up in five highchairs, from one bowl of cereal. Other centers are too expensive or too far away. Ideally, the mother would like to find both work and child care with an employer who provides a quality center. Her inquiries turn up no such opportunity.

Their only choice may be the one affordable center in their area that has an opening: the center where the babies were lined up in the highchairs.

As a result of this child care crisis, many of our youngest children suffer. They miss important early experiences that are necessary to develop healthy intellectual and social capacities. It is no wonder that parents are concerned. Their children's well-being is jeopardized by

- Poor-quality care
- Lack of affordable care
- High turnover among providers due to inadequate compensation and working conditions
- Weak consumer protection
- A fragmented system of delivery

This chapter offers strong evidence that our society has an important responsibility to provide all parents who need it with quality, affordable child care. The costs of providing such care will be significant, but the costs of ignoring the growing crisis in child care quality are even higher.

The task force strongly recommends that our nation make the availability of quality child care choices to all parents of infants and toddlers a high priority. Such availability fosters the healthy growth and development of children, their readiness for school, and eventually their productivity as members of the workforce.

Parents need options about when to begin child care, and they need child care arrangements that are high-quality, accessible, and affordable. These options include a continuum of parental and nonparental forms of care throughout the first three years. This nation will ensure that parents have genuine choices about the care of their young children when we

- Improve parental leave benefits
- Ensure quality child care for infants and toddlers
- Provide parents with affordable child care options
- Develop networks of family-centered child care programs for infants and toddlers

Improve Parental Leave Benefits

Infants' early experiences are critical to their healthy development. Experts can now substantiate the benefits of allowing ample time for the mother to recover from childbirth and for the parents to be with their new baby during the first months of life.[2] Most physicians recommend at least six to eight weeks away from work for full medical recovery from

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pregnancy and childbirth. Infants have a healthy start in life when parents are able to stay at home during the early months. Breastfeeding and in-home care offer protection from infection before the infant has developed a mature immune system.

In addition, this time together is critically important to the relationship between infants and parents. Young infants are very sensitive to their environments and to the adults who care for them. Substantial and consistent parental contact during these earliest months allows interactions that help the baby form secure, loving attachments to parents and other family members. Parents' emotional responsiveness is critical to ensuring that infants become confident and competent—they learn that their needs will be met and that what they do makes a difference. This basic trust is necessary for healthy psychological development throughout life.

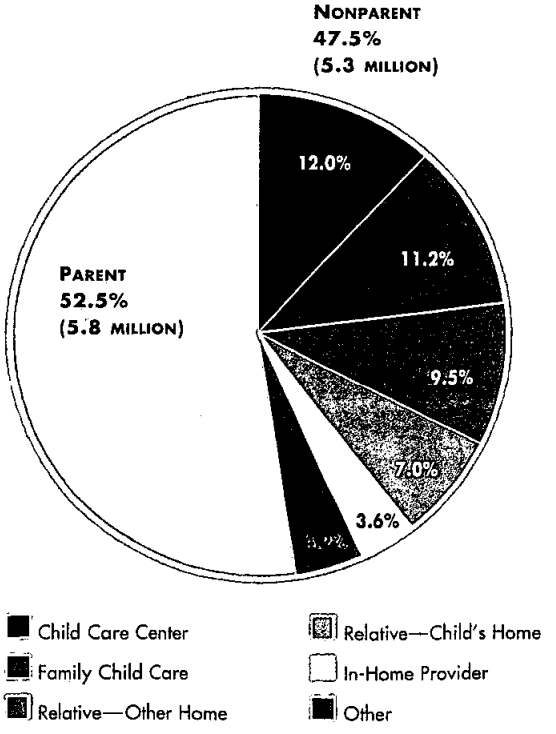
Parents and families also need time to adjust. The birth or adoption of an infant is a sensitive moment in the family's life. Parents need time to get to know their infants, to understand their babies' rhythms, patterns, and preferences. Mothers and fathers learn to respond appropriately through these earliest interactions, and early success helps parents to become confident in their new roles. Such success is especially difficult to achieve when both parents have demanding work schedules. When adequate parental leave benefits enable infants and parents to have sufficient time together, everyone profits.

When new mothers are surveyed on how long a parental leave they would prefer, they say six months. They want time to get to know the baby; time to adjust to the baby's schedule, to find quality child care, and to phase in their return to work.[3] Experts generally recommend a four- to six-month parental leave as critical to fostering healthy infant development.[4]

As employment rates have soared among women with young children, public support has grown for parental leave policies, and it has gradually influenced many sectors of our

WHO LOOKS AFTER AMERICA'S INFANTS AND TODDLERS?

In 1990, more than five million children under three were being cared for by someone other than their parents.



Source: S. Hofferth *et al. National Child Care Survey, 1990.* Washington, DC: Urban Institute, 1991.

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society. Some employers now voluntarily offer parental leave, albeit usually unpaid. Many states require employers to provide basic parental leave benefits. In August 1993, the Family and Medical Leave Act (FMLA)—the nation's first family leave legislation—went into effect. This act requires employers of fifty or more people to provide to all eligible employees twelve weeks of unpaid, job-guaranteed leave with existing health benefits.

This is a laudable first step, but it does not address a number of problems. The task force recommends that the next step should be to include employers with fewer than fifty employees under the legislation; currently 50 to 60 percent of the workforce is excluded. Recent research on the impact of parental leave policies indicates that small businesses are not adversely affected by state leave policies. Most businesses find it easy to comply with state laws, and small employers complying with state parental leave policies have incurred no greater costs than large employers.[5]

Broadening the act to cover more firms is only the first step. Unfortunately, a twelve-week leave, while helpful, does not ensure enough time for parents and the newborn child to develop the strong early relationships that are the foundation for healthy child development. The task force finds that leaves of four to six months would greatly benefit both infants and their parents.

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Because the Family and Medical Leave Act and current employer leave policies do not include wage replacement, many parents must return to work much sooner than they wish. This is especially true for employed women from low-income households. These new mothers typically take less time off after childbirth than women from middle- and upper-income households, and almost one in five takes less than the medically advised minimum of six weeks. Only when some wage replacement is provided, do women from low-income families take leaves resembling those taken by middle- and upper-income women.[6]

All industrialized countries other than the United States, and many less developed nations, mandate both job-guaranteed parental leave and some provision for wage replacement. Possible policy options for financial support are:

- Expanded temporary disability insurance
- A modified unemployment compensation system
- A special benefit for parents with newborn or newly adopted children

Mechanisms for financing a paid national leave policy are not out of reach, if done on a phased-in basis. The responsibility for assuming these costs should be shared by employers, government, and employee contributions.

The Family and Medical Leave Act of 1993 establishes a Commission on Leave to assess the impact of the law and to recommend changes. The task force recommends that the Commission on Leave take a leadership role in evaluating implementation of the act and in studying policy options that would expand employee coverage, offer partial wage replacement, and

Paying for Parental Leave

The United States stands alone among major industrialized nations in not ensuring income protection for parental leave. This imposes particular hardship on working mothers, who must leave their infants within a few weeks after delivery. Most mothers who remain out of work after delivering a baby receive nothing from their employer or any other source. If they are lucky enough to be covered by temporary disability insurance (TDI)—as so few are—they will receive a check for full or partial wage replacement from employer-paid TDI for up to six months.

Now required by law for most employees in five states—California, Hawaii, New Jersey, New York, and Rhode Island— TDI could be expanded to cover the entire workforce. If so, it would provide partial wage replacement for some estimated 840,000 biological mothers.

As a means of providing paid parental leave, TDI offers several advantages:

- TDI can be structured as a national insurance system, administered by a federal agency or by state agencies within a federal regulatory framework.
- Funds can be generated from employee or employee contributions, or both, and collected through federal or state taxes.
- TDI can be financed on a pay-as-you-go basis, out of general revenues, or by means of insurance-type, risk-based premiums, as is done in the five states that now require TDI coverage.
- State and private insurance data can be used to calculate its costs.

Another approach would be modification of the unemployment compensation system. The current system benefits individuals who are fired or laid off; the program might be expanded to cover leaves of absence for families with a newborn infant. Austria and Canada have successfully introduced this plan. Austrian biological and adoptive parents who have qualifying employment histories receive paid leaves of 100 percent of weekly earnings up to the maximum insured wage; the government pays half, and employer and employee split the other half. In Canada, biological mothers and fathers who are covered by statutes and have qualifying employment histories receive 60 percent of wages up to the maximum insured wage during maternity and parenting leave; employers and employees pay the insurance premiums.

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permit a longer leave. In addition, independent research should be conducted on the impact of policy options, including their costs and benefits, so that there is a knowledge base upon which to consider the next steps in family leave.

When surveyed, parents repeatedly state that they would like their employers to institute not only parental leave, but also a wide range of policies that support their role as parents. They want

- Gradual transition back to work
- Flexible time schedules and part-time work
- Financial assistance with sick child care
- Child care assistance through pretax deductions for child care, direct payments, on-site or nearby child care, more accessible facilities, or referral services[7]

Employers, especially those in the Fortune 1000 group, are increasingly finding it good business to respond to these needs. Smaller companies are more likely to respond to employees' work–family needs when they employ professionals than when they employ hourly-wage workers. Companies of all sizes are more likely to institute "work support"—services such as dependent care assistance plans or child care resource and referral that help employees work without distraction—than "family support" policies such as flexible time or parental leave that allow employees to be there for their children when needed.[8]

PARENTS NEED TIME TO GET TO KNOW THEIR INFANTS, TO UNDERSTAND THEIR BABIES' RHYTHMS, PATTERNS, AND PREFERENCES.

The task force recommends that all employers assist parents in ways that are consistent with the needs of both the workplace *and* the family. For example, employers should implement a range of policies such as flexible work schedules, job sharing, child care resource and referral assistance, and on-site or nearby child care.

Ensure Quality Child Care for Infants and Toddlers

For healthy development, infants and toddlers need close relationships with a small number of caring people, beginning with their parents and later including other adults. Infants and toddlers develop these relationships in safe, predictable, intimate settings—in their homes and child care settings. The importance of this process should be a core concern of parent education.

Quality child care programs for our youngest children share these characteristics:

- The environment is safe and comfortable.
- Children receive care in small groups.
- Each adult worker is responsible for only a few children.
- Personnel are well prepared and adequately paid.
- The program encourages parent involvement and is linked to comprehensive health and nutrition services.

Unfortunately, such environmental and staff characteristics are seen in only a small number of child care settings. To begin to address the crisis of substandard child care quality, the task force recommends action in three areas:

- Establish consistent standards of quality for infant and toddler child care.
- Require training for infant and toddler child care providers.
- Improve compensation for child care providers.

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Establish Consistent Standards of Quality for Infant and Toddler Child Care

In looking for child care, most parents search for someone who will treat their child as special, as they themselves do.[9] Parents want their child to receive individualized attention from a sensitive and competent adult. They want a person who truly enjoys caring for young children, a person who will delight in singing, reading, talking, and playing with their baby. To parents, these qualities of individualized and loving care have little to do with formal standards. Most parents describe quality child care as "good parenting"; they believe that caregivers, not regulations, ensure high quality. Parents are skeptical of rules, and they support government involvement in limited doses, recognizing the utility of only the most basic health and safety standards. Even if they like more state monitoring in theory, they doubt its effectiveness in practice.

But child care professionals emphasize the enforcement of consistent standards as the key to high quality. A few consistent standards—appropriately monitored and enforced—can help achieve exactly what parents want. For example, a program that assigns a small number of children to each staff member goes far toward achieving individualized attention for every child. Similarly, standards for training can help ensure that adults interact appropriately with every child, because caring for multiple children from different families requires specialized preparation. Training makes a measurable difference: when providers have learned more about how children grow and develop, they are more likely to offer warmer and more sensitive care than providers with less training.[10] When caregivers are sensitive and stay in the job long enough, children form bonds with them. These bonds do not in any way interfere with attachments to parents; instead, they supplement them.

Despite the evidence that standards establish the preconditions for quality child care, government policy lags behind. At present, child care regulation rests largely with state governments; more important, these standards are varied, weak, or even nonexistent. For instance, one state allows one adult to care for three infants and another allows one adult to care for twelve infants; twenty-three states do not set any standards for group size.[11] Virtually all states allow infants and toddlers to be cared for by providers who have not completed high school, have no training specific to infant and toddler development, and have received less than five hours of annual in-service training.[12]

Why Quality Child Care Matters

Quality child care enables a young child to become emotionally secure, socially competent, and intellectually capable. The single most important factor in quality care is the relationship between the child and the caregiver. Children who receive warm and sensitive caregiving are more likely to trust caregivers, to enter school ready and eager to learn, and to get along well with other children.

The quality of caregiver–child relations depends in part on the sensitivity of the caregiver and in part on the ratio of caregivers to children, the number of children in a group, and the education and training levels of the caregiver. A quality program also attends to the basic issues of health and safety and emphasizes a partnership between parents and caregivers.

Children who receive inadequate or barely adequate care are more likely later to feel insecure with teachers, to distrust other children, and to face possible later rejection by other children. Rejection by other children appears to be a powerful predictor of unhappy results, including early dropping out of school and delinquency.

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The task force recommends that states review, upgrade, and implement consistent child care standards for quality child care. States must identify and agree to a few, fundamental standards and then establish an incentive plan with timetables for gradual adoption. Whether child care occurs in Massachusetts, Missisippi, or Montana, child care standards must consistently promote quality throughout the United States. Such standards should apply to centers, family child care homes, and other birth-to-three programs such as Head Start Parent–Child Centers. Regardless of funding sources, the standards should address

IN LOOKING FOR CHILD CARE, MOST PARENTS SEARCH FOR SOMEONE WHO WILL TREAT THEIR CHILD AS SPECIAL, AS THEY THEMSELVES DO.

- Child-to-staff ratios
- Group size
- Preparation and qualifications of staff
- Health and safety
- Linkage to other community services

In working toward better quality child care, many partners must support these baseline standards. Already, many cities and towns throughout our nation are attempting to devise workable mechanisms to ensure quality child care. In supporting consistent standards for group child care, it is not our intent to pose hardships for informal situations that are working well in communities and neighborhoods. Rather, we encourage communities to develop mechanisms to include these informal providers in local child care networks and to facilitate their compliance with the performance standards.

Professional groups must also play a critical role. Quality child care standards have already been proposed by many professional groups, including the National Association for the Education of Young Children and the collaborative effort of the American Public Health Association and the American Academy of Pediatrics called "Caring for Our Children." States should draw on the work of these organizations.

The role of the federal government must also be strengthened to improve child care policy. In the past five years, Congress has established new initiatives through the Child Care and Development Block Grant (CCDBG) and the Family Support Act, as well as increasing funds for programs such as Head Start and for the care of children of military personnel. The federal government has permitted these programs to be implemented with a variety of standards and financing arrangements. With careful coordination between the Congress and the executive branch, the federal government can serve as a powerful force in linking child care funding, quality, and equity.

The task force recommends that all new and reauthorized federal funding for child care, including CCDBG, the At-Risk Child Care Program, and the Family Support Act Child Care Program, be modeled after the 1990 Head Start reauthorization. This reauthorization directed that 25 percent of new funds be spent on quality enhancements such as improved training, better facilities, and staff compensation. We urge that this money be coordinated at the state level and dedicated to promoting quality child care programs for infants and toddlers through investments in stronger standards, improved training, better facilities, and higher staff compensation. It is unacceptable to use public dollars to support a child care system that is serving our youngest children so poorly.

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To protect society's investments, the federal government can also help states adopt and monitor state standards for child care.

- First, the federal government can provide financial incentives to states to adopt better standards, to establish timetables for the enactment of those standards, and to monitor progress toward enforcing them.
- Second, the federal government should collect and publish annual data about the average cost of care in various settings, the content of each state's child care standards, and the level of compliance with these standards. States should also be encouraged to support communities in providing useful resource and referral services to enhance parents' choices.

Require Training for Infant and Toddler Child Care Providers

In many cases, child care providers are the only adults other than parents who have daily contact with infants and toddlers. As such, they play a critical role in fostering the child's healthy development. Currently, many providers of child care lack specific preparation for their jobs: some have no training whatsoever, and others have received only a few hours of in-service training in child development. Moreover, few incentives exist to encourage further training. To ensure that child care settings nurture children, protect

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their health and safety, and prepare them for later school success, better qualified staff are essential.[13]

Adults who are caring for children under three need to know about this unique period in a child's life. They need practical information about how infants and toddlers develop; how to cope with children's unique temperaments, rates of growth, and communication styles; how to foster healthy emotional and physical growth; and how to create respectful partnerships with children's families. Caregivers need training to maintain a safe and healthy environment and to identify physiological and developmental problems. Preparation should include both course work and service practicums. In this way, novice child care providers can be mentored by more highly trained, experienced infant-and-toddler specialists. Meaningful credentials should be granted upon completion of such training.

The task force recommends that specific training be a condition for providing group care for infants and toddlers. Current child care providers who lack such training should be given the opportunity to receive it on the job. For those already trained, a system of meaningful continuing education credits might also be established. This system would require that, over a set period, all providers take a certain number of courses; this type of system has advanced the professionalism of teachers, nurses, physicians, social workers, and psychologists over the past few decades.

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New Careers for Child Care Professionals

Those who enter the child care field find few opportunities for training and career development:

- Funding for training is limited and sporadic. As a result, most caregivers have no access to training.
- Where training programs exist, incentives to participate are few or nonexistent. Beyond the entry level, few programs offer a sequence of training activities linked to career advancement steps.
- Most training situations fail to prepare caregivers to work with a wide range of children and families. They do not offer specialized training needed to care for children at particular developmental stages, or with particular life experiences.
- Caregivers in general cannot earn college credits by enrolling in a training program.

There are signs of progress, such as financial support for training under the federal Child Care and Development Block Grant program enacted in 1991. Federal and state policymakers are beginning to show interest in caregiver training, and planning to improve training has begun in several states.

Fortunately, examples of promising practices do exist:

- Since 1985, the California Child Care Initiative has been recruiting and training family child care providers. As of March 1993, it has generated 3,600 new licensed family child care homes, making 14,100 child care spaces available to children of all ages. More than 22,000 providers have received basic and advanced training at thirty-four sites across the state. The program offers incentives such as paying providers' membership fees to join professional associations, paying stipends for transportation to training, supplying vouchers for toys and equipment, and placing providers' names in local referral pools. The initiative has recently made more family child care materials available in Spanish and has developed a new recruitment initiative responding to the crisis in infant and toddler care.
- Families of children with disabilities who live in rural settings face particular difficulties in finding appropriate child care. In Montana, the Educational Home Model Outreach Program provides training and technical assistance to child care centers and family child care homes that care for children with and without disabilities. The program offers the particular skills needed to care for children with motor impairments. The project offers advice to other providers via a toll-free telephone line and a newsletter.
- In 1989, Delaware inaugurated the nation's first comprehensive statewide plan for career development in early care and education. The program has opened a resource center for child care providers in each of the state's three counties. It has involved the eight colleges in Delaware that offer early childhood curriculum in a pilot project that enables caregivers to earn college credits.

The task force recognizes that better training cannot resolve all the complex problems of child care. However, attention to training is a relatively inexpensive strategy for improving quality.[14] Further, it is a wise and cost-effective strategy to link all training initiatives to career development within the field. Individuals who obtain entry-level training should receive credit towards college associate and bachelor's degree programs. The task force also recommends that federal and state funds facilitate such training efforts. These funds should be used in several ways. First, they could help to create infant and toddler child care training systems throughout the country, ensuring that all states receive help and technical support. Funds could also help disseminate the best infant and toddler training materials for caregivers. The dissemination of training materials, along with the implementation of statewide

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training systems, would go a long way toward improving child care services to young children throughout the United States. However, the task force recognizes that attracting and retaining high-quality individuals to the child care field will always be constrained as long as salaries are so low.

Improve Compensation for Caregivers

Experienced child care providers who love their jobs leave them in high numbers because of low salaries and inadequate benefits. In a multisite study of center-based care, 70 percent of the staff left their jobs between 1988 and 1992. Between 1991 and 1992, staff turnover was 26 percent. This figure is close to three times the annual turnover reported by U.S. companies; it is nearly five times the 5.6 percent turnover rate reported for public school teachers.[15] With such high turnover rates, the quality of care deteriorates. Infants, toddlers, and their parents need to know they can count on the same well-prepared adults providing care over an extended period.

EXPERIENCED CHILD CARE PROVIDERS WHO LOVE THEIR JOBS LEAVE THEM IN HIGH NUMBERS BECAUSE OF LOW SALARIES AND INADEQUATE BENEFITS.

To sustain quality child care services, therefore, we must improve the compensation of child care providers. In 1990 the average annual salary for providers in centers was about $11,000. In regulated family child care homes, the average revenue received was $10,000 annually; half received less than $8,000 per year.[16] Nonregulated providers averaged $1,961 per year. Even providers with college training or degrees are woefully underpaid. Typically, child care professionals earn only half as much as equally prepared early childhood professionals working within the public school system.[17] Without pay increases, high levels of staff turnover will continue; training will serve only to prepare providers and teachers for their next (higher-paying) job, probably outside the early childhood field.

The goal should be to establish pay levels that are competitive across professions that call for equivalent educational qualifications and job responsibilities. Staff also need to receive benefits that include health insurance, sick leave, retirement, paid vacation, and workers' compensation.

But who will finance increased provider pay and benefits? At present, increased costs are passed on to the child's family, making it more difficult to find high-quality child care that is also affordable. This market-driven system has some serious faults that are burdensome to families. Pay raises to staff must not be solely contingent on a family's ability to pay fair wages. Just as with public education and health care, the costs of child care services must be valued as a public good that must be partially subsidized by government and industry. Individual families must not be "priced out" of quality child care.

The business and government sectors are beginning to turn their attention to child care quality, but a larger, more sustained commitment is necessary. Corporations can help by creating public–private partnerships to sponsor individual child care providers or centers that serve the communities from which they draw their labor force. Federal, state, and local governments all need to contribute to narrowing the differential between the costs of quality care and what is now affordable for many families. They can do so through incentives and

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innovative partnerships with nonprofit agencies and the private sector. These government and business initiatives should invest wisely in the people who are working in child care.

The task force recommends two strategies for improving provider compensation:

- First, tie higher salaries and better benefits to the completion of specialized training. Benefits supplement compensation and also enhance working conditions and job satisfaction.
- Second, provide incentive or salary enhancement grants to child care centers and family child care networks that provide quality care as defined by state standards or by professional organizations.

Staff should be rewarded when they complete specialized training and demonstrate classroom competence, perhaps through programs tied to higher pay or bonuses. Other ways of upgrading the status of child care work include conferring credentials or higher ranks in the child care profession. Training programs should also be targeted at those caregivers who need it, at a price they can afford and at a time that is convenient. For instance, North Carolina has developed the T.E.A.C.H. (Teacher Education and Compensation Helps) early childhood education project, which links training to compensation. The program reimburses child care providers for tuition, books, and travel; it also provides released time for providers in both centers and family child care homes. The provider is compensated while taking courses by receiving either a 4 to 5 percent raise or a comparable bonus. After completing the specially designed college course, the practitioner receives a 3 percent raise.

Army Action on Pay Brings Quick Results

The U.S. Army provides child care for 90,000 children at some 250 facilities worldwide. In 1990 the Army undertook major reforms of its child care system. What it found when it examined the situation at Fort Stewart in Georgia was typical—and it was troubling. Child-to-staff ratios were high (6:1 for infants and 13:1 for three-year-olds). Even more disturbing was a staff turnover rate that significantly exceeded the national annual average of 40 percent: Brigadier General Raymond Roe characterized turnover as "horrible—constant. Some people estimated it at 300 percent." Turnover has consequences for infants and toddlers: "What we call turnover," Deborah Phillips, an expert in child development, said, "they experience as loss."

The Army found that the main reason for turnover was pay. The average pay for child care workers at Fort Stewart was $4.47 per hour, less than the national average, and with no benefits. "We pay higher salaries in our society to people who take care of dogs in kennels and cars in parking lots than to the adults who take care of our children in child care," according to Phillips. Seeking to increase staff pay while keeping care affordable for parents, Fort Stewart commanders, under the authority of the Military Child Care Act of 1990, raised staff pay from $4.47 to $6.41 per hour, the same as other entry-level jobs on the post. Turnover dropped dramatically.

Fort Stewart then implemented a mandatory staff training program and career ladder. Caregivers learn about child development and how to plan activities that engage the children. "We were more like babysitters at one time," a staff member observed. "Now we get to be professionals, we get to be teachers." The Army also improved the teacher:child ratios, which now meet the standards developed by the National Association for the Education of Young Children. Infants are constantly held, played with, or talked to, rather than consigned to swings or cribs.

These reforms doubled the cost to $100 per week per child. Parents pay half, and the Army subsidizes the balance. Army commanders believe that quality child care pays off: it enhances retention of soldier–parents, relieves stress, and improves force readiness. "If I'm deployed, if I go to the field, I just don't have to worry," one soldier said of her daughter. "I know she's going to be well taken care of." ○

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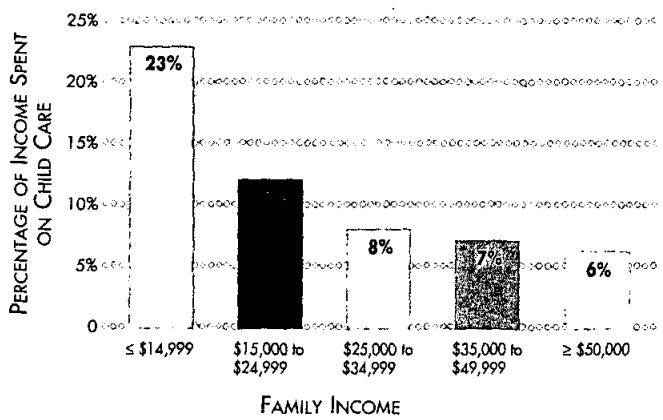
COST OF CHILD CARE HITS LOW-INCOME FAMILIES HARDEST



Source: B. Willer *et al.* (editors). *The Demand and Supply of Child Care in 1990: Joint Findings from the National Child Care Survey 1990 and a Profile of Child Care Settings.* Washington, DC: National Association for the Education of Young Children, 1991.

PROVIDE PARENTS WITH AFFORDABLE CHILD CARE OPTIONS

Traditionally, our nation has asked parents to invest substantial resources in the care and education of young children, especially in the years before children enter the public school system. Because no cash transactions take place, these childrearing services have not been included in our nation's official Gross Domestic Product (GDP). Nonetheless, the value of this "non-monetized" economic activity is large—in fact, it affects many of the "goods and services" that matter most in the lives of young children and their parents.[18]

The Committee on Economic Development has recently estimated that the "total value of unpaid housework is approximately one third of the conventionally measured GDP. Specifically, the value of the services and goods devoted to the care and education of children is approximately two to four percent of the GDP, or on the order of $120 billion–$240 billion annually."[19] In recent years, as mothers more often work, parents have increasingly paid—in actual dollars—for non-parental child care services. This country is just beginning to realize just how expensive quality child care actually is.

When they realize how much child care costs, most parents are astonished. Costs for one child range from $40 to $200 per week.[20] Over the course of a year, families on average pay $2,565 for family child care or $3,173 for center-based child care.[21] As might be expected, infant and toddler care that is high in quality costs more, from $185 to $200 per week in some communities.[22] Some families would thus have to pay $8,000 to $10,000 each year for child care.

All families want to give their children the best care possible, but these outlays are much too high for most. Overall, the less families earn, the higher the proportion of their income that is spent for child care. Families earning less than $15,000 annually often spend a quarter of their income for child care—this is as much as many families spend on housing. Single mothers spend twice as much of their income on child care as two-parent families do.[23]

Even given these costs, most parents know that they have little choice in today's economy but to work.[24] Employed mothers, whose salaries are generally modest, need care that is inexpensive enough to make working worthwhile.[25] At the same time, mothers do not want their young children to suffer because they have to work.

Child care providers, too, feel torn. Many providers would love to hire a more highly trained staff and to pay them higher salaries.

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Tapping New Resources for Quality Child Care

New partners are beginning to take the lead in helping parents to find quality, affordable child care. These new initiatives may foretell dramatic shifts in the way America's vital institutions accommodate family and workplace responsibilities in the future. The following initiatives represent important new ways of promoting quality child care.

- **Corporations** can provide for their own employees and become models for approaches that the business community can take in creating more family-friendly working conditions. For example, in 1988, the Dayton Hudson Corporation began "Family-to-Family" as a collaboration with local nonprofit child care resource and referral agencies to train and accredit family child care providers. By 1992, Dayton Hudson recognized the value of a nationwide public awareness and consumer education campaign on quality child care, and launched "Child Care Aware" in collaboration with leading child care organizations. Child Care Aware encourages parents to consider quality issues in selecting child care services through innovative marketing techniques such as shopping bags that explain the value of quality child care. It helps them locate such services with advice from local resource and referral agencies, helps develop strong parent–caregiver partnerships, builds recognition of child care as a profession, and educates the public about the importance of quality child care for society.
- **State** governments can support innovative financing arrangements to provide capital to child care providers. For example, the State of Illinois has entered into an arrangement to issue tax-exempt bonds, repayable in ten years, with a philanthropic guarantee as collateral. The resulting Illinois Facilities Fund will provide capital to develop ten centers run by child care providers, who will lease the facilities for ten years and will assume ownership when the bond issue is paid off. The financing is expected to strengthen and improve child care centers in disadvantaged neighborhoods. The ten large centers will be fully equipped and curriculum-based and will have support for staff development and training; they should serve as laboratories for further understanding of the economic growth of child care and the needs of families.
- **Banks** can add child care programs to their activities under the Community Reinvestment Act (CRA). The act requires federally insured mortgage-lending institutions to make funds available for community and neighborhood reinvestment at affordable interest rates. If banks identify child care as a "community need" under the CRA, they can make loans to providers as part of their obligations to assist low- and moderate-income neighborhoods. Affordable capital is chronically short in many such neighborhoods.
- **Philanthropic** and nonprofit organizations, including private and community foundations, can take the lead in identifying child care as a critical community issue. They can bring together representatives of employers and employees, persuade local governments and grantmakers to take an interest, and underwrite pilot programs. In 1987, for example, United Way of Massachusetts Bay formed the Child Care Initiative with other foundations and corporations to capitalize a loan fund. The loan fund is intended, in the short term, to provide capital to child care providers for expansion and stabilization of their operations, to ensure investment in centers serving low-income children, and to encourage more businesslike management practices among nonprofit providers. In the longer term, the fund is expected to draw attention to the facilities and capital needs of child care providers, who are often undercapitalized.

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But providers are also reluctant to raise fees for care. After all, if parents already complain about paying $3,000 or $4,000 a year, how can one ask for another $1,000? Instead, providers try hard to keep costs down. They hold fees down by keeping staff wages low or even reducing them, by hiring fewer staff, eliminating benefits, and cutting corners on quality.

A promising strategy for making quality child care more available is to develop more differentiated staffing patterns. Such patterns would combine an increased number of entry-level providers with more highly trained caregivers. Initiatives are being developed to help low-income adults, welfare recipients, older volunteers, and students interested in national service to receive training and entry-level employment in child care. For example, with little additional public expenditure, mothers with infants and young children could be offered an opportunity to pursue education in basic health care, child development, nutrition, and other skills needed to care for their own children as well as the children of others. Mothers who satisfactorily complete the first level of training could be certified as qualified entry-level infant care providers in either family- or center-based child care settings. After additional training, these women could become certified as child care providers. Such an initiative could significantly increase the supply of competent caregivers while at the same time reducing the public and private costs of inadequate care. Another route to a child care career may be through the recently enacted national service program. Students seeking a stipend and loan forgiveness through this program may provide a relatively inexpensive and highly motivated source of assistance in adequately staffing many overburdened child care settings.

OVERWHELMINGLY, TODAY'S PARENTS WOULD LIKE TO SEE BOTH GOVERNMENT AND BUSINESS ASSIST ALL FAMILIES BY ENSURING ACCESS TO AN ADEQUATE SUPPLY OF AFFORDABLE CHILD CARE.

Overwhelmingly, today's parents would like to see both government and business assist all families by ensuring access to an adequate supply of affordable child care.[26] Parents want businesses to offer benefit plans that include onsite or nearby child care and flexible work schedules.[27]

The federal government already offers some assistance with child care to families at all income levels. Depending on actual family income, this support comes in the form of a tax credit, voucher, or direct subsidies to providers. Middle- and upper-income families receive assistance largely through the Dependent Care Tax Credit (DCTC); lower-income and poor families receive subsidies through CCDBG, the Family Support Act, and Head Start. But these measures are not sufficient.

The task force recognizes that making quality child care affordable for parents is a complex problem for this country. The federal government is struggling with a large deficit and tight spending rules, and states have already stretched their finances to assume more responsibility for child care. At the same time, resources directed to the support of child care are inadequate. In this economic climate, the task force recommends that preference be given to providing more financial support to poor and moderate-income families so that they can choose quality child care. We propose two strategies.

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- First, the federal government should channel substantial new money into child care in order to make it more affordable for parents. This money should go to child care providers, permitting them to expand facilities and adopt sliding fee schedules. The new money could be provided in the form of supplementary block grants to the states for child care, though this is not the only possible channel. This new money should be designated to provide quality child care for children under three. Recognizing the fiscal stringency we face as a nation, we cannot recommend an infusion of new federal funds in the amounts sufficient to meet all or even most of the existing needs. Nevertheless, we believe it is urgent to make a "down payment" of enough federal money to expand and upgrade the child care facilities now available to the nation's youngest children. Regardless of whether increased funds are provided through welfare-related child care programs, Head Start, or other federal or state child care programs, all federal child care assistance must ensure the full and healthy development of infants and toddlers.
- Second, the federal government should make the Dependent Care Tax Credit refundable in order to provide greater financial benefits to low-income families. Currently, the DCTC is used by families of all income levels. However, since it is nonrefundable, poor and low-income families benefit least (and sometimes not at all) and upper-income families benefit most. Only 3 percent of the total credit goes to families in the bottom 30 percent of the income distribution, while 75 percent goes to families in the top half of the income distribution.[28]

JUST AS WITH PUBLIC EDUCATION AND HEALTH CARE, THE COSTS OF CHILD CARE SERVICES MUST BE VALUED AS A PUBLIC GOOD.

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The additional costs of refundability could be made up by lowering the income levels at which the DCTC phases out or by decreasing the benefit levels for high-income families.[29] The task force recognizes that many moderate-income families need and take advantage of the DCTC. Because of this, we recommend careful study of the redistribution of the DCTC so that those low- and moderate-income families who need help in purchasing quality child care are not put at a greater financial disadvantage. In addition, the DCTC might be made payable at regular intervals, so that parents would be more likely to use it to purchase quality child care. As things stand, most parents are unlikely to connect the DCTC benefit with their direct child care expenditures. After paying for child care on a weekly or monthly basis, parents receive this benefit only once a year, when they file their previous year's taxes on April 15th.

Develop Networks of Family-Centered Child Care Programs for Infants and Toddlers

Virtually every American community has produced a patchwork of child care, including licensed centers, regulated family child care, unregulated family child care, and informal care by relatives. Most parents become aware of their many choices only with their first child, when issues of how and where to find child care first become important to them.

Yet all too often, the seams that hold this child care quilt together are frayed. In most communities, providers function in almost total isolation—they have little opportunity to share ideas, learn new skills, or provide support and guidance to one another. This isolation is particularly apparent in family child care and care by relatives—the types of care most popular for infants and toddlers.

The many patches of American child care can and must be stitched together. Local child care networks have proven effective, offering numerous benefits:

- Networks alleviate the isolation experienced by many child care providers, particularly those who take care of infants and toddlers in their homes.[30]
- They provide facilities, resources, and materials for professional development activities and enrichment for groups of children.
- They offer parents a well-known, accessible, unbiased source of information and advice as they sort through various child care options. This is especially important for parents who may be new to a community (or to this country), who do not speak English, or who have low incomes.
- They link child care providers with a wide variety of related health, educational, and social services.

The network concept is already working successfully in France. Family day care networks *(crèches familiales)* link from six to as many as thirty-five homes. Each network is directed by a specially trained pediatric nurse who coordinates administration, training, activities, and equipment lending. The nurse–director hires child care providers, supervises their training by qualified staff, matches each provider with two or three children, maintains contact with municipal offi-

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cials, and even organizes backup services for children whose providers get sick. The network staff organizes small group sessions for caregivers and children. During these sessions, caregivers can receive training, information, or social support while children participate in educational activities.

Similar efforts are also under way in the United States. For instance, some areas of Los Angeles have a network system that connects center and family child care. Child care centers serve as the hub and resource for neighborhood family child care homes. Parents are able to contact family child care providers through the center. This structure has given not only assistance, but also credibility, to the family child care providers and the parents they serve.

The task force recommends that every community develop a child care network linking all child care programs and offering consumers a variety of child care settings, including homes, centers, and Head Start programs. Communities could secure funds for these networks through a combination of public and private sources.

Communities should especially encourage participation in these networks by relative and family child care providers. Many infants and toddlers are cared for by relatives or in small family care homes. The smaller setting and more personal care are particularly appropriate for such young children, but the caregivers vary widely in education and experience. By participating in a family child care network, these providers could alleviate their isolation and improve their skills. Educational resources such as toys and books could also be made available. Through the workings of such networks, children in these settings might benefit from a significantly improved child care experience.[31]

In order to work most efficiently, a child care network should have three key features:

- It must be locally developed and operated, coordinating services within a neighborhood or town with a minimum of red tape.
- It must be comprehensive, including all existing child care services, such as public and private nonprofit and for-profit child care centers, as well as family and relative child care. It should also enable children with disabilities to participate fully.
- It must have as its center an institution that is central to its particular community—for example, a child care center, a Head Start program serving infants and toddlers, a local elementary school, or the neighborhood family and child center.

IN MOST COMMUNITIES, PROVIDERS FUNCTION IN ALMOST TOTAL ISOLATION—THEY HAVE LITTLE OPPORTUNITY TO SHARE IDEAS, LEARN NEW SKILLS, OR PROVIDE SUPPORT AND GUIDANCE TO ONE ANOTHER.

Clearly, to be effective, the network must draw on the energy of the community, involving people who know best what its parents and children need.

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Ensure Good Health and Protection

Few social programs offer greater long-term benefits for American society than guaranteeing good health care for all infants and toddlers. We realize the return on that investment when fewer children suffer from preventable illnesses and disabilities and when fewer parents bear the burden of caring for sick children and paying their medical bills. We realize the return when more healthy children and adolescents succeed in school, form a more productive workforce, and in time become better parents. We don't have to guess about the benefits of early health care; indeed, in no other area of social policy can costs and benefits be calculated so precisely. For example, every dollar spent on childhood immunizations saves ten dollars in later medical costs.[1]

Good health, of course, involves more than medical care. Being healthy also means being safe. At present, many infants and toddlers are not safe. Some grow up in neighborhoods where a walk to the grocery store or an afternoon in the playground may be fraught with danger. Some spend long stretches, while their parents work, in substandard child care, under the supervision of underpaid, distracted babysitters, or in the care of brothers or sisters who themselves need more adult attention. And too many are at risk even when cared for by their own parents: some may suffer neglect or outright abuse; others may have parents who do not realize that their practices, or the setting they've provided, are unsafe. They may lack the information they need to ensure adequate nutrition, secure essential health services, or block a toddler's access to toxic household products. These children are at increased risk for health problems or injuries that in most cases need not occur.

Yet, here too, public policy takes little account of ensuring the health and protection of children under three. Similarly, employers and their health insurance carriers focus little attention on preventive health care, which is particularly important for young children. Communities take little responsibility for creating environments in which families with infants and toddlers are safe and protected.

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The Scope of Health Care for Very Young Children

All very young children need good health and medical care if they are to develop optimally. Even healthy infants need a full spectrum of health care services. This care must begin *before* birth, with comprehensive prenatal care for the mother, and must continue after birth, with regular and specialized care that is both preventive and curative. In all cases, services must be appropriate to the child's age and must include developmental assessments. Comprehensive care also provides parents with counseling about health care issues and helps them gain access to social and medical services. If properly provided, this array of services can ensure appropriate health care for all infants and toddlers.

GOOD HEALTH INVOLVES MORE THAN MEDICAL CARE. BEING HEALTHY ALSO MEANS BEING SAFE.

Unfortunately, not all young children now receive adequate health care. The American Academy of Pediatrics recommends nine well-child visits by age two, but fewer than 50 percent of all two-year-olds have visited the pediatrician that often. Children in low-income, minority families receive even less attention. Most of these children receive care only in hospital emergency rooms and only when acute illness or serious injury strikes.[2]

Well-child visits and timely acute care visits lead to early detection and correction of conditions that, if untreated, might impair young children's physical, intellectual, and social development.[3] For example, screening for lead level and follow-up treatment of a toddler who lives in a turn-of-the-century house can minimize the possibility of mental retardation due to lead ingestion. A child whose middle ear infection is diagnosed and treated early will probably not sustain a hearing loss.

"Immunization provides the starkest example of the power of prevention to save or prolong lives, prevent significant disability, and lower medical costs," according to the Office of Technology Assessment,[4] and the American Academy of Pediatrics recommends that all two-year-olds be immunized against several common childhood diseases. Yet immunization remains haphazard, with predictable consequences. Between 1981 and 1988 approximately 3,000 cases of measles were reported each year. As immunization rates decreased in the late 1980s, the number of cases skyrocketed, reaching 26,000 in 1990.[5] By 1992, immunization rates for two-year-olds were 30 percent in a few states and were below 60 percent in most. Then, as immunization rates picked up again in 1993, the incidence of measles began to drop.[6]

Children in Poverty Are at Risk for Poor Health

The supply of health professionals and the quality of child health care vary significantly by community: the most inadequate prenatal and child health services are found in low-income, minority, and transient communities. As a result, our poorest communities are plagued by high rates of infant mortality, low-birthweight babies, communicable childhood diseases, and child abuse.[7] Many of the tragedies represented by these statistics are preventable.

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Immunization: The Goal For All Two-Year-Olds

Communicable diseases have become more common among this nation's children. The reason for this is clear: far too few two-year-olds are being adequately immunized in the United States. Many Americans find this distressing, considering the relatively low cost of immunizations and the huge benefits: Every dollar spent on immunization saves ten dollars in later medical costs. Two initiatives are mounting campaigns to ensure that all children are immunized by age two.

Every Child by Two

In 1991 former First Lady Rosalyn Carter and Betty Bumpers, wife of Senator Dale Bumpers of Arkansas, joined forces to ensure that babies receive their immunizations on time. Their Every Child by Two campaign is helping to get the word out to parents on the importance of early immunization, it is encouraging states and local health departments to increase access to immunization services, and it is promoting long-term policy changes that will ensure full immunization for all children by age two.

The organization has enlisted the cooperation of the spouses of governors and members of Congress, as well as involving elected officials and representatives of more than fifty national organizations, health providers, and concerned community leaders. Campaigns have been conducted in twenty-six states, and technical assistance and resources are being provided to state and community immunization projects.

San Antonio's Immunization Project

To make certain that children are fully immunized, local communities must reach out to parents, communicate the importance of immunizing young children, and then make it easy for parents to comply. San Antonio is one city that is leading the way.

The city's computerized health data system is the backbone of the initiative. The system records all births and is linked to all hospital emergency rooms, public health clinics, and health care providers, allowing neighborhoods with low immunization rates to be identified and targeted for special outreach efforts. In addition, when a child develops a disease that can be prevented with a vaccine, other children living in the same neighborhood can be identified and immunized if necessary.

The immunization message is communicated in both English and Spanish through radio and television public service announcements, billboards, and bench ads at bus stops. Trained staff members also go door-to-door to bring parents information and encourage them to act. In addition, staff members at WIC nutrition services clinics assess children's immunization status and give vaccines as needed. Within two years, immunization rates among children receiving WIC improved from 40 to 83 percent. ○

Low-income families want to make the best possible decisions about their infant's or toddler's health, but their options are often limited. Many parents lack the money to buy health care services or pay health insurance premiums. They may be unable to rent a home in a safe neighborhood. And they may not be able to afford healthy, nutritious food.

Malnutrition during the first two years of life has much more devastating consequences than at any other time, inhibiting normal growth and development. Children growing up in poverty suffer from higher rates of malnutrition and anemia than other children. In one urban hospital, low-income two-year-olds were 40 percent more likely than other toddlers to be severely underweight and clinically malnourished. They were 60 percent more

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A Supplemental Food Program: Building On Success

WIC, the Special Supplemental Food Program for Women, Infants, and Children, was established in the early 1970s. It provides highly nutritious food to low-income women who are pregnant or breastfeeding and to their children up to the age of five. WIC also provides the women with information and education on nutrition. The program links the distribution of food to other health services, including prenatal care. According to the National Commission on Children's 1991 report *Beyond Rhetoric*, participation in WIC reduces by 15 to 25 percent the chance that a high-risk pregnant woman will deliver a premature or low-birthweight baby. It increases the likelihood that these women will receive early, regular prenatal care and that their children will get regular pediatric care and immunizations. Mothers and children who are at greatest risk—those who are poor, minority, and poorly educated—benefit most.

WIC's cost-effectiveness has been clearly demonstrated. Because it significantly reduces the chances of prematurity and low birthweight and thus avoids extraordinary costs of neonatal intensive care that these conditions typically entail, the savings can be substantial. The average cost of providing WIC services to a woman throughout her pregnancy is estimated to be less than $250; the costs of sustaining a low-birthweight baby in a neonatal intensive care unit for one day are many times that amount. Despite its demonstrated success, however, WIC has never been fully funded. It currently serves some 4 million women and children, out of an eligible population of 7 million. ○

likely to suffer malnutrition in the winter months, when, researchers speculated, families diverted their limited funds from food to fuel.[8]

This finding suggests that malnutrition is most severe when poor and low-income parents have to choose among life's barest necessities. Even when federal nutrition assistance is available, it does not reach many poor children. Despite its proven effectiveness, the Women, Infants, and Children (WIC) program, which provides nutritional supplementation, reaches little more than half of all eligible families.[9]

When they do not have to choose between housing and food, low-income families attend to their children's nutritional needs. For example, iron deficiency is less common among children whose parents receive housing subsidies than among those whose parents do not. Housing subsidies cut rents in half for many recipients of Aid to Families with Dependent Children, thus freeing up money to spend on food.[10] Full funding of these subsidy programs might prove beneficial in reducing malnutrition among young children.

In poor neighborhoods, families with infants and toddlers are more likely to live in homes with hazards than are their more affluent counterparts. Poor children who live in old apartments or homes have high rates of accidental injury. They are also often exposed to toxic levels of lead that adversely affects brain development and functioning. Toxic lead levels appear to increase a child's risk of having a reading disability sixfold and of later dropping out of school sevenfold.[11] Additionally, many cases of childhood asthma are attributable to allergic responses to such household vermin as cockroaches, mites, and rodents. Rates of accidental injury are also higher in poor neighborhoods.

Millions of Children Receive Inadequate Health Care

Children in poverty are not alone in receiving inadequate health care. Many children receive substandard health care largely because of the lack of medical and health insurance. In 1992, 8.4 million children lacked access to health care services because they had no insurance,

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and millions more were insured for only part of the year.[12] Most children rely on working parents for health care coverage, yet nearly 80 percent of uninsured children are dependents of working parents.[13] Children lack insurance coverage for several reasons[14]:

- Increasing numbers of children now live with single mothers who work in low-paying service jobs without medical insurance.
- Employer health care benefits have declined over the past decade.
- If family coverage is offered, the employee often declines it because of the high cost of the premiums.

The current system of employer-based medical insurance thus leaves large gaps in health care benefits for children. Such gaps illustrate why the United States lags behind other nations in providing health care services to children. Except for South Africa, the United States is alone among industrialized nations in failing to provide health insurance for children.[15] This is short-sighted public policy; healthy children are more likely to grow into healthy, productive adults. Children covered by health insurance use health care services more often and have better health outcomes.[16] But nearly 13 percent of America's children do not have access to the health care services they need to grow up healthy.[17]

To move toward ensuring that infants and toddlers grow up healthy and protected, the task force recommends changes in public policy to

- Provide needed health care services for all infants and toddlers
- Protect infants and toddlers from injury and promote their health
- Create safe environments for infants and toddlers

EXCEPT FOR SOUTH AFRICA, THE UNITED STATES IS ALONE AMONG INDUSTRIALIZED NATIONS IN FAILING TO PROVIDE HEALTH INSURANCE FOR CHILDREN.

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Provide Needed Health Care Services for All Infants and Toddlers

Health care reform has risen to the top of our national agenda. The prohibitive costs and limited access of our current health care system have sparked wide interest in reform. Many different measures are being introduced in Congress, and states are also struggling with health care reform. Complex issues and competing interests, including the urgent need to make health care reform work for children, will shape the outcomes.

Young children need comprehensive health care because their needs differ markedly from those of older children and adults. Infants' and toddlers' unique needs arise from their developmental vulnerability and the degree to which they are dependent on others—on their parents and on social and governmental institutions—for their health care.[18] To ensure that these needs are met, the task force concluded that policymakers should use a clinical standard of pediatric care to determine the amount, scope, and duration of child health care services and should include not only prenatal health services but also services for nonpregnant women that can affect future pregnancy, fetal development, and maternal health.

In 1979, the Select Panel for the Promotion of Child Health—a federal group composed of fifteen of the nation's leading health care professionals—began the most thorough review of this subject ever undertaken in this country. Fifteen years later, the task force agrees with the panel's conclusions[19]:

- Health care services for all children must be comprehensive, preventive, and primary, including well-child and acute-care visits, immunizations, newborn and periodic health screening (such as PKU and lead exposure), preventive dental care, vision and hearing tests, and developmental and behavioral assessments.
- The 10 percent of children who have chronic or disabling conditions need, in addition, specially designed services and support.
- Comprehensive services include parental education and counseling.
- Access to health care must be ensured through services such as transportation to health facilities and translators who can speak with parents and children in their own language.

The task force identified two elements that would go farthest toward ensuring that children under three receive needed health care services. First, pregnant women, infants, and toddlers must be explicitly included in health care reform. Second, home visiting services should be available as part of comprehensive health services.

Include Children under Three in Health Care Reform

The task force supports the principle that health care reform should result in comprehensive health care services for all our nation's children. Universal primary and preventive care is the cornerstone of children's health services and is long overdue. (See the Appendix to this chapter, page 80, for a complete list of recommended services.) The task force agrees that the health care needs of infants and toddlers call for services that are broader in scope than those designed for older children and

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adults, and in certain instances they must be of greater intensity and duration than would be possible under a more general standard.

Some experts have suggested that within health care reform there needs to be a separate standard of coverage and service for children. This concept should be given serious consideration, as it would

- Guarantee that children's health care services take into account developmental and dependency needs
- Serve as an important organizing principle for systemic health reform and define necessary health care services for children[20]

Whatever health care coverage is adopted, many details will need to be resolved regarding the amount, duration and scope of benefits, and the adjustment of benefits within certain limits to meet the needs of different individuals and groups. It will also be necessary to balance cost containment with quality child health services.

Controlling costs can pose grave risks to quality. The connection is often glossed over in policy discussions, perhaps to make cost control seem less painful than it is. But cost control can result in poor-quality care or in less care—even for children, who are scarcely over-consumers of health care now. For example, many health plans now limit mothers and newborns to twenty-four hours of hospitalization following a normal delivery. Mothers for whom early discharge is a reasonable option are not distinguished from those for whom early discharge poses both medical and social risks. These plans even send a baby home without his or her mother if, after twenty-four hours, the mother is ill and the baby is fine.

In the absence of conscientious home monitoring of new mothers and babies, very early discharge runs directly counter to good preventive medicine. Indeed, good practice calls for careful medical monitoring of both mother and infant for at least three days postpartum, as well as education and support for the new mother during that period. The less experienced or more socially high-risk the mother, the greater the need for this postpartum assistance. Yet short-term cost control is winning the day, and postpartum hospital stays grow ever shorter, even in the absence of other systems to provide the needed care and education.

COST CONTROL MUST BE ACCOMPANIED BY ADEQUATE PROVISIONS TO ENSURE HEALTH CARE QUALITY.

Cost control must be accompanied by adequate provisions to ensure health care quality. The design or revision of a benefits package must take into account not only budgetary considerations and national priorities, but also scientific criteria for adequate health and medical care. Meaningful grievance procedures must enable consumers and providers to protest unfair practices or unintended consequences. To achieve this, consumers and clinicians must work with policymakers in defining what constitutes a child health care service.

Clearly, money is the main barrier between America's young children and the health services they require; but other *non*financial barriers must also be surmounted.[21] These include

- *Capacity shortages*. Too few "appointment slots" are currently available to meet demand. Many communities do not have enough providers, especially pediatricians, family practitioners, and nurse practitioners.

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- *Unfriendly services.* Unfriendly, hard-to-access services are an obstacle to care whose significance has not been fully appreciated. Even those parents who are motivated to seek out health services may be alienated when the clinic telephone is constantly busy or when they are put on hold for long blocks of time; when intake clerks are unresponsive; when staff spend more time determining how services will be paid for than gathering information about the health problem that brought the child there; when parents are given five minutes of a doctor's time after spending hours with their children in a waiting room; when paperwork is impossibly complicated; when interpreters are unavailable.
- *Undervaluing of preventive services.* Many parents who obtain health care when their children are sick are unlikely to use preventive services like well-child visits or immunizations, particularly when these services are not easily available. To seek out preventive services, parents must be motivated to ward off a future, hypothetical danger—not a current, real one. Moreover, mothers with fewer resources and less education, and many who are immigrants, may not immediately grasp the nature or importance of preventive services. Most important, prevention cannot be a high priority for those whose immediate concerns are adequate food, housing, and employment.
- *Lack of continuity.* Many young children do not receive the ongoing health care services they need because they do not have a primary health care provider. The collapse of the public health infrastructure in recent years has cut off many young children from the services they need.

Other barriers include the violence, drugs, and social isolation found in some impoverished inner-city neighborhoods—conditions associated with low levels of health care. Expectant mothers in these neighborhoods are far less likely to receive adequate prenatal care than those in more affluent locales; and preschool immunization rates are also low in these areas. Already over-stressed, these children and their families should not have to add inadequate health care to their list of everyday life problems.

Americans today do not have equal access to health care, and will not even with universal health insurance. Particularly for high-risk, low-income children and their families, health insurance does not automatically translate into health care; coverage is worthless if no primary care provider is available. The nation will have to do more than expand access to coverage.

The task force recommends that all pregnant women and all children receive comprehensive health care services that promote their health and well-being. We recommend that pregnant women and all children under three be the first to be included in a universal system. This is a "down payment"—assuring that children get a healthy start and have the greatest opportunity for a life of productivity and vigor.

Provide Home Visiting Services to Pregnant Women and Families with Infants and Toddlers

For more than a century, home visiting has existed in the United States as a strategy for delivering health care, information, and support services to pregnant women and families with young children. Today, home visiting ser-

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vices are drawing attention as a promising preventive strategy. The General Accounting Office, numerous experts, and many commission reports have suggested that home visiting can help all newborns have a good start in life, can foster child development and school readiness, can encourage parents to take advantage of preventive health services, and can decrease the incidence of infant mortality, low birthweight, and child abuse.[22]

Because of these advantages, home visiting programs have increased in popularity. Many states now offer voluntary home visiting services to all new parents and provide more intensive services to at-risk families with young children. The task force recommends that home visiting services be offered on a voluntary basis as part of comprehensive health services to all first-time parents and their newborns. In addition, more intensive home visiting services should be available for certain at-risk groups of families that request them.

The task force concluded that the current practice of early hospital discharge after the birth of the newborn makes home visiting an attractive strategy during the first six weeks of a newborn's life. By providing at least one visit within the first two weeks, the home visitor can offer advice about infant feeding and support for breastfeeding; answer questions about newborn care; assess the newborn's general health; and provide information about preventive health care, family support services, and child care. The home visitor becomes an important link between the family and community services and supports.

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Healthy Families America

In 1992, more than 2.9 million cases of suspected child abuse were reported, many of them among children from birth to three years of age. Research indicates that the best way to promote healthy child development, to strengthen families, and to prevent child abuse is to provide parents with education and support beginning with the birth of their first baby, ideally by means of a voluntary program of home visits.

Hawaii's Healthy Start Program is an effective model. This initiative provides an initial home visit and assessment of all families with newborns. "At-risk" families are identified and provided with family support, family crisis resolution strategies, and mental health services. Based on Healthy Start, Healthy Families America was launched in 1992 to lay the foundation for a nationwide neonatal home visiting program. Initiated by the National Committee to Prevent Child Abuse, in partnership with the Ronald McDonald Children's Charities, Healthy Families proposes to establish intensive home visitor programs in areas where parents lack education and support programs and to build onto existing programs wherever possible.

The need for such programs is particularly great where children are at greatest risk for abuse or neglect (that is, in communities with high percentages of low-birthweight babies, births to unmarried adolescents, and children living in poverty).

Community-based parent education and support programs exist in the United States, but few are statewide, comprehensive, and well-coordinated with other federal, state, and local programs. Healthy Families America intends to improve this situation. Efforts are under way in all fifty states to build a Healthy Families America system, and eleven states are operating small pilot programs.

The task force also determined that any effort to offer good health care to all infants and toddlers must reach young children whose parents live in impoverished, violent neighborhoods. It is precisely with these vulnerable children and mothers that the investment can have the highest payoff. Especially effective are comprehensive prenatal and infant services, in which trained nurses or paraprofessionals visit unmarried, adolescent, uneducated, or low-income mothers and their children. These programs have successfully encouraged expectant mothers to stop smoking, eat a balanced diet, use the WIC nutrition supplementation program, and seek childbirth education. In families that have been visited, the incidence of low-birthweight babies, child abuse and neglect, and childhood injuries has decreased.[23]

Home visiting programs are also cost-effective. In one study, by the time the children had reached the age of four, the government had saved $1,722 per child for the entire sample and $3,488 per child for low-income families. Savings were greatest in programs such as AFDC, Food Stamps, Medicaid, and Child Protective Services.[24]

The task force concluded that more intensive home visiting services should be made available to families who are at risk for poor maternal and child health outcomes. To be effective, these services should be

- Sensitive to family strengths, characteristics, and circumstances
- Comprehensive in focus, with multiple goals for both the mother and infant
- Geared to frequent visits that can extend flexibly over a one- or two-year period, depending on a families' needs
- Staffed by well-trained, properly supervised paraprofessionals and professionals, who have opportunities for continuing education

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The task force agreed that these more comprehensive home visiting services would have the greatest benefit if offered to all families in communities with high rates of poverty and large numbers of single, young mothers. These voluntary services could help those most likely to benefit without singling out any particular mother or child in the neighborhood.

Protect Young Children from Injury and Promote Their Health

Protect Young Children from Unintentional Injury

Despite modest decreases since 1912 in the overall rate of deaths from injury, unintentional injuries remain the leading cause of death among children aged one to four. While motor vehicle accidents predominate, deaths from fires, burns, drowning, and suffocation are particularly common among the very young.[25] Children growing up in poverty are more likely to die from an unintentional injury than children from better-off families.[26]

Patterns of childhood injury vary not only by income but also by gender and geography.[27] Males predominate as accident victims in all age groups, even among the very young. In 1988, for example, male babies accounted for 57 percent of the deaths from injury among those under one year of age; for children aged one to four, the figure was 61 percent. Death rates from house fires are similar for boys and girls, except between age two and four, when boys' tendency to play with matches and cigarette lighters may account for their higher death rate. Drowning deaths occur more often in states where there are large numbers of home swimming pools. Motor vehicle accident deaths are more common in less urban areas, where more families have cars and speed limits are higher.

While many childhood injuries do not result in death, they may result in disability or disfigurement and may compromise a child's

Safeguarding Children

A napping baby sprawled on the back seat of a car; a toddler who picks at the paint on the kitchen wall and then eats it; an infant teething on a sharp-edged toy—they're all in danger. Many young children risk injury or illness all day long without venturing far from their normal routines.

The good news is that concerted efforts to childproof homes and reduce risks in the car and the neighborhood do work. Risk reduction requires parent education, so that new mothers and fathers (and other caregivers) can learn to spot possible hazards and prevent injuries; at the same time, policymakers, manufacturers, and community groups, must take a proactive approach to safeguarding children.

One effort to create injury-free environments for children is Communities for Child Safety, a program administered by the National 4-H Council. This program defines injury broadly to include intentional, unintentional, physical, and emotional harm. It brings together people who work in injury control and those who work in child abuse and neglect.

Begun in 1987 in Chicago, Communities for Child Safety sends two-person teams into neighborhoods to collect information on hazards, to develop networks with key organizations and support groups, to educate local residents, and to persuade local government and organizations to change their policies and approaches.

Teams urge communities to hold child safety fairs, to assess home safety, to offer infant/child CPR classes for parents, to educate parents in child safety, to establish fire safety programs, to work to prevent child abuse and neglect, and to clean up vacant lots and playgrounds. The goal is a community injury prevention plan.

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future development, well-being, and achievement. Because most of these injuries are preventable, the task force recommends new public strategies to reduce the incidence of unintentional injuries to young children. These strategies must include broad-based community efforts to encourage the use of child safety seats, fire alarms, window guards, and flame-retardant sleepwear, and to reduce the temperature of tap water in homes and child care settings.

Community-based prevention approaches are helpful, as shown by the National 4-H Council's Communities for Child Safety and other initiatives. In addition, a concerted effort is needed to educate parents and other adults about child protection. Leaders in health care, child care, government, social services, law enforcement, voluntary agencies, business and industry, construction and design, and the mass media can all contribute to making the prevention of childhood injuries a national priority. The interests of very young children should be central in these efforts. Industry can develop nonflammable children's clothing and bedding; regulators and lawmakers can promote and enforce requirements to use car seats and to observe speed limits; engineers and architects can design new products or facilities that reduce the risk of injury for young children. The mass media can focus attention on young children and can provide information about products, risks, and methods of protection.[28]

Promote Children's Health

The task force concurs with other commissions that promoting young children's health is a responsibility shared by parents, other caregivers, the community, and health officials at

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all levels of government.[29] Parents have the greatest responsibility for promoting healthy lifestyles at home and making certain their young children receive essential health care services: the mother's level of education and access to information are key determinants for children's health.[30] Other adults—child care workers, health providers, nonprofit agency and religious leaders, business, and the media—also have a responsibility to support families so that young children grow up physically and mentally healthy.

Child care providers can play a key role in promoting children's health and safety at home by creating a physical setting, preparing meals, and selecting toys that serve as models for parents. Child care staff can encourage parents to have their young children immunized (or can provide immunizations on site), can help them recognize illnesses or developmental difficulties, and can protect a child who may show signs of abuse or neglect. Health care providers can offer information about nutrition, child development, the parent–child relationship, and ways to childproof the house. Furthermore, both health care providers and child care staff can elicit support from other community members to develop community-based health education, injury prevention, and health care programs. These professionals can also sponsor activities and special projects to help families gain access to needed services.[31]

But how can we best support parents' own efforts to promote their children's health? First, community leaders can identify what needs to be known by parents and others in the community. Second, programs to teach health-promoting behaviors to parents can be started in accessible settings at convenient hours. Third, religious, civic, business, and other community organizations can communicate information

'ROAR' Lays Early Foundation for Literacy

A Boston pediatrician tells the story of a harried young mother who arrives for her appointment with her toddler in tow. It's been a tough morning, and the afternoon promises to be no easier. In the waiting-room, an older woman approaches with an armload of books and asks if they would like a story.

The toddler takes an immediate interest, and the mother is struck by how many things he can name. She is surprised—and pleased—when the doctor later talks with her about sharing books with her toddler, and offers her a colorful book to take home. If the doctor is "prescribing" books, she reasons, it must be important.

This story is typical of the daily encounters in Reach Out and Read (ROAR), an innovative program at the Boston City Hospital that uses the pediatric visit to spark an interest in reading among families whose children are at risk for school failure. ROAR began in 1989 as a waiting-room program, because there parents and children are a captive audience, often for an extended period of time. ROAR provided volunteer adult readers, and found that young children were interested in the book and parents were intrigued by their children's behavior. ROAR considered the disappearance of children's books from the waiting room a positive sign. Today, ROAR offers assistance and resources to doctors and nurse practitioners, who then provide guidance to parents about reading and give them free children's books.

The program premise is that early cognitive experience is vital to later academic success. Among children served by the hospital, more than 25 percent experience significant reading delays and subsequent school problems; they are at increased risk for school failure. The psychological trauma that can follow school failure is often reflected in low self-esteem, teenage parenthood, delinquency, and substance abuse.

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about children's health, setting as their highest priority the good health of every neighborhood child.[32]

Create Safe Environments for Young Children

The public decries violent acts—child abuse, domestic violence, and murders—that take place in homes and neighborhoods. Although parents, community groups, and elected officials call for anticrime measures, the violence continues,[33] touching the life of too many children in this country—some more often and more directly than others. A child growing up in a poor community plagued by violence is also more likely to experience family violence, abuse, and neglect than a child from a more affluent community.[34]

Although most research and public debate about violence have focused on school-aged children and adolescents, violence also affects pregnant women, infants, and toddlers. Women face the highest risk of violence by a male partner during their childbearing years, and most particularly during pregnancy.[35] The abuse of pregnant women leads to serious risks for the infant, including low birthweight, birth defects, prematurity, and even such grave consequences as stillbirths and infant mortality.[36] After the baby is born, many abused women experience postpartum depression; consequently, their newborns often suffer from feeding problems and failure to thrive.[37]

Overall, repeated exposure to violence is a threat to children's healthy physical, intellectual, and emotional development.

Very young children are also victims of abuse. Of the two million children who experience physical abuse or neglect each year, more than a third—some 700,000 in all—are infants under one year of age.[38] Premature infants are three times more likely than full-term infants to suffer abuse. When children under three years old are maltreated, the result is frequently permanent injury or death.[39] In 1990, almost 90 percent of those children who died as a result of abuse were under the age of five; 53 percent were less than a year old.[40]

The consequences for young children of community and familial violence has been little studied, but there is no doubt that they are adversely affected by such violence and that it interferes with their parents' ability to raise them. Indeed, during infancy and toddlerhood children should develop a sense of trust that the world is a safe place and that they are effective actors in that world. By the end of the first year, infants have a reasonable memory of important, major events that have particular meaning for them.[41] When the environment is not safe, children feel helpless and ineffective. Repeated exposure to violence affects children even before they have language. These children have difficulty sleeping and show increased anxiety and fearfulness. Young children withdraw, become depressed, and have difficulty paying attention. Overall, repeated exposure to violence is a threat to children's healthy physical, intellectual, and emotional development.

Parents, too, are affected by a climate of violence. Their ability to provide a safe environment is jeopardized when they must have their children play below the windowsills or

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Violence and Children: How Communities Have Responded

Today, there is growing awareness that young people who witness violence are also victims. In many parts of the country, young children are increasingly exposed to violence, both as the object of violence and as witnesses. Some communities are responding.

Child Development and Community Policing

The New Haven Department of Police Services, working with the Yale Child Study Center, has developed a program to provide

- Seminars for police officers on child development and human relationships
- A twenty-four-hour consultation service for children and families who have witnessed violence
- A weekly case conference for police and child mental health professionals

Called Child Development and Community Policing, the program has altered the ways in which police and mental health workers coordinate and deliver services to children and families exposed to violence. Police training emphasizes protection of the child's emotional and physical well-being. For example, police officers are trained to reunite children who have experienced traumatic violence with parents as quickly as possible and to call in clinicians immediately.

In the first year, the program trained all 450 members of the police department in the use of the consultation services; 150 officers attended seminars on child development and family functioning. In the first eighteen months of the consultation service, more than 300 children, ranging in age from two to seventeen, were referred by officers in the field. The children had been exposed to murders, stabbings, maiming by fire, death by drowning, and gunfire. They were seen individually or in groups in their homes, at police substations, and at the Child Study Center.

The Child Witness to Violence Project

Children from birth to six who witness violence in their homes, between parents or other household members, and in the community, also need immediate attention. The Child Witness to Violence Project, started in 1992 at Boston City Hospital, identifies young children who have been exposed to violence and provides intervention to both the child and the family. The key to helping children is to support the adults who are most important to the child—whether parents, other relatives, or child care providers. Program therapists help these adults to cope with their own emotions so that they can shift their attention more quickly to the traumatized child.

Leadership Training Seminar on Children Exposed to Community Violence

Young children in Chicago commonly tell pediatric health care providers and teachers that they hear gunshots outside their homes, witness shootings on playgrounds in their neighborhoods, or have a relative who has been a victim or perpetrator of violence. In 1993, the Erikson Institute responded to requests for assistance from the community by providing an in-depth seminar series to enable professionals to help children, from birth to adolescence, and their parents cope with the effects of violence and trauma in their lives.

The project's goal is to help teachers of young children, child care staff, and community service professionals who work with families exposed to chronic violence to understand and respond more effectively to the families' special needs and concerns. Sixty professionals are taking part in the project. Seminars are held twice a month over a nine-month period; the sessions include information about how children view traumatic events, how better to intervene with these children in order to prevent long-term negative effects, and how to work with parents and other adults in the community. In addition, Erikson staff are available for on-site consultation and have developed a new workbook for children facing violence.

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sleep in a bathtub to avoid random bullets, or when everyone knows a neighbor's child who has been killed or is a gang member. Parents often lose confidence and are so traumatized that they find it difficult to be emotionally responsive to their children.

The task force concludes that this nation must make a clear commitment to the right of all young children to grow up in safe homes and neighborhoods. Energy and resources must be directed toward preventing violence in children's lives and dealing with the damage that has already occurred. Two specific interventions seem warranted.

Adopt Family-Centered Approaches

Parents would benefit from family-centered approaches to help them understand the profound effects of violence—both in the family and in the community—on young children. Research indicates the strongest buffer for young children is a supportive relationship with parents. Most children are able to adjust to living in dangerous environments as long as their parents are not stressed beyond their capacity to cope.[42] Parent education and fam-

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ily support programs can help parents understand their critical role in the lives of their children. Parents must be taught skills in nonviolent conflict resolution and have access to proven programs that prevent child abuse and neglect.

In order to serve families best, support networks and individual counseling should be available to parents when necessary. The supporters themselves—the child care staff, health care professionals, counselors, religious leaders, and community workers—need more training in helping families and young children who are victims of violence. Parents themselves need to be able to contact these community resources to support and protect their children. Experts also need to develop a wide range of materials that describe positive parenting skills and offer ways to deal with acute and chronic trauma as they affect young children.

Initiate Community-Based Programs to Prevent Violence

In a growing number of communities today, parents consider few places to be safe and therefore restrict their children's play. Community programs to prevent violence help lower the levels of violence and increase the number of places that are safe for young children. For maximum effectiveness, such programs must be implemented locally, taking into account local conditions.

Increased funding must be made available for community programs that address violence prevention. For example, partnerships between child and family services and law enforcement agencies can support parents, help them develop positive behaviors, and work with families whose children are victims of violence. Such efforts convey to families that they are not alone, that society is committed to addressing violence in their communities.

Front-line workers need in-service consultation about how to deliver services in communities where violence is epidemic. Such efforts must coordinate child and family services with mental health professionals and law enforcement. Successful communitywide collaborations are already taking place in Boston, Chicago, New Haven, New Orleans, and Washington, D.C.

Central to ridding communities of violence is controlling access to guns. Citizens and policymakers have organized concerted, coordinated, and successful efforts to prevent drunk driving, to promote the use of seat belts, and to make smoking unacceptable. Similar efforts must occur with guns, especially given the power of the gun lobby. Even given enactment of the Brady law in late 1993, gun control laws in the United States have not effectively reduced the prevalence of guns in our society, but the American public's tolerance of guns is lessening. What is needed is nothing less than the removal of all guns, except those lawfully registered under stringent controls. Parents must be made to understand that possession of a gun for protection actually increases the chances of their children being injured or killed.[43] Clearly, however, before parents can accept this understanding and act on it, they must be confident that their communities are safe.

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Appendix: Comprehensive Services Recommended for the Promotion of Child Health

In 1981, the Select Panel for the Promotion of Child Health, after a two-year study, identified the services necessary to ensure the health of America's children. The task force endorses the panel's recommendations and has updated them to reflect new medical developments.

Women of Reproductive Age

Services for nonpregnant women

Diagnosis and treatment of general health problems that can adversely affect future pregnancy, fetal development, and maternal health

- Sexually transmitted diseases
- Immune status (rubella, HIV)
- Gynecological anatomic and functional disorders
- Organic medical problems
- Nutritional status, including both over- and underweight
- Fertility and genetic problems
- Significant dental problems
- Occupational exposures
- Genetic risk

Diagnosis and treatment of mental health and behavioral problems

- Substance abuse, including alcohol
- Smoking cessation
- Significant mental disorders

Comprehensive family planning services

- Education and counseling
- Physical exam and lab tests
- Provision of family planning methods and instruction regarding their use
- Pregnancy testing, counseling and referrals as appropriate
- Infertility services and genetic testing
- Sterilization services

Home health and homemaker services

Prenatal services

Early diagnosis of pregnancy

Counseling for pregnancy continuation

- Referral to prenatal care
- Childbirth preparation classes
- Adoption
- Termination of pregnancy

Prenatal care

- History
- General physical exam
- Appropriate laboratory tests
- Diagnosis and treatment of general health problems
- Diagnosis and treatment of mental health problems
- Nutritional assessment and services
- Dental services
- Screening for infectious diseases
- Genetic screening, diagnosis, and counseling
- Identification and management of high-risk pregnancies

Counseling and anticipatory guidance regarding

- Physical activity and exercise
- Nutrition and adequate but not excessive weight gain during pregnancy
- Avoidance of substance abuse and environmental hazards
- Fetal growth and development and physiological changes in pregnancy
- Signs of abnormal pregnancy and of the onset of labor
- Preparation for labor (including partner, where appropriate)
- Use of medications during pregnancy
- Infant nutritional needs and feeding practices, including breastfeeding
- Child care arrangements
- Parenting skills, including risk of child abuse or neglect
- Linkage to continuous and comprehensive pediatric care
- Emotional and social changes brought on by the birth of a child

Perinatal and postpartum care

Monitoring labor

Medical services during labor and delivery

Delivery by qualified professional in a facility with adequate services

Diagnosis and treatment of general health problems

Diagnosis and treatment of mental health and behavior problems (postpartum depression)

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Counseling and anticipatory guidance regarding
- Infant development and behavior
- Infant nutrition and feeding, including breastfeeding
- Home and automobile accident prevention
- Infant stimulation and parenting skills, including risk of abuse or neglect
- Immunization
- Health-damaging behavior by parents, including substance abuse and smoking
- Continuous and comprehensive health care
- Recognition and management of illness in the newborn
- Hygiene and first aid
- Child care arrangements
- Other relevant topics of patient concern

Health education

Counseling and anticipatory guidance, as listed above

Developing positive health habits

Using health services appropriately

Accessing community health and social services

Access-related services

Transportation as appropriate
- Emergency transport
- Transportation services associated with a regionalized perinatal or tertiary care network
- Transportation services that facilitate obtaining needed health services

Outreach services

Hotline, translator, and 24-hour emergency telephone services

Child care services to facilitate obtaining needed health services

Infants under One Year

Services in the neonatal period

Evaluation and support immediately after delivery

Complete physical exam

Laboratory tests to screen for genetic disease and thyroid function

Diagnosis and treatment of general health problems, both acute and chronic

Preventive procedures, including
- Gonococcal eye infection prophylaxis
- Administration of vitamin K

Services of a neonatal intensive care unit, as appropriate

Nutritional assessment and supplementation, as needed

Bonding, attachment support, and extended contact with parents, including rooming-in, if desired

Linkage to continuous and comprehensive pediatric care after discharge

Home health services

Be alert for signs of abuse and neglect

Services for children

Periodic health assessment, including
- History and systems review
  - Medical history
  - Social setting
  - Family background
  - Genetic assessment
  - Age and development stage
  - Potential problems
- Complete physical examination, including
  - Height and weight
  - Head circumference
  - Developmental/behavioral assessment
  - Vision and hearing evaluation
- Screening and laboratory tests as indicated, including
  - Hemoglobin/hematocrit
  - Tuberculin skin test
  - Lead poisoning
  - Parasites
  - Screening for sickle cell and other disorders of hemoglobin
- Nutritional assessment and supplementation, as needed, including
  - Iron
  - Vitamin D
  - Fluoride

Immunizations

continued on page 82

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Diagnosis and treatment of general health problems, both acute and chronic

Home health services

SERVICES FOR FAMILIES DURING INFANT'S FIRST YEAR

Counseling and anticipatory guidance regarding
- Infant development and behavior
- Maternal nutritional needs, especially if breastfeeding
- Infant nutritional needs and feeding practices
- Home and automobile accident prevention
- Infant stimulation and parenting skills, including risk of abuse or neglect
- Immunizations
- Health-damaging behavior by parents, including substance abuse and smoking
- Continuous and comprehensive health care
- Recognition and management of illness
- Hygiene and first aid
- Child care arrangements
- Other relevant issues in response to parental concern

Counseling and appropriate treatment or referral as needed for parents
- Who have chronic health problems that affect their capacity to care for the infant, including
  - Handicapping conditions
  - Substance-abuse problems
  - Mental health problems (including maternal depression)
- Whose infant in seriously ill
- Whose infant has a chronic illness or a handicapping condition
- Whose infant is or is about to be hospitalized

HEALTH EDUCATION

Counseling and anticipatory guidance, as listed above

Developing positive health habits

Using health services appropriately

Accessing community health and social services

ACCESS-RELATED SERVICES

Transportation as appropriate
- Emergency transport
- Transportation services associated with a regionalized perinatal or tertiary care network
- Transportation services that facilitate obtaining needed health services

Outreach services

Hotline, translator, and 24-hour emergency telephone services

Child care services to facilitate obtaining needed health services

CHILDREN FROM ONE YEAR TO THREE YEARS

SERVICES FOR CHILDREN

Periodic health assessment, including
- History and systems review
  - Medical history
  - Social setting
  - Family background
  - Genetic assessment
  - Age and developmental stage
  - Potential problems
- Psychosocial history
  - Peer and family relationships
  - Child care progress and problems
- Complete physical examination
  - Height and weight
  - Developmental and behavioral assessment
  - Vision, hearing, and speech evaluation
  - Signs of abuse and neglect
- Screening and laboratory tests as indicated, including

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- Hemoglobin/hematocrit
- Tuberculin skin test
- Lead poisoning
- Parasites
- Screening for sickle cell and other hemoglobin disorders

- Nutritional assessment and supplementation, as needed, including iron, vitamin D, and fluoride

Immunizations

Diagnosis and treatment of general health problems, both acute and chronic

Diagnosis and treatment of mental health disorders, both acute and chronic

- Emotional disorders
- Learning disorders
- Behavioral disorders
- Substance abuse
- Problems with family and peer group

Counseling and support services for children with chronic or handicapping conditions

Dental services, preventive and therapeutic

Home health services

SERVICES FOR CHILDREN AND THEIR FAMILIES

Counseling and anticipatory guidance regarding

- Nutritional needs
- Home and automobile injury prevention
- Parenting skills, including risk of abuse or neglect
- Immunizations
- Health-damaging behavior by parents, including substance abuse and smoking
- Continuous and comprehensive health care
- Child care arrangements
- Physical activity and exercise
- Hygiene and first aid
- Dental health
- Childhood antecedents of adult illness
- Child development
- Environmental hazards
- Other relevant issues in response to child and parental concern

Counseling and appropriate treatment or referral, as needed, for parents

- Who have chronic health problems that affect their capacity to care for the child, including
  - Handicapping conditions
  - Substance-abuse problems
  - Mental health problems (including maternal depression)
- Whose child is seriously ill
- Whose child has a chronic illness or a handicapping condition
- Whose child is or is about to be hospitalized

HEALTH EDUCATION

Counseling and anticipatory guidance, as listed above

Developing positive health habits

Using health services appropriately

Accessing social services and entitlements

ACCESS-RELATED SERVICES

Transportation as appropriate

- Emergency transport
- Transportation services associated with a regionalized or tertiary care network
- Transportation services that facilitate obtaining needed health services

Outreach services

Hotline, translator, and 24-hour emergency telephone services

Child care services to facilitate obtaining needed health services

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Mobilize Communities to Support Young Children and Their Families

Take a walk around the neighborhood, virtually any neighborhood, in the late morning, when most Americans are at school or work. That's when infants and toddlers seem to be out in force—lifted from car seat to shopping cart, carried or wheeled down Main Street, or set loose in a sandbox. The adults who care for them have ventured out to do errands, visit the doctor, calm a fussy baby, or perhaps just to escape the isolation of solitary child care. Some find themselves in communities that respond to their needs and those of their children. Town centers have sidewalks for strolling, and the kinds of playgrounds and parks where children can safely play and adults can comfortably sit. Stores and restaurants welcome people with infants and toddlers, shopping malls accommodate small children, and family drop-in centers provide a meeting place—a source of stimulation for the children and of information and social contact for adults. Essential services, like clinics or pharmacies, are conveniently located, and have hours that make sense for working parents. In short, the community's institutions, both public and private, are designed in ways that weave young children and their caregivers into the social fabric.

But those communities are the exception rather than the rule. More often, outings into the community can be stressful, frustrating events for people with infants and toddlers. Most communities are far more responsive to the needs of their "working" residents—those who hold jobs outside the home and who do not have small children—than to the needs of adults caring for small children. This is no accident. For the most part, new parents tend to have less influence than other community members: overwhelmed and isolated by the demands of home and work responsibilities, they often have less financial clout, less involvement in community affairs, and less say in setting priorities.

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A Community that Supports Families With Young Children

This report identifies four key starting points for young children that may also serve as starting points for community planning. To support families with young children, a community must invest its human and financial resources to

- ***Support parent education:*** Encourage parents to make responsible choices in planning to have children; make family planning and prenatal health care services widely available; and educate parents and all community members about the importance of good parenting.
- ***Broaden quality child care options:*** Give all parents access to quality, affordable child care options, so that they can nurture their children while pursuing economic self-sufficiency and personal growth. Quality child care and parental leave are essential choices that all parents need.
- ***Guarantee adequate health care:*** Provide parents and their children with comprehensive primary and preventive health care, and educate parents and community-based providers about injury prevention to ensure safe and protective environments for children.
- ***Strengthen community networks:*** Draw together community programs to establish accessible and welcoming neighborhood and child family centers so that all parents can get the support they need in raising their young children.

For these and other reasons, the community services available to most families with children under age three are few and fragmentary. When a new baby joins a family, relatives, friends, and neighbors may pitch in, keeping an eye on older children, offering advice about calming a colicky infant, or bringing over a casserole. But new parents need more systematic, sustained support. Families of all kinds need help in balancing childrearing and workplace responsibilities, in acquiring the best possible child care and health care, and in dealing with the inevitable stress of raising a young child—often without the support of an extended family.

The bottom line is this: most communities do not adequately support a healthy start for our youngest children, and our nation has not mobilized the resources or the will to meet their needs. This is the quiet crisis that threatens the stability of community and family life across this nation.

Communities Count

Reversing the quiet crisis requires more than the provision of direct services to families, such as those described in preceding chapters. It has become increasingly clear that we also need to support communities so that they in turn can strengthen family life.

A growing body of research supports the premise, most eloquently formulated more than half a century ago in the work of L. S. Vygotsky, that human development, and especially cognitive growth, occurs in the context of engagement in joint activities with important people in our lives, both relatives and nonrelatives. Recent studies extend this notion by exploring the role of neighborhoods and communities in mediating broad cultural, social, and economic forces and thereby molding the lives of families and children. These studies demonstrate that supportive social networks help parents to utilize community resources, to cope with stress, and to learn new parenting styles. They show that neighborhood characteristics do indeed affect individual outcomes for children.[1]

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Ecology and Children

Two strands of community-level research are especially relevant to the work of the task force. The first takes an *ecological* approach to improving children's chances of getting a secure, healthy start in life. The term "ecological" suggests that a viable, sustainable habitat is crucial to the survival of a species. Applied to child development, the ecological approach assumes that a family's effectiveness as a childrearing system is bolstered by the existence of a supportive social network that includes people outside the immediate family—relatives, friends, neighbors, coworkers, and other community members. In short, it assumes that as we raise our children, communities count.[2]

Before the late seventies, researchers paid relatively little attention to this approach. They tended to view personal networks as private matters, since they grew out of extended family relationships and individual friendships. But there is growing evidence that the kinds of social networks developed by parents, and later by the children themselves, have an impact on children's mental and physical well-being and on their success in school.

One large study followed 160 families in ten neighborhoods of Syracuse, New York: it included families with a wide range of ethnic, economic, and structural characteristics. Over a three-year period, families took part in a Child and Family Neighborhood Program that provided a variety of resources that supported parents' childrearing efforts. The program did not explicitly aim to expand parents' social contacts, but researchers did study the development and effects of these networks. The study showed that when parents are more connected to other families in their communities,

THE COMMUNITY SERVICES AVAILABLE TO MOST FAMILIES WITH CHILDREN UNDER AGE THREE ARE FEW AND FRAGMENTARY.

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their children benefit. Stronger, larger networks had a positive effect on parents' ability to deal with stress, on mothers' perceptions of themselves and their children, on fathers' involvement in childrearing, and on children's self-esteem and school success. In addition, the researchers found that, in some circumstances, network resources reduced the probability of certain mental and physical illnesses.[3]

Social Disorganization: Children Pay the Price

A second line of research comes from social disorganization theory—the study of the way people are affected by the degree of social organization in their neighborhoods. It focuses not only on the community's formal institutions, but also on its informal networks—the density of acquaintanceships, the ties among different generations within extended families, and the shared responsibility for children. It suggests that when people feel responsible for what happens in their neighborhoods, children benefit.

Moreover, this research shows that the absence of social cohesion can have a devastating effect on the entire community, but particularly on its youngest members. In particular, it suggests that social disorganization, in combination with urban poverty, can lead to low birthweight, child abuse and neglect, cognitive impairment, and adjustment problems. Researchers have found that social isolation not only deprives parents of crucial resources; it also limits their access to the kind of cultural learning and positive role models that can help them cope better at home, in school, and on the job. And finally, they suggest that community-level interventions to provide prenatal care, to promote infant and child health, to impart childrearing skills, and to teach conflict resolution are promising.[4]

Helping Families by Improving Community Supports

These findings strengthen the task force's conviction that families can benefit from improved community supports—in particular, when communities are able to develop a broad, coherent approach that makes sense for their population of families with children under age three. This is a daunting challenge, requiring the good ideas and hard work of people across the nation: government officials, business leaders, agency staff, community workers, and volunteers. But the long-term payoffs will be substantial. A good start in life measurably decreases the risk that individuals will drop out of school, swell the welfare rolls, or shuttle in and out of the criminal justice system. All of society clearly benefits when young children grow up to be productive, secure, active citizens.

Promote a Culture of Responsibility

The task force recommends that every community in America focus attention on the needs of children under three and their families, beginning in the prenatal period. We urge leaders to marshal resources on their behalf, to learn from effective, innovative models, to plan carefully, and to measure and report the results of these efforts to the public. Because many American families with young children face multiple risk factors—including poverty, unemployment, inadequate housing, and violence—we recommend that special attention be given to services and supports that benefit those most in need.

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Setting Goals for Effective Community Planning

By undertaking a comprehensive assessment or "audit" of the status of families with children under the age of three, a community-based planning group can document not only a community's problems, but also its strengths. During the planning process, this group should actively encourage public input and discussion in a variety of community forums. Reports summarizing major findings should be issued periodically to inform the community, inspire voluntary commitment, and influence public policy.

During the planning process, the group should

- Gather data that answer basic questions about the characteristics and needs of families with young children, including their numbers, geographic distribution, income, family composition, ethnicity and race, and environmental risks. What trends are observable over the past several years?
- Interview parents, program staff, service providers, and public school teachers to pinpoint key challenges in their particular community.
- Determine the scope and accessibility of services and supports now available to families, including family planning, parenting and family life education, child care, and pre- and postnatal health care.
- Analyze the public and private sector policies that affect parents' ability to balance work and family commitments.
- Survey community resources available to families with young children, including housing, parks, libraries, recreation and drop-in centers, health care and child care facilities, voluntary agencies, places of worship, and informal assistance.
- Establish clear goals and priorities, and recommend interventions that meet those goals.
- Create an ongoing mechanism to monitor the implementation of its recommendations.
- Throughout the process, promote collaboration among the many institutions and individuals who work with families and young children.

One community that has pulled together a promising planning process for meeting the needs of families with young children is Austin, Texas. Launched in 1992, the Austin Project seeks to mobilize the public and private sectors to reverse the decline of several inner-city neighborhoods. Arguing that conditions for families, children, and youth pose "not only a profound moral problem but also heavy, rising costs and a threat to the future workforce of Austin," Professors Walt and Elspeth Rostow of the Lyndon B. Johnson School of Public Affairs at the University of Texas, organized a multisectoral group, including the mayor of Austin, a county court judge, the president of the local school board, and church, corporate, and community leaders. In September 1992, the group produced a report entitled *An Investment Plan for the Young*, documenting its goals and principles. The report states that "a strategy of continuous support and widened opportunity for families and children at every stage of life from prenatal care to entry into the workforce must be developed."

To achieve its goals, the Austin Project developed a five-year financial and capacity-building plan, identifying the care of children from before birth to age eight as the community's "most pressing priority." The plan states: "It is a vital interest of the whole Austin community that every baby born in our city be given a healthy start in life."

The Austin five-year plan includes measurable goals and specific progress benchmarks, including reduction of the infant mortality rate and of the incidence of low-birth-weight babies; increase in the use of nutrition programs by pregnant women; better primary health care coverage for infants and toddlers; reduction of preventable injuries; improvement of child care quality through better provider training; and availability of parent education, information, and support to all families.

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A sustained, systematic effort of this kind requires broad-based action at the local level, the commitment and imagination of service providers, the spirited involvement of Americans from all walks of life, and the support of state and national government. Without all these constituencies on board, communities will not be able to develop the "culture of responsibility" needed to institute real change.

Need for Local Leadership

At the same time, we recognize that leadership for change must be local. The problems of young children and their families do not lend themselves to one-size-fits-all solutions. Communities need to develop their own approaches to creating family-centered communities, based on a strategic planning process that involves all sectors of the community: parent and neighborhood groups, government, business, voluntary agencies, health and child care providers, the school system, the media, and religious institutions.

THE BOTTOM LINE IS THIS: MOST COMMUNITIES DO NOT ADEQUATELY SUPPORT A HEALTHY START FOR OUR YOUNGEST CHILDREN.

This kind of broad-based effort demands strong local leadership—a core of change agents who have strong community ties and sufficient flexibility to reach consensus on goals. In some communities, a citizens group or a private/public partnership may already be addressing issues of education, health care, or family services, and can broaden or refocus its agenda to address the specific needs of very young children and their families. In other communities, forming such a group will be the first step.

Community Assessments

The process should begin with a community assessment, examining the needs of young children and families, especially those with multiple risk factors, and the capacity of existing programs to meet those needs.[5] Planners must ask such questions as

- What kinds of preparation for parenthood, parent education and support, and family planning services are available? Who is benefiting from them?
- What kinds of prenatal care are available, and how many expectant mothers do they reach?
- How much infant and toddler child care is available in the community, and what is its quality?
- What proportion of young children in the community receive the full recommended course of immunizations?
- Which public and voluntary agencies serve families with children under age three? Are they meeting local needs? To what extent are their services coordinated?
- Which factors and resources in the community promote or inhibit the development of social networks among families with young children?
- What funds are available from public and private sources? How are they being expended to serve families with young children? How can we improve funding mechanisms and achieve greater cost-effectiveness?
- What additional resources can be leveraged from business, volunteers, and the private, nonprofit sector?

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New Partnerships for Community Innovation

Increasingly, foundations, entrepreneurial investment funds, and civic groups are responding to the problems of families with young children by forming public–private partnerships to support innovative, community-based solutions. Three examples are particularly noteworthy.

- **The Children's Initiative:** In 1991, the Pew Charitable Trusts, one of the nation's largest private philanthropies, established "The Children's Initiative"—a major grant-making program designed to demonstrate how to improve the lives of families with young children on a broad scale. The foundation has made a large multiyear commitment to help states and communities adopt "a new way of working with families, to reshape service delivery systems, and to make the investments necessary to shift from a crisis-oriented, fragmented, and inadequate approach to one of inclusion and effective supports for all children."

  The Pew Trusts are working intensively in communities in five states: Kentucky, Florida, Georgia, Minnesota, and Rhode Island. Each state has organized a high-level leadership group and has developed a comprehensive plan to achieve four critical outcomes: improved child health, good child development, reduced barriers to school performance, and better family functioning and stability. Each plan will gauge progress toward these goals in terms of specific measures, such as a reduced rate of infant mortality and reduced incidence of child abuse and neglect.
- **The Ounce of Prevention Fund:** The Chicago-based Ounce of Prevention Fund is an example of a new kind of organization that draws upon family, community, and government resources to promote the well-being of children and adolescents. Established in 1982 and initially financed with both state and private monies, the fund broke new ground in collaborative models. The fact that it is a private–public partnership improves the fund's leverage with government: support has come not only from dozens of corporations and individuals, but also from the U.S. Department of Health and Human Services and several state agencies.

  The collaboration also frees the Ounce of Prevention Fund to innovate. The result is a strong network of programs, research, and advocacy for children, youth, and families in Illinois. The fund also operates the much-publicized Center for Successful Child Development in the Robert Taylor Homes in Chicago, the nation's largest high-rise public housing development. The center provides services and supports to families and their children in an environment that many observers consider to be the worst public housing conditions in the United States.
- **Kiwanis Club Programs:** Established civic groups are also supporting child-oriented programs. Kiwanis International has designated young children "Priority One," and has asked each of its five thousand clubs to develop a project addressing maternal and infant health, child care and development, parent education and support, or safety and pediatric trauma.

  The resulting projects range from building a playground for a child care center to distributing a safety brochure (translated into ten languages) throughout Europe. Some clubs distribute books to preschoolers, and others offer community education about shaken baby syndrome. Several clubs have developed videotapes, printed materials, or project ideas that have been shared with other clubs. Kiwanis divisions and districts have launched larger efforts, including immunization programs and the establishment of pediatric trauma centers. ○

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Eliminate Weaknesses and Build on Strengths

As they look at existing resources, communities are likely to find that some programs are effective, or would be with relatively minor adjustments. It is important not to dismantle programs that work or to disrupt networks that have been painstakingly established.

Other programs will prove to be less effective. Many are understaffed. In other cases, staff members may not have the educational background or sufficient training to plan activities for children that are developmentally appropriate, to work effectively with families, or to make appropriate referrals to other services.

Perhaps the most serious weakness the community planning process will uncover is insufficient coordination among programs serving the same families.[6] Forging links among these programs should be a top priority. Parent education programs will be more effective if they are linked to family planning and employment/training services. Child care programs can serve children better if they link parents to family service agencies that can help them cope with their many responsibilities and to neighborhood schools to ensure a smooth transition as children move on.

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These linkages provide a more comprehensive, family-centered system of supports for young children and their families. They can also result in a shared information system, making it unnecessary for parents to tell the same story over and over again to different professionals in different agencies. And most important, this comprehensive system can help to seal the cracks through which many young children now slip.

Once services are linked, decision makers are in a better position to eliminate duplication of services, and to see where new services can be added or existing services modified. The process may result in more efficient delivery mechanisms. For example, a van can deliver both medical and parent education services to hard-to-reach mothers in high-risk neighborhoods.

Emphasizing Results

Once the assessment is completed and documented, the leadership group needs to reach consensus on goals, and to define the specific interventions that will meet those goals. A strong plan will probably include elements that benefit families with young children directly (such as prenatal care programs or parent education services) and those that benefit them indirectly by reinforcing social cohesion within the community (such as improving community safety, which makes it possible for parents to gather).

A key challenge at this stage is establishing credibility by building program performance measures into these plans. These measures would define quantitative and qualitative results. An emphasis on results is crucial for several reasons:

- It focuses attention on what children and families in a particular community need (such as the reduction of infant mortality, more accessible child care, or higher immunization rates) and on how those needs were met, rather than on the number of services provided or the number of people served.[7]
- It promotes communitywide efforts on behalf of children. As individuals and agencies with different professional orientations work together, they must define and agree on shared goals. Collaborative relationships are strengthened, and a communitywide culture of responsibility is nurtured.
- It may help restore public confidence that financial investments are paying off. Opinion polls show that the many citizens who have lost confidence in government and other institutions will support new investments in human services only when they are convinced that the investment is producing the promised results.

AS INDIVIDUALS AND AGENCIES WITH DIFFERENT PROFESSIONAL ORIENTATIONS WORK TOGETHER, THEY MUST DEFINE AND AGREE ON SHARED GOALS.

Move toward Family-Centered Communities

The task force envisions a strategic planning process that would move communities toward a family-centered approach—a cluster of resources and services linked together so that more parents can, with efficiency and dignity, gain access to essential information and services and fulfill their responsibilities to their young children.

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Schools of the 21st Century Link Services for Families

Services to families with young children can thrive in many different settings. Many communities are beginning to realize the potential of the neighborhood public school as the hub in a network of programs serving children under three and their families. As a physical plant, the public school is often underutilized, and its location is usually convenient and well known. And most residents have a sense of ownership of the school; they know that their taxes have paid for it. But until recently, most parents never ventured into schools until their children approached the age of five.

Today, we are moving toward an expanded understanding of the public school's mission that is rooted in the nation's first education goal: school readiness. To attain this goal, education leaders are seeking ways to reach families and children long before they enter kindergarten.

An increasingly popular school-based model that links community programs for families with young children is Schools of the 21st Century. Developed at Yale University, this program reaches out to expectant parents through linkages with parent education and family support programs such as Parents as Teachers.

Here's how it works: Parents enroll voluntarily in a home visiting program that ensures that, from the moment a pregnancy is known, appropriate information, advice, and services are available. To help parents locate quality child care, for example, program staff make referrals to a network of family child care homes and child care centers in the community. A school resource center also provides linkages to health, nutrition, and other services that parents may need during the first three years of their child's life. Once the child turns three, the family can obtain quality child care at the school site. Before- and after-school child care and educational enrichment programs are available for children aged five to twelve.

A resource center at the school, staffed by individuals certified in early childhood education, provides ongoing professional development for teachers, home visitors, and other community providers.

The program is financed through parent fees, government sponsorship, and private donations. Schools of the 21st Century have been successfully implemented in many parts of the nation, including Connecticut, Missouri, Texas, Mississippi, Virginia, and Wyoming. O

Each community or neighborhood would develop a network of services geared to the needs of its families. This network of services can and will take many forms, reflecting and reinforcing the informal social supports that are already in place. But we anticipate that in each community, a single institution would become the center of the network, offering support, information, and referrals to families and providers. This institution would become known in the community as the place parents can turn to for information, advice, or service—an institution so useful and so accessible that parents and community leaders will wonder how they ever got along without it.

This recommendation reflects a growing interest in family-centered comprehensive programs. Several recent studies show how a network of comprehensive programs for families with young children serves the needs of different communities. These studies conclude that, unlike traditional services, many centers help to prevent crises by responding early and flexibly to the needs of families and communities; by reaching out to families, including those that social service bureaucracies often miss; and by emphasizing family strengths rather than weaknesses. They are user-friendly, creating home-like settings or offering services in families' homes.[8]

Create Neighborhood Family and Child Centers

The task force encourages broad experimentation with a comprehensive approach through the development of neighborhood family and child centers. We encourage collaboration with local colleges and universities so that we

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can move expertise on child development from campuses to communities; and with local businesses and agencies, so that we can move expertise on program management from board rooms to play rooms.

As these centers evolve, they can move toward providing a full spectrum of services, including:

- Parent education and ongoing support groups
- One-stop access to information about child care, schools, health care, social services, and a wide range of other community resources
- Outreach to families with multiple risk factors
- Professional development and technical assistance for caregivers and service providers

Some communities may establish new family and child centers; others may choose to expand an existing program at a neighborhood drop-in center, preschool, health facility, library, settlement house, religious institution, or community agency. In fact, a family and child center could be built on any credible community institution and could be financed through the expansion and redirection of government funds, private support, and parent fees. Each community should establish its own strategy for administering these centers, but it is essential that parents and other neighborhood residents be involved in their development and management.

Communities and states throughout the nation are experimenting with a wide range of comprehensive programs for families with young children, including Parent–Child Centers, Schools of the 21st Century, Smart Start, Healthy Start, Better Babies, Success by Six, Avance, and Parents as Teachers. Committed to the best of American pluralism and entrepreneurship, the task force encourages broad variation in the implementation of local programs.

Expand Head Start

In many communities, however, existing Head Start programs are a logical starting point for the provision of comprehensive services and supports for infants and toddlers and their families. Since 1965, Head Start has combined developmentally oriented child care with community involvement, support of parents, and provision of nutrition, health care, and social services. Historically, Head Start has had a limited mandate: it has served primarily three- to five-year-old children from low-income families who need an extra boost to be ready for school. And like many large-scale programs, it has been criticized at times for uneven quality. But on the whole, Head Start has gained enormous credibility as a cost-effective, national program that significantly improves chances of early school success.

A FAMILY AND CHILD CENTER COULD BE BUILT ON ANY CREDIBLE COMMUNITY INSTITUTION AND COULD BE FINANCED THROUGH GOVERNMENT FUNDS, PRIVATE SUPPORT, AND PARENT FEES.

Head Start now serves some 700,000 three- to five-year-olds each year. But in 1992, Head Start served only one out of every twenty economically eligible children under age three. In the 1990s, when the nation has become committed to school success for all, and when we have learned that the fundamental building

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A Head Start Model for the Under-Threes

In 1966, a federal government task force established by President Johnson recommended the development of a comprehensive service program for families with children under three years of age. Known as Parent–Child Centers, this initiative was conceived as a key element of the newly established Head Start program. Originally, thirty-six sites were established in thirty states and the District of Columbia, but the program was virtually eliminated in the 1970s. Since that time it has grown slowly; in 1992 there were 106 centers serving fewer than 20,000 infants and toddlers.

Many of the existing centers may act as models for Head Start services for the "under–threes." One strong program is the Edward C. Mazique Parent–Child Center, which operates in one of our nation's poorest neighborhoods, not far from the United States Capitol in Washington, D.C. The Mazique Center serves more than 500 families on a regular basis: 75 percent are African American; the remainder are predominantly Hispanic. The center provides comprehensive, integrated services and collaborates extensively with other neighborhood programs. Its primary features are

- ***Home-Based Program.*** Beginning during pregnancy, home visitors provide information and referrals relating to prenatal care, nutrition, parenting styles, and child development. The program supports parents in their child-rearing responsibilities until their child enters kindergarten.
- ***Quality Child Care.*** Once their child reaches the age of six weeks, parents can obtain high-quality center-based child care provided by well-trained staff in a developmentally appropriate program. After the child's second birthday, parents may chose a preschool child care program with longer hours, or the child may remain in the center-based child care setting. In either case, the child will enter a Head Start program at age three. Family involvement is actively encouraged.
- ***An Emphasis on Adolescent Parents.*** The "junior parents" program is designed for adolescent parents (ages 13–18) and their families. The program encourages adolescents to remain in school by providing high-quality child care for children between six weeks and three years of age, and by supporting and guiding the parents' own educational, career, and personal options.
- ***Early Intervention for Children with Special Needs.*** The center provides a multiservice approach for children from six weeks to five years of age with moderate to severe developmental delays or diagnosed disabilities. The program includes assessment, therapy, and transportation.

The center provides other important services, including an onsite pediatric medical clinic, career development and job training, social services, drug treatment, crisis intervention counseling, and resource and referral services. It is also engaged in research and development activities.

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blocks of school learning must be in place long before children reach Head Start age, that is not enough.[9]

In light of new research and experience, the task force concludes that Head Start (and similar programs) must begin much earlier. Although Head Start services have been offered primarily to disadvantaged children, the program's emphasis on healthy development is a sound and effective starting point for every American family.

We recommend that the comprehensive, family-friendly and community-based services that have characterized Head Start now be expanded to provide appropriate services and supports for younger children and to be a source of consistent support between the prenatal period and school entry. Beginning with the most disadvantaged families, the new program for children under three should include home visits, immunizations, linkages to prenatal and other health care, parent education and support, and developmentally sound child care, as well as nutrition and social services. These would equip parents to be the effective first teachers of their young children, and could link up with adult job training, drug treatment, housing, and economic development programs. Head Start programs for younger children could be associated with schools, settlement houses, existing Head Start programs, or other community institutions.

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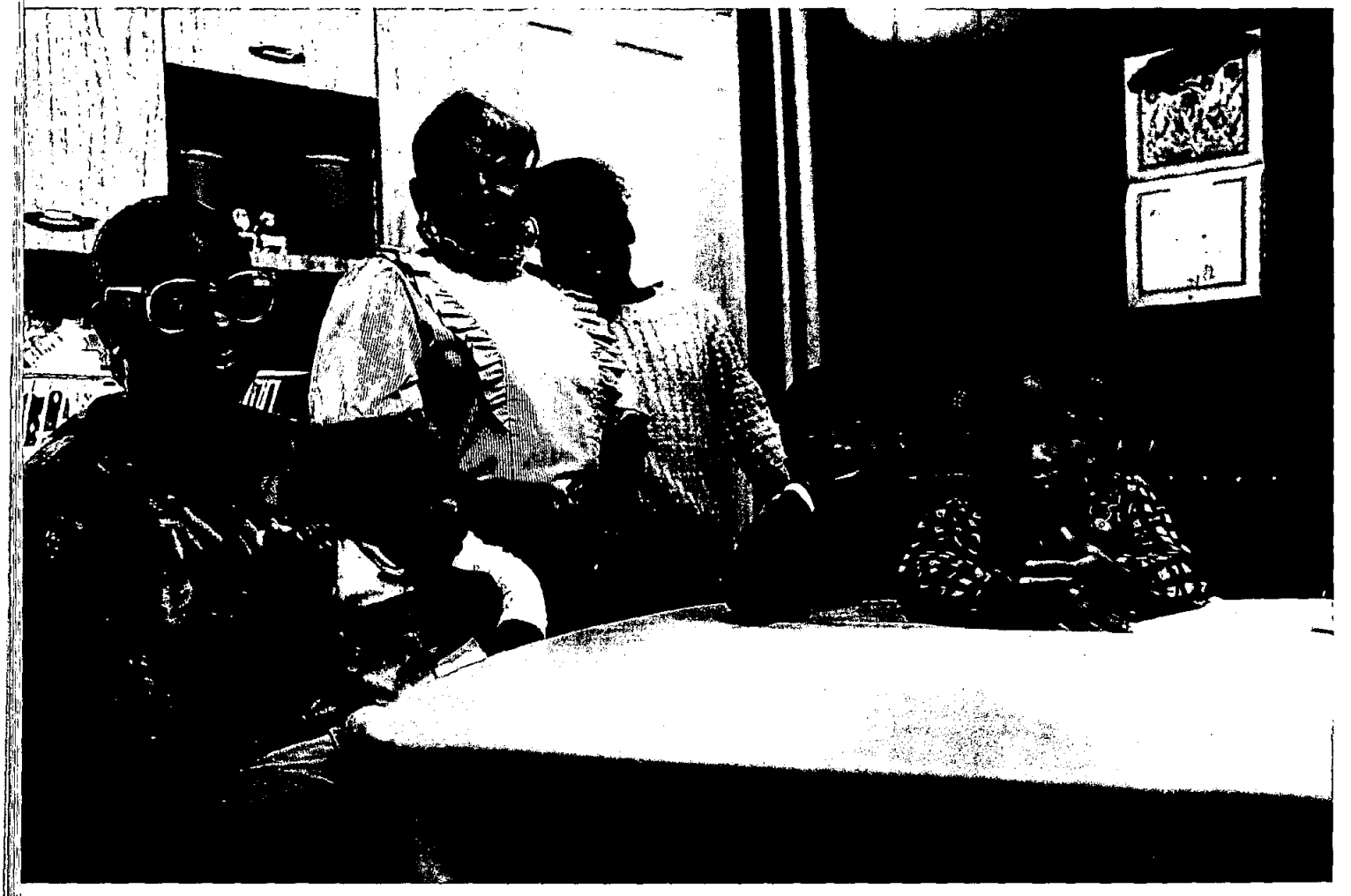

This recommendation furthers the conclusions of the Advisory Committee on Head Start Quality and Expansion, formed in 1993 by the secretary of health and human services. The advisory committee's report envisions an expanded and renewed Head Start that serves as a central community institution, but the report emphasizes that the quality of services must be a first priority. The advisory committee's recommendations for enhancing quality by focusing on staffing and career development, improving local program management, bolstering federal oversight, providing better facilities, and strengthening the role of research must apply to program expansion for families with children under age three.

In expanding its services to children under age three, Head Start should ensure that every aspect of the program, particularly staffing, is appropriate for infants and toddlers and their families. In particular, Head Start needs to establish performance standards geared to the specific needs of infants and toddlers; to involve people trained in early childhood development and health in the oversight process; and to strengthen professional development and technical assistance for local programs.

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If these quality issues are addressed, an expanded Head Start could give new energy and new hope to the many committed individuals and organizations now struggling to ensure that all children might will be ready for school and could brighten the future of those children who might otherwise fall behind.

Reinvent Government

As things stand, families with young children are confronted by a fragmented, unwieldy array of services—the result of government-sponsored programs launched in response to narrowly defined problems or to the circumscribed needs of particular populations. As one report notes, "what we have now is a largely uncoordinated array of programs and providers struggling to deliver services without any vision or systematic support to ensure quality and efficiency."[10]

To spark community change that will benefit families with children under three, federal and state governments must help communities improve their services and supports. They can do so by mounting systematic efforts to support local change, by removing obstacles created by outmoded funding patterns and cumbersome regulations, and by mobilizing other sectors, including business and the media, to make the needs of families with young children a high priority.

Promote Federal Leadership

In order to focus the leadership and resources of the federal government much more sharply on the needs of young children and their families, the task force recommends the following steps:

- *Establish high-level federal planning to promote state and local initiatives.* We recommend that the President direct a high-level federal group to coordinate federal agency support for young children and families.
- *Develop consistent federal policy that encourages experimentation.* To facilitate effective planning, this high-level federal group should compile a full inventory of the specific obstacles that states and local communities encounter in their efforts to use federal funds to provide more effective services and supports to families with young children. The cabinet should grant selective waivers from federal and state regulations or mandates, where appropriate, to permit innovation at the local level.
- *Ensure the adequacy, coherence, and coordination of federal programs for families with young children.* Several recent federal initiatives, including Part H of the Individuals with Disabilities Education Act, the Comprehensive Child Development Program, and the Family Preservation and Support Services Program, represent departures from narrow categorical funding and fragmented service delivery. The model provided by Part H for young children with disabilities, though inadequately funded, offers important guidance because its key feature requires that every child eligible for assistance must receive an individualized, comprehensive service plan. The expansion of Head Start to serve younger children, as described above, is another essential step.

AS THINGS STAND, FAMILIES WITH YOUNG CHILDREN ARE CONFRONTED BY A FRAGMENTED, UNWIELDY ARRAY OF SERVICES.

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State Councils Lead Action for Families and Young Children

Today, a growing number of states are emphasizing early childhood development as a significant new "front-end" investment. Most states have embraced the importance of getting children "ready for school" and are now emphasizing ways to prevent social, health, and educational problems before they have serious and costly consequences. State coordinating councils can be an effective way to focus resources and attention on these issues. With sustained gubernatorial or legislative leadership, a state council can provide impetus for community action.

- In 1987, Colorado's governor Roy Romer established a pioneering early childhood initiative called "First Impressions." The initiative's purpose was to ensure that all of Colorado's children enter kindergarten ready to learn. The state has developed a comprehensive plan and has established statewide and community councils. The initiative takes advantage of the public education power of Colorado's First Lady, Bea Romer, who has attended numerous community events and meetings. Technical assistance is provided to local communities to help them develop new programs, pool existing funding to achieve better results, and build local leadership capacity among parents and advocates.

  The governor has also created a Families and Children Cabinet Council that has broad authority over program planning for young children. The group consists of high-level representatives from the departments of education, social services, health, and mental health. As part of Colorado's Strategic Plan for Families and Children, neighborhood family centers that combine health, education, and human services in a single location are now being established. Local planning teams select the programs and services to be offered at the center and work with state agencies to combine their resources to implement the plan. A dozen communities have organized comprehensive centers, and an evaluation is under way to determine how well they work.

- In West Virginia, the Governor's Cabinet on Children and Families was created in 1990 to enhance the ability of families to "protect, nurture, educate, and support the development of their children." Chaired by the governor, the cabinet includes directors of relevant executive agencies, state legislators, and representatives from higher education. Its mission is to "reinvent government" by changing the current service delivery system from "deficit models to ones that promote health, development, and well-being within the family," and by shifting from "crisis oriented services to those that focus on prevention and early intervention." The cabinet forges partnerships among citizens, community organizations, business, labor groups, local and state government bodies, advocacy groups, and members of the religious, education, and legal communities.

  The primary vehicle used by the cabinet to reform services and supports for young families is the local family resource network. Operating with the support of a broadly representative leadership group, these networks serve thirty-four of West Virginia's fifty-five counties. They direct the planning and implementation of an improved system of services and supports geared to the specific needs of local children and families.

  While the cabinet coordinates day-to-day improvements in children and family services, the Governor's Early Childhood Implementation Commission is developing a long-term plan to ensure the availability of high-quality early childhood services to all children, from before birth through age five. These services include health and nutrition, family support, and early childhood development and education. Working with professional groups, child advocates, business leaders, and the media, the commission is also charged with rallying broad public and professional support for the plan through periodic reports.

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As it examined barriers to change, the task force noted a strong convergence of interest between those seeking to focus our nation's attention on the needs of young children and their families and those seeking to make government work more effectively on a broader scale. Current efforts to "reinvent government," through such federal mechanisms as the National Performance Review and the newly established Community Enterprise Board, represent opportunities to create more coherent strategies and more efficient delivery systems for human services, including those directed at families with young children.[11]

The Community Enterprise Board is potentially a very powerful mechanism for introducing new approaches, at the community level, to family-centered social policy. This national, cabinet-level board will designate up to nine broad "enterprise zones" and ninety-five "enterprise communities" that will be eligible for federal funding to support a range of initiatives: housing, job training, economic development, and social services, as well as technical assistance, a variety of tax incentives, and matching grants to leverage state and local resources. The goal is to enable community leaders to solve local problems with fewer bureaucratic obstacles, greater flexibility, and more emphasis on results.

The task force recommends that the Community Enterprise Board focus its investments in communities that are engaged in reforming

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program strategies related to both economic development and human development. For example, the board's expenditures on employment, economic development, and housing programs in distressed communities can be effectively leveraged by similar investments in social, health, and education services that will strengthen families with young children.

Mobilize State Government

States play a critical role by establishing a framework for community action. They provide support for key services such as child care, health care, family life education, and staff training. States also play a vital role in establishing program regulations, collecting data, and allocating funds.

The task force recommends that governors and state legislatures establish mechanisms, such as those in Colorado, New Mexico, West Virginia, and several other states, to implement comprehensive program plans (including coordinated financing, staff training, and data collection) that focus on the period before conception, the prenatal period, and the first three years of life. Many states already have initiatives that focus on school readiness, but few take a comprehensive approach to promoting responsible parenthood, developing quality child care choices, ensuring good health and protection, and mobilizing communities to support families and their young children.

STATES PLAY A CRITICAL ROLE BY ESTABLISHING A FRAMEWORK FOR COMMUNITY ACTIONS.

GETTING DOWN TO WORK

The changes in community planning and government initiatives envisioned by the task force will take time. Our hope rests with the spirit and commitment that the American people demonstrate whenever a crisis threatens to block our path toward an important goal. We size up the problem, mobilize our citizenry, and get to work. In Part III of this report, the task force offers recommendations and a detailed action plan through which all sectors of society can work together to support families with young children.

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PART III:

A New Vision: Recommendations for Action

- FOR A BABY, THESE EARLY WEEKS AND
- MONTHS OF GROWTH, UNDERSTANDING
- AND BONDING CAN NEVER BE
- DUPLICATED LATER TO MAKE UP FOR A SEVERE
- LOSS. IT IS NOT THE REPRODUCTIVE—THIS IS
- THE WHOLE BABY.
- — PEDIATRICIAN
- CLINTON LIBRARY PHOTO

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A New Vision: Recommendations for Action

The quiet crisis of families with children under three requires immediate and far-reaching action. Persuaded that strong families and communities are essential to the healthy development of our youngest children, the task force calls for a broad, integrated approach to ensure that by age three all children have had the opportunity to reach their full potential and are ready for further learning.

The problems facing our youngest children and their families cannot be solved through piecemeal action. With the support of vital institutions, both public and private, America can develop a coherent family-centered strategy to reverse the quiet crisis. Such a strategy must not be limited to governmental programs or business initiatives. All Americans must work together. If we do, we as a nation can realize our common values: strong families and communities, an informed citizenry, a productive workforce, and a competitive and strong economy. Investing in these first three years is fundamentally necessary for children themselves, for their families, and for our nation. It is time to sound—and answer—the alarm about the neglect of our nation's youngest children and their families.

The Carnegie Task Force on Meeting the Needs of Young Children calls for action in four key areas. These areas constitute vital starting points for both children and their families:

- Promote responsible parenthood
- Guarantee quality child care choices
- Ensure good health and protection
- Mobilize communities to support young children and their families

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Promote Responsible Parenthood

One of the most effective ways to promote healthy child development is to encourage women and men to plan and have children under positive circumstances that minimize risk for the child. Our nation must foster both personal and societal responsibility for having children. Enabling women and men to plan and act responsibly requires a national commitment to make comprehensive health services available and accessible, to educate the public about the responsibilities of raising young children, and to support the efforts of parents to carry out these responsibilities.

In order to promote responsible parenthood, the task force recommends that

- All couples, when considering the possibility of having children, should assess their age, health, and resources to ensure that they avoid unnecessary risks and can provide a healthy environment for raising a child. All parents-to-be should visit a health professional before planning to have a baby; this visit should cover the risks of smoking, drinking, and other chemical intakes; the importance of good nutrition and regular exercise; and referrals for existing problems.
- Adolescents, in particular, should avoid unnecessary risks by delaying pregnancy. To do so, adolescents need to have other age-appropriate life options.
- The full range of health-related services, including comprehensive family planning, prenatal, and postpartum health care services, should be improved, expanded, and adequately financed so that services are universally available to women as part of a minimum benefits package in health care reform.
- Families themselves should be the first source of education about parenthood, but schools, places of worship, and community-based organizations may also play a part. Education about parenting should begin in the elementary school years, but no later than early adolescence. Such education should cover, in an age-appropriate, culturally sensitive manner, human development, models of childrearing, consequences and responsibilities of parenting, available social services and supports, and human reproduction.
- States and communities should direct funds to initiate and expand community-based parent education and support programs for families with infants and toddlers. For families with high levels of stress and economic hardship, parent education and support programs must be built into a coordinated array of services, such as health care, child care, literacy classes, and job training.

Guarantee Quality Child Care Choices

For healthy development, infants and toddlers need a continuing relationship with a few caring people, beginning with their parents and later including other child care providers. Substantial and consistent contact with parents and other caring adults allows interactions that help the baby form trusting attachments and that provide a secure base for exploring and learning about the physical and social world. This basic trust is necessary for healthy development throughout life. Infants and toddlers should

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develop these relationships in safe and predictable settings—in their homes or quality child care settings. Quality child care means an environment that is safe and comfortable, where children are cared for in small groups by adult caregivers, each of whom is responsible for only a few children; caregivers should be trained to meet the developmental needs of children under three years of age.

In order to guarantee good child care choices that allow parents to balance their child-rearing and workplace responsibilities, the task force recommends that

- The Family and Medical Leave Act of 1993 be strengthened by expanding coverage of parental leave to include employers with fewer than fifty employees, extending the twelve-week leave to four to six months, and providing partial wage replacement.
- The business community and all employers should consider adopting family-friendly policies such as flexible work schedules, job sharing, child care resource and referral assistance, on-site or nearby child care, and child care for sick children.
- The federal government should channel substantial new money into quality, affordable child care for families with children under three. To ensure quality, funding should be modeled on the 1990 Head Start reauthorization, mandating 25 percent of new funds for quality enhancements such as improved training, better facilities, and staff compensation. To ensure affordability, two strategies should be pursued: Federal funds should go to child care programs, permitting them to expand facilities and adopt sliding fee schedules; and the Dependent Care Tax Credit (DCTC) should be refundable for low- and moderate-income parents.
- The federal government should provide financial incentives to states to adopt standards of quality for child care, to establish timetables for the enactment of these standards, and to monitor progress toward their enforcement.
- State governments should develop and implement consistent standards of quality for child care for infants and toddlers. These standards should ensure that the environment is safe and comfortable, that children receive care in small groups, that each adult caregiver is responsible for only a few children, and that caregivers are trained to meet the developmental needs of children under three years of age.
- Every community should develop a network linking all child care programs and offering parents a variety of child care settings, including homes, centers, and Head Start programs. Communities should encourage relatives and family child care providers to participate in these networks.
- Federal and state funds should be used to promote expanded training opportunities for child care providers, including specific content on the care and development of children under age three. All providers who work with young children should have adequate training.
- Salary and benefits should be improved for child care providers. Two methods are available to link compensation with quality child care: tie higher salaries and better benefits to the completion of specialized training; and provide incentive or salary enhancement grants to child care centers and family child care networks.

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Ensure Good Health and Protection

When young children are healthy, they are more likely to succeed in school and in time form a more productive workforce and become better parents. Few social programs offer greater long-term benefits for American society than guaranteeing good health care for all infants and toddlers: fewer children suffer from preventable illnesses and disabilities, and fewer parents bear the burden of caring for sick children and paying their medical bills. The health care needs of infants and toddlers call for services that are broader in scope and that, in certain instances, are of greater intensity and duration than those designed for older children and adults. Good health, of course, involves more than medical care. Being healthy also means being safe. Infants and toddlers need to grow up in homes where they are emotionally and physically safe from injury and harm. Young children must live in neighborhoods in which their families are confident they can protect and safely raise them.

In order to ensure good health and protection, the task force recommends that

- Comprehensive health care services should be available to all pregnant women, infants, and toddlers as part of a minimum benefits package in health care reform. These services must include primary and preventive care, including immunizations. Pregnant women, infants, and toddlers should be the first to be included in a universal system of health care.
- Home visiting services by trained professionals should be made available to all first-time mothers during the first six weeks of the child's life. These visits should provide important health services, parenting information, and referral to community resources. In addition, more comprehensive home visiting services should be available from the prenatal period through the first three years of life to families who are at risk for poor maternal and child health outcomes.
- The Women, Infants and Children (WIC) nutritional supplementation program should be expanded to ensure that it reaches all eligible pregnant and nursing women, infants, and children.
- New public strategies should be developed to reduce the incidence of unintentional injuries in infants and toddlers. The prevention of injuries should be made a national priority through broad-based community efforts to educate parents and other adults.
- National, state, and local laws must stringently control possession of firearms. Parents and other adults must be informed about the dangers to young children of having a gun in the house and must store weapons safely if they have them. However, many parents will accept or act on this only when they are confident that their communities are safe.
- To reduce child abuse and neglect, proven parent education, support, and counseling programs should be expanded to teach parents skills in nonviolent conflict resolution. Community-based programs should be developed to train professionals to help families and children cope with the effects of living in unsafe and violent communities.

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Mobilize Communities to Support Young Children and Their Families

There is a growing recognition that comprehensive community supports and services are necessary to ensure the healthy development of our youngest children. Unfortunately, community services for families with children under three are few and fragmentary. And families of all kinds are finding they need more help in balancing childrearing and workplace responsibilities, gaining access to the best possible child care and health care, and dealing with the stresses of raising a young family. This is the quiet crisis that threatens the stability of community and family life across the nation.

To reverse this crisis, the old ways of providing services and supports must be reassessed, and new approaches must be found to ensure that every family with a newborn is linked to a source of health care, child care, and parenting support. To mobilize communities, the task force recommends that

- Every community in America should focus attention on children under three and their families, beginning in the period before conception. Community leadership groups should develop a strategic plan that includes a needs assessment and clear goals; an action plan to strengthen and link programs, monitor quality, and measure performance; and an analysis of how resources can be reallocated and expanded.
- Broad experimentation with creating family-centered communities should be undertaken. Two approaches appear especially promising:
  - Create neighborhood family and child centers to provide and enhance services and supports for all families. These centers should provide parenting supports

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and education; offer other needed services and access to information about community resources, including comprehensive health services and quality child care; provide professional development for staff working with families with young children; and strengthen collaboration among the business community, advocacy groups, the media, and programs that deliver services and supports to children and families.

- Expand and adapt the Head Start model to meet the needs of low-income families with infants and toddlers. Beginning with the most disadvantaged families, the new programs for younger children should include home visits, immunizations, other health and prenatal care, parent support, and developmentally sound child care, as well as nutritional and social services. They would also equip parents to be the effective first teachers of their young children and could link up with adult job training, drug treatment, and economic development programs. Head Start programs for younger children could be attached to schools, settlement houses, existing Head Start programs, or other community institutions.

- The President should direct a high-level federal group to coordinate federal agency support on behalf of young children and families. This group should assess and take action to remove the specific obstacles that states and communities face in providing more effective services and supports to families with children under age three.

- The Community Enterprise Board, which funds community and economic development programs, should also fund programs to strengthen families with infants and toddlers.

- Governors and state legislatures should establish mechanisms to adopt and implement comprehensive policy and program plans that focus on the prenatal period and children under age three.

A Call to Action

Parents and experts have long known that the first three years of life are crucial to a child's well-being and ability to learn. In recent years, research has borne out these observations, showing that the quality and variety of early experiences have a decisive, sustained impact on a child's healthy development. We can now say with greater confidence than ever before that investments in the first three years of life will produce lasting benefits for the children themselves, for their families, for our communities, and for our nation.

The task force calls upon all sectors of American society to join together to offer a decent start in life to all children under the age of three.

- We ask the *President* to direct a high-level federal group to review the findings of this report, and to ensure the adequacy, coherence, and coordination of federal programs for families with young children. We urge him to introduce legislation to expand Head Start to serve children under three, to strengthen the Family and Medical Leave Act, to include pregnant women and young children in health care reform, and to channel new money into quality child care for families with children under three.

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- In the spirit of "reinventing government," we urge *federal agencies* to identify and remove the obstacles that states and communities encounter as they implement federally funded programs or test innovative solutions.
- We call upon *Congress* to enact legislation that focuses resources more sharply on the needs of children under age three and their families. We urge Congress to enact legislation that strengthens the Family and Medical Leave Act and that provides increased resources for quality child care and parent education and support. Congress should ensure that pregnant women and all children under three are the first to be included in health care reform.
- We call upon *states* to convene or form child and family councils to review this report and consider its implications for children under age three in each state and its communities. We urge every state to review its legislative and regulatory framework, particularly standards in child care, with a view toward raising the quality of existing services and creating incentives for local innovation.
- We call upon *community leaders* to assess the adequacy of existing services for families with young children (especially those with multiple risks), to recommend specific steps to improve and coordinate services, and to introduce mechanisms for monitoring results. We ask them to create or strengthen existing neighborhood family and child centers in order to meet the needs of families with young children.
- We call upon the *private and philanthropic sectors,* including foundations, to pay more attention to families with children under three, and to expand their support of initiatives that give our youngest children a decent start in life. We urge community foundations to support local efforts to direct attention and resources to meet the needs of young children.
- We urge *educators,* working with other community agencies, to incorporate services to children under age three in their plans for the schools of the twenty-first century. We urge a substantial expansion of efforts to educate young people about parenthood. We ask educators in secondary schools and community colleges to provide more training and technical assistance to child care providers.
- We call upon *health care decision makers* to include, in any plan for national health care reform, family planning services, comprehensive prenatal care for expectant mothers and universal primary and preventive care for young children. We ask them to give serious consideration to a specific standard of coverage and service for young children.
- We urge *service providers* in child care, health, and social services to take a family-centered approach to meeting the needs of young children and the adults who care for them. We ask them to offer staff, parents, and other caregivers opportunities to learn more about the needs of families with young children, about child development, and about promoting children's health and safety.

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- We call upon ***business leaders*** to support policies that result in family-friendly workplaces, in particular strengthening the Family and Medical Leave Act of 1993, introducing flexible work schedules, and providing assistance with child care. We ask corporate leaders who are on the cutting edge of these policy innovations to help businesses of every size to adopt family-friendly policies.
- We call upon the ***media*** to deliver strong messages about responsible motherhood and fatherhood and to portray family life in ways that further parents' understanding of the importance of the first three years and give all of us insight into the quiet crisis. We urge them to publicize information about preventing injuries—the leading cause of death and disability of children under age four.
- Perhaps most important, we call upon ***mothers and fathers*** to do everything in their power to secure the knowledge and resources they need to plan and raise children responsibly. When these resources are not available, we urge them to make their needs known to government representatives, community leaders, and service providers.

All Americans must work together, in their homes, workplaces, and communities, to ensure that children under the age of three—our most vulnerable citizens—are given the care and protection they need and deserve. Nothing less than the well-being of our society and its vital institutions is at stake.

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APPENDIXES

OF COURSE WE NEED CHILDREN!

ADULTS NEED CHILDREN IN THEIR LIVES
TO USHER TO MATURE BOTH TO KEEP
THEIR IMAGINATION FRESH AND THEIR
HEARTS YOUNG AND TO MAKE THE
FUTURE A REALITY FOR WHICH THEY
ARE WILLING TO WORK.

— MARGARET MEAD

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APPENDIXES

Appendix A

CONSULTANTS TO THE TASK FORCE

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Assistant Professor of Nursing
University of Alabama at Birmingham
Birmingham, Alabama

Nathalie Vanderpool
Consultant in Health/Education Policy
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Appendix B

Papers Commissioned by the Task Force on Meeting the Needs of Young Children

Peggy Pizzo, "Financing Family Centered Infant Care," June 1992.

Sarah S. Brown, "Health Care Benefits for Children: Their Content and Cost," January 1993.

Ellen Galinsky and Terry Bond, "Parental Leave for American Workers," January 1993.

Naomi Goldstein, "Are Changes in Work and Family Harming Children?" January 1993.

Joan Lombardi, "Expanding and Enhancing Head Start Services to Younger Children," January 1993.

Edward Zigler, "An Earlier Head Start: Planning an Intervention Program for Economically Disadvantaged Families and Children Ages Zero to Three," January 1993.

Naomi Goldstein, "Services That Work: A Report," February 1993.

Lorraine V. Klerman, "Young Children in the United States: Are We Meeting Their Needs?" February 1993.

Lorraine V. Klerman, Sarah S. Brown, and Victoria L. Poole, "The Role of Family Planning in Promoting Healthy Child Development," February 1993.

Mark Schlesinger, "The Interaction of Poverty and Service Interventions of Young Children," February 1993.

Sheila B. Kamerman, "Meeting the Needs of Very Young Children and Their Families: The Importance of a Dual Strategy," May 1993.

Nathalie Vanderpool, "Young Children and Families: Creating a Social Policy Agenda; A Review of Selected Reports," May 1993.

Sanford Dornbusch, Jeanne A. Barr, and Natalie A. Seer, "The Impact of Education for Parenting Upon Parents, Children and Family Systems," June 1993.

Joy Osofsky, "Violence in the Lives of Young Children," June 1993.

Judith Musick, "Carnegie Primer on the First Three Years of Life," September 1993.

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Appendix C

INVITEES, "SERVICES THAT WORK" MEETING, JANUARY 27-28, 1993*

C. Robin Britt, Sr.
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Raleigh, North Carolina

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Karen Edwards
Executive Director
Select Committee on Children and Youth
Nashville, Tennessee

Frank Farrow
Director
Children's Services Policy
Washington, DC

Caroline Gaston
Administrative Assistant to the First Lady
Governor's Office
Santa Fe, New Mexico

Olivia A. Golden
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* Affiliations as of January 1993.

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Judith E. Jones
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Sheila B. Kamerman
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Cross National Studies
Columbia University School of Social Work
New York, New York

Harriet Kitzman
New Mothers Study
Pediatrics Department
University of Rochester Medical Center
Rochester, New York

Marion S. Levine
Executive Director
North Shore Family and Child Guidance Center
Roslyn Heights, New York

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Alexandria, Virginia

James R. McCabe
Superintendent
Lake County School District R-1
Leadville, Colorado

Janice Molnar
Program Officer for Urban Poverty
Ford Foundation
New York, New York

Mary Ellen O'Keeffe
Executive Director
Children's Trust Foundation
Seattle, Washington

Deborah Phillips
Associate Professor of Psychology
University of Virginia
Charlottesville, Virginia

Julius B. Richmond
John D. MacArthur Professor of Health
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Zero to Three—National Center for Clinical
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Bernice Weissbourd
Family Focus, Inc.
Chicago, Illinois

Mildred M. Winter
Executive Director
Parents as Teachers National Center Inc.
St. Louis, Missouri

Wendy C. Wolf
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Bala Cynwyd, Pennsylvania

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Appendix D

Biographies of Task Force Members and Staff

Richard W. Riley chaired the task force until February 1993, when he was nominated by President Clinton as secretary of education. From 1978 to 1987 he was governor of South Carolina, and he has provided national and state leadership in both education and health reform. Governor Riley was a member of the National Commission to Prevent Infant Mortality and chaired both the Southern Corporate Coalition to Improve Maternal and Child Health and the Southern Regional Education Board Commission for Educational Quality. Governor Riley has received numerous awards, including the Government Responsibility Award from the Martin Luther King, Jr., Center and the Harold W. McGraw Jr. Prize in Education.

Eleanor E. Maccoby has co-chaired the task force since February 1993. A member of the faculty of the psychology department of Stanford University since 1958, Professor Maccoby received her Ph.D. from the University of Michigan in 1950. Her primary field of interest has been the development of children's social behavior, particularly as it relates to family functioning and parental child-rearing methods. She has written many books and articles, most recently *Dividing the Child: The Social and Legal Dilemmas of Custody* (Maccoby and Mnookin, November 1992); a book on the adjustment of adolescents in divorced families is in preparation. The recipient of many honors and awards, Dr. Maccoby has been a member of the Institute of Medicine since 1977; she was elected to the National Academy of Sciences in 1993.

Julius B. Richmond, who has co-chaired the task force since February 1993, is John D. MacArthur Professor of Health Policy Emeritus at Harvard University. He chaired the steering committee of the Forum on the Future of Children and Families of the National Academy of Sciences. Dr. Richmond is a former surgeon general and former assistant secretary of the Department of Health and Human Services. He was also the first director of the national Head Start program. Dr. Richmond has received many honors and awards.

Diane Asselin is the producer of "Growing up Together," a Lifetime Television series designed to help viewers with the challenging job of raising children from pregnancy through the first five years of life. An Emmy Award–winning producer, she has developed and produced eleven network specials for family viewing on such subjects as the adolescence of a deaf teenager and the testing for drugs in high school. Her most recent project is a PBS prime-time special funded by the National Science Foundation, Arco, and the Norris Foundation: "Count on Me" combines comedy, drama, music, and real-life vignettes to encourage parents to participate in their child's education, at school and at home, with the emphasis on math.

Kathryn E. Barnard is a professor of nursing and adjunct professor of psychology at the University of Washington, where she has also served as associate dean of the School of Nursing. For the past 30 years, she has been a scholar, researcher, and educator with interests in children and parenting. She coordinated the risk and prevention group for the John D. and Catherine T. MacArthur Foundation's health network on the transition to early childhood. Her research has focused on the interaction of children with their environment, particularly infants at biological and environmental risk. She is president of Zero to Three—the National Center for Clinical Infant Programs. She is a member of the American Academy of Nursing and the Institute of Medicine and has received many awards in nursing and public health.

Owen Bradford Butler is chairman of the board of directors of Northern Telecom Ltd.; he was formerly chairman of the board of directors of the Procter and Gamble Company. Mr. Butler was chair of a subcommittee of the Committee for Economic Development (CED) that produced a policy statement in 1985 on business and the public schools entitled "Investing In Our Children." In 1987 another subcommittee of the CED issued a policy statement entitled "Children in Need — Investment Strategies for the Educationally Disadvantaged"; Mr. Butler chaired this subcommittee as well. A graduate of Dartmouth College, he is a director of many companies, including Deere & Co., Armco Inc., and Berlitz International. He is the immediate past chairman of the board of trustees of the CED and has encouraged the business community to contribute to the knowledge, development, and skills of America's children.

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Ramon C. Cortines has been chancellor of the New York City Board of Education since September 1993. He left the task force in April 1993, when he began work with the Clinton administration; he later became Assistant Secretary for Intergovernmental and Interagency Affairs in the United States Department of Education. In an education career of more than 30 years, Mr. Cortines has taught and held administrative positions at virtually all levels in the school systems in which he served. He was superintendent of schools of the Pasadena (California) Unified School District from 1972 to 1978 and again from 1979 to 1984 and was superintendent of the San Jose Unified School district from 1984 to 1986; he headed the San Francisco Unified School district from 1986 to 1992. Before joining the Clinton administration, Mr. Cortines had been consultant professor at Stanford University and associate director of the Pew Charitable Trusts Forum on School Reform.

Ezra C. Davidson, Jr., is professor and chairman of the department of obstetrics and gynecology at Charles R. Drew University of Medicine and Science, a position he has held since 1971. He also holds professorships in obstetrics and gynecology at UCLA and Dartmouth Schools of Medicine and is chief-of-service, Department of Obstetrics and Gynecology, at the King–Drew Medical Center in Los Angeles. A graduate of Meharry Medical College, Dr. Davidson has been active in research, education, and clinical and public services. He was an early contributor to the development of the technology of fetoscopy and fetal blood sampling. He was a Robert Wood Johnson Health Policy Fellow at the Institute of Medicine in 1979–1980, during which time he served as a health advisor to Senator Bill Bradley of New Jersey. A former president of the American College of Obstetricians and Gynecologists, he has lectured widely, both domestically and internationally, and has received many honors and awards.

John D. Deardourff is a cofounder of Bailey, Deardourff & Associates, one of the leading political planning, consulting, and advertising firms in the United States. Mr. Deardourff has lectured widely on government and politics, and he has been a guest on various public affairs television programs. He is a consultant to Planned Parenthood and has received the National Women's Political Caucus's annual "Good Guy" Award. He is a director of the Women's Campaign Research Fund and a trustee of the Children's Defense Fund and of Public Voice, a consumer advocacy organization concerned with national food and health policy. He is a member of the development committee of the Black Student Fund and a director of The American Political Network. Mr. Deardourff received his M.A. from the Fletcher School of Law and Diplomacy and was a fellow of the Institute of Politics at Harvard University and a Conroy Fellow at St. Paul's School, Concord, New Hampshire.

Irving B. Harris is chairman of the executive committee and director of the Pittway Corporation; he is also chairman of both the Pittway Corporation Charitable Foundation and the Harris Foundation. A graduate of Yale University, Mr. Harris has spent more than 40 years as a business leader committed to furthering the interests of children and families. As a member of the National Commission on Children and the Committee for Economic Development, he brought the business perspective to the nation's deliberations on the human service needs and strengths of families. Currently chairman emeritus of Family Focus, Inc., and the Erickson Institute and cofounder and chairman of the Ounce of Prevention Fund, he has received numerous awards and honors.

John W. Hatch is a professor in the health behavior and health education department at the University of North Carolina School of Public Health. He received his M.S.W. from Atlanta University and his Dr.P.H. from the University of North Carolina. For the past twenty-one years, Dr. Hatch has been involved in teaching and research related to health and development. His area of expertise is in health promotion and disease prevention with Black church organizations as sponsor organizations. Dr. Hatch is the immediate past moderator of the Medical Commission of the World Council of Churches, Geneva, Switzerland. He is a board member of Freedom From Hunger Foundation, Physicians For Human Rights, and the Baptist Foundation.

Fred M. Hechinger, senior advisor at Carnegie Corporation of New York, has devoted much of his career as a reporter, columnist, editor, author, and foundation executive to issues of education and policies affecting children and society. Mr. Hechinger started his journalistic career in 1947 as a foreign correspondent for the Overseas News

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Agency and the Bridgeport *Sunday Herald*. He later served as an education columnist for the *Washington Post* and was American correspondent for the Education Supplement of the *Times* of London and education editor of *Parents* magazine. In 1959, Mr. Hechinger joined the *New York Times* as education editor. He later served on that newspaper's editorial board, becoming deputy editor of the editorial page. In 1978, he became president of The New York Times Company Foundation and of The New York Times Neediest Cases Fund and began writing a weekly column, "About Education." He left the *Times* in 1990. Mr. Hechinger is the author of several books on education. He has received numerous awards, including the British Empire Medal and the City College Distinguished Alumni Medal.

Max M. Heller founded Maxon Shirt Company in 1948; he retired from the firm in 1969 to devote his time to public affairs, with particular emphasis on improving neighborhoods and human relations through a combination of business expertise and community activism. In 1969, he was elected to the Greenville, South Carolina, City Council. In 1971, he was elected mayor of Greenville for a four-year term; he was reelected in 1975. In January 1979, he was appointed by Governor Riley as chairman of the State Development Board, a position that he held until July 1983. He is a past president of the Greenville Housing Foundation and has served on many state and national boards. In 1988 he received the Urban League's "Whitney Young" Humanitarian Award.

Shirley Mount Hufstedler is a partner is the law firm of Hufstedler, Kaus & Ettinger. She received her Bachelor of Business Administration degree from the University of New Mexico and her Bachelor of Law degree from Stanford University. Having served as special legal consultant to the Attorney General of California in the complex Colorado River litigation before the United States Supreme Court in 1960–1961, she was appointed judge of the Los Angeles County Supreme Court in 1961, and in 1966 she was appointed associate justice of the California Court of Appeals. In September 1968, President Johnson appointed her Judge of the United States Court of Appeals for the Ninth Circuit, where she served for eleven years until she became President Carter's secretary of education. Since 1981, Mrs. Hufstedler has been teaching and practicing law; she also serves on several corporate boards. Mrs. Hufstedler has written numerous articles on the law, education, government, and national and international affairs and has received many honorary degrees and awards.

A. Sidney Johnson III is executive director of the American Public Welfare Association, which represents all fifty state human service agencies, 800 local departments, and 4,000 individuals. Mr. Johnson was special assistant to the late HEW Secretary Wilbur Cohen and was legislative aide to Senator Walter F. Mondale; he spent five years as staff director of the Senate Subcommittee on Children and Youth. In 1976 he founded the Family Impact Seminar in Washington, the nation's first organization devoted to examining the impact of public and private policies on American families. From 1982 to 1985 he was executive director of the American Association for Marriage and Family Therapy. In 1988 he was named by the Speaker of the House of Representatives to serve on the National Commission on Children to review national policies affecting children. Mr. Johnson received his M.S.W. from the University of Michigan and his B.A. from Williams College.

Judith E. Jones is director of the National Center for Children in Poverty (NCCP) and associate clinical professor of Public Health at Columbia University. Professor Jones also directs the national program office of the Robert Wood Johnson Foundation's new five-year initiative "Free to Grow: Head Start Partnerships to Promote Substance-free Communities." She had earlier served as deputy director, Center for Population and Family Health, Columbia University, where she designed and managed the implementation of comprehensive school-based clinics at the middle-school level, as well as a widely acclaimed intervention to streamline Medicaid certification to increase early prenatal care. Professor Jones received her B.A. degree in psychology from Hunter College and her M.S. degree in business policy from Columbia University. Professor Jones has recently been appointed by the secretary of health and human services to the Advisory Committee on Head Start Quality and Expansion. She has served on many national boards and commissions.

Thomas H. Kean is president of Drew University, chairman of the New American Schools Development Corporation, and chairman of the National Environmental Education and Training Foundation. Governor of New Jersey from 1987 to 1990, he was a close advisor to President Bush on education, the environment, housing, volunteerism, and other national policy issues. As governor, Kean, a former history teacher, initiated nearly forty reforms in the state's public education system. Governor Kean is the chairman of Educate America and serves on the board of the National Association of Independent College and Universities, Carnegie Corporation of New

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York, and Campus Compact. He holds a B.A. from Princeton University and an M.A. from Columbia University Teachers College, where he is a trustee, and has received many honorary degrees.

Lorraine V. Klerman is professor and chair, Department of Maternal and Child Health, the University of Alabama at Birmingham. Professor Klerman also has appointments in the university's Department of Pediatrics and Civitan International Research Center. She received her master's and doctoral degrees in public health from Harvard University. Professor Klerman has studied and written extensively about the federal maternal and child health program, adolescent childbearing, services for pregnant women, school absence, and the relationship between poverty and child health. She has served on several national, state, and local advisory boards; federal study sections; and journal editorial boards. Professor Klerman works closely with county and state governments in the South on programs related to maternal and child health.

Ray Marshall, who was secretary of labor under President Carter, holds the Audre and Bernard Rapoport Centennial Chair in Economics and Public Affairs at the University of Texas—Austin. He holds a Ph.D. in Economics from the University of California—Berkeley, and is the author or co-author of more than 200 books, monographs, and articles on such topics as the economics of the family; education and the economy; U.S. competitiveness in an internationalized economy; labor in the South; international workers' rights; and minority business development. His most recent book, *Thinking for a Living: Education and the Wealth of Nations* (with Marc Tucker), was published in 1992 by Basic Books.

Vonnie C. McLoyd is a professor of psychology at the University of Michigan and a research scientist at the university's Center for Human Growth and Development. She received her Ph.D. from the University of Michigan in 1975. She has served on the Science Policy Working Group of the Carnegie Council on Adolescent Development, chaired and served on review panels for the Program Committees of Society for Research in Child Development (SRCD) and the American Psychological Association, and chaired the Black Caucus of SRCD. She is a member of the governing council of the SRCD and of the editorial boards of several journals. Dr. McLoyd was a William T. Grant Faculty Scholar in Child Mental Health from 1986 to 1991. Her recent research tests models of the mechanisms by which economic hardship affects emotional and social development in African American adolescents.

Deborah Phillips is director of the Board on Children and Families of the National Research Council's Commission on Behavioral and Social Sciences and Education and the Institute of Medicine. She is on leave as associate professor of psychology at the University of Virginia. Dr. Phillips received her Ph.D. in developmental psychology at Yale University. She was the first director of the Child Care Information Service of the National Association for the Education of Young Children and is a member of many task forces and advisory groups that address child and family policy issues, including the research task force of the Secretary's Advisory Committee on Head Start Quality and Expansion of the U.S. Department of Health and Human Services. Dr. Phillips has testified frequently before Congress on issues of child care quality.

Gloria G. Rodriguez is founder and national president of the Avance Family Support and Education Program. Dr. Rodriguez earned her Ph.D. in early childhood education from the University of Texas at Austin. In 1990, she received the first "Attitude Award" presented by Lifetime's nationally syndicated program "Attitudes" for changing public attitudes toward family services. Dr. Rodriguez was a charter board member of the National Family Resource Coalition (1982–1989), and has acted as a consultant to the federal government, the Harvard Family Research Project, Georgetown University, and the Bush Center at Yale. She served on the Texas Health and Human Services Coordinating Council and was appointed to Governor Ann Richards' transition team in early childhood education; she currently chairs the Governor's Head Start state collaboration task force.

Kenneth J. Ryan, a graduate of Harvard Medical School, has spent more than 25 years in teaching, research, writing, and practice devoted to improving the reproductive health of women. He is chairman of the department of obstetrics and gynecology at Brigham and Women's Hospital in Boston. In the late 1960s he served on the President's Committee on Mental Retardation, and in the 1970s he was chairman of the National Commission for the Protection of Human Subjects of Biomedical and Behavioral Research. He has had a longstanding interest in ethical issues in medicine and reproductive health. Dr. Ryan has received numerous awards and honors, including the Weinstein Award of United Cerebral Palsy and the President's Award of the Society of Gynecological Investigation; he has also held office in several professional organizations.

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Jonas Salk received his M.D. degree from New York University College of Medicine. The polio vaccine that bears his name was licensed for public use on April 12, 1955. In the early 1960s, Dr. Salk founded the Salk Institute for Biological Studies, bringing together scientists and scholars from different disciplines who shared a common interest in science and in the human implications of their work. The institute began operation in 1963; today, with a support staff and research faculty of over 500, it is at the forefront in the advancement of knowledge of the complex biological systems. Dr. Salk has also been assisting international health agencies, as well as governmental and local health officials, in improving immunization programs in developing countries. He has written several books about the prospects and alternatives for the human future, including *The Survival of the Wise*.

Isabel V. Sawhill was a member of the Carnegie Task Force on Meeting the Needs of Young Children until her designation by President Clinton as associate director, human resources, Office of Management and Budget, in February 1993. Before her appointment, Dr. Sawhill was a senior fellow at the Urban Institute; from 1981 to 1990 she was director (or codirector) of the institute's Changing Domestic Priorities project. Dr. Sawhill's most recent book is *Challenge to Leadership: Economic and Social Issues for the Next Decade*, published in 1988. She is a trustee of the American Assembly, the Manpower Development Research Corporation, the Population Reference Bureau, and Resources for the Future. Dr. Sawhill attended Wellesley College and received both her B.A. and Ph.D. degrees in economics from New York University.

Lisbeth B. Schorr is a lecturer in social medicine at Harvard University, a member of the Harvard University Working Group on Early Life, and director of the Harvard University Project on Effective Services. Her book, *Within Our Reach: Breaking the Cycle of Disadvantage* (with Daniel Schorr) has influenced policymakers, practitioners, and advocates for more effective human services. Ms. Schorr is a member of the National Academy of Sciences' Board on Children and Families and the board of the Foundation for Child Development. In 1993, Ms. Schorr was appointed to the executive committee of the Harvard University Project on Schooling and Children. Between 1978 and 1980, Ms. Schorr chaired the congressionally mandated Select Panel for the Promotion of Child Health, and in the early 1970s she helped to establish the health division of the Children's Defense Fund.

Sarah Cardwell Shuptrine is president of Sarah Shuptrine and Associates, a health and social policy research firm based in Columbia, South Carolina. She is also founder and president of the Southern Institute on Children and Families. From 1985 to 1986, Ms. Shuptrine was executive assistant to Governor Richard W. Riley for health and human services. As chief policy advisor to the governor, Ms. Shuptrine served as director of the South Carolina Children's Coordinating Cabinet and led numerous statewide initiatives on behalf of disadvantaged citizens. From 1984 to 1985, she chaired the work group for the Southern Regional Task Force on Infant Mortality, and in 1988 Ms. Shuptrine was appointed to the National Commission on Children by the Speaker of the United States House of Representatives. In 1992, she cochaired two task forces of the Commission, one on establishing family support programs and one on coordinating services for children and families.

Michael S. Wald, now deputy general counsel, Office of the General Counsel, Department of Health and Human Services, was a member of the task force through June 1993. Professor Wald was Jackson Eli Reynolds Professor of Law at Stanford University, where he had taught since 1967. His research focused on treatment of children in the legal system, and he taught courses dealing with public policy towards children. He also drafted the American Bar Association's Standards Related to Abused and Neglected Children and helped draft the Adoption Assistance and Child Welfare Act of 1980. His publications include *The Conditions of Children in California* (1989), for which he was the general editor, and *Protecting Abused and Neglected Children* (1988) with M. Carlsmith and P. Leiderman. He has served as a juvenile court judge in California and has been a member of the board of directors of the National Committee for the Prevention of Child Abuse and of the National Research Council's Committee on Child Development Research and Public Policy.

Edward Zigler is the Sterling Professor of Psychology, head of the psychology section of the Child Study Center, and director of the Bush Center in Child Development and Social Policy. Professor Zigler received his B.A. and M.A. degrees from the University of Missouri at Kansas City and his Ph.D. in clinical psychology from the University of Texas at Austin. Professor Zigler's scholarly work addresses mental retardation, psychopathology, intervention programs for economically disadvantaged children, and the effects of out-of-home care on the children of working parents. He has published widely. He was the first director of the Office of Child Development

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(now the Administration for Children, Youth and Families) and was chief of the U.S. Children's Bureau. He helped plan both Project Head Start and Project Follow Through. Professor Zigler has served as a special consultant to numerous cabinet officers and private foundations, and he often testifies as an expert witness before congressional committees.

Barry Zuckerman is professor and chairman of the department of pediatrics at the Boston University School of Medicine and director of the Division of Developmental and Behavioral Pediatrics at Boston City Hospital. Dr. Zuckerman has developed model programs involving collaboration between pediatricians and educators to meet the needs of at-risk young children. He is a member of the National Commission on Children, chairman of the Section of Developmental and Behavioral Pediatrics of the American Academy of Pediatrics, and a member of many state and national organizations. Dr. Zuckerman has conducted research and written extensively on the impact of biological and environmental factors on the health and development of young children, especially those living in poverty.

STAFF

Kathryn Taaffe Young, the task force's director of studies, is the principal author of its report. Dr. Young received her doctorate in developmental psychology from Yale University in 1988. She is a visiting research scientist at the Bush Center for Child Development and Social Policy at Yale University. From 1988 to 1992 Dr. Young was a senior program officer at the Smith Richardson Foundation, where she directed the work of the Children and Families at Risk program. Before that, she was a faculty member at Sarah Lawrence College and a Fellow of the National Center for Clinical Infant Programs. As a developmental psychologist, she has focused on contextual influences in infant development. Her historical survey of the parenting literature identified the extent to which scientific knowledge and cultural ideologies about infants have been part of expert advice to parents; the study was recently published in *Child Development*. She is currently documenting the nature and role of parental beliefs in infant development.

Linda Randolph, the task force's executive director until September 30, 1993, received her M.D. degree from the Howard University College of Medicine and her M.P.H. degree in Maternal and Child Health from the University of California at Berkeley. For seven years, Dr. Randolph was national director of health services, Project Head Start. In 1980, she became the New York State Health Department's Associate Commissioner for New York City affairs, and, in 1983, she became director of the Office of Public Health, New York State Department of Health. In 1990, Dr. Randolph was appointed Professor of Health Policy and Management at the State University of New York at Albany, and in 1991 she also assumed the position of director of the Master of Public Health Program in the Graduate School of Public Health. In October 1991, Dr. Randolph was appointed Clinical Professor in the Department of Community Medicine, Mount Sinai School of Medicine.

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W.H. Conference on Early Childhood Development & Learning

THE PRESIDENT HAS SEEN
4-15-97

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THE WHITE HOUSE

WASHINGTON

Copied
Reed
Verveer
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April 11, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Melanne Verveer
Elena Kagan

SUBJECT: White House Conference on Early Childhood Development and Learning

As you know, on Thursday, April 17, you and the First Lady will host the *White House Conference on Early Childhood Development and Learning: What New Research on the Brain Tells Us About Our Youngest Children.* This memorandum provides an overview of the Conference, as well as summarizing recommended policy announcements.

Conference Overview

The Conference will spotlight new scientific findings about how children develop, and explore how we can make the most of this information to give children what they need to thrive. The Conference will provide an opportunity to showcase what your Administration already has accomplished in this area, such as increasing investments in scientific research and creating or improving programs like Early Head Start and WIC.

The Conference will consist of two roundtable discussions, one in the morning and one in the afternoon, with a luncheon in the State Dining Room (optional for you) in between the two.

Morning session: You and the First Lady will make remarks to open the Conference. Yours will discuss the importance of the issue to be addressed, note past Administration accomplishments in the area, and discuss new initiatives, principally for improving child care and children's health (detailed below).

A panel of experts will then present an overview of the emerging knowledge, gained from neuroscience and behavioral science, on early childhood development. Dr. David Hamburg, President of the Carnegie Corporation, will moderate brief presentations by:

- Dr. Donald Cohen, Director of the Yale Child Study Center, who will discuss what the behavior of children shows about their cognitive, emotional, and social development;

- Dr. Carla Shatz, a neuroscientist at the University of California, Berkeley, who will explain how children's brains develop in the earliest years of life; and

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- Dr. Patricia Kuhl, Chair of the Department of Speech and Hearing Sciences at the University of Washington, who will discuss how children learn language.

Following these presentations, three more experts will join the panel to discuss what the scientific research suggests about protecting children's health and providing good child care:

- Dr. Ezra Davidson, Drew University of Medicine, who can address the importance of prenatal and perinatal services;

- Dr. T. Berry Brazelton, Harvard University, who can discuss the pediatrician's role in early childhood development; and

- Dr. Deborah Phillips, Institute of Medicine, who can address how child care can affect early development.

These experts also will respond to a series of questions posed by the First Lady and Mrs. Gore. Some of these questions will come from a poll conducted by Hart Research for Zero to Three (an early development advocacy group) that tried to discover what parents most want to know about early childhood development. Other questions will tackle the tough issues raised by the new research -- for example, "does this research mean that women should not work outside the home?" or "does this research suggest that adopting an older child is a bad idea?"

Afternoon Session: The purpose of the afternoon session is to highlight model efforts that communities are undertaking to support parents and enhance early childhood development. This panel will be action-oriented and will give you an opportunity to highlight Administration accomplishments and initiatives. Participants in the discussion will include:

- Dr. Gloria Rodriguez, Avance Family Support Program, San Antonio, TX.
  Avance is a widely acclaimed family support and education program serving predominantly Hispanic communities.

- Harriet Meyer, Ounce of Prevention, Chicago, IL.
  Ounce of Prevention is a statewide program in Illinois that develops innovative early childhood programs and runs model Early Head Start and child care programs.

- Melvin Wearing, Chief of Police, New Haven, CT.
  Wearing will discuss a pioneering initiative that trains community police officers to use child development principles in their work.

- Arnold Langbo, The Kellogg Company CEO, Battle Creek, MI.
  Kellogg launched a community-wide effort last fall to provide practical early brain development information to every Battle Creek parent and caregiver.

THE PRESIDENT HAS SEEN
4-15-97

- Rob Reiner, CastleRock Entertainment, Los Angeles, CA.
  Reiner will discuss the "I Am Your Child" campaign launched this month and the media's role in making early childhood development information available.

- Governor Bob Miller, Nevada, Co-chair of the NGA Children's Task Force.
  Miller will discuss what States are doing to enhance early childhood development.

Satellite Sites: The morning session of the Conference will be transmitted to at least 53 satellite sites -- mostly universities and hospitals -- in about 30 states and all 10 federal regions. (Fifty-three is the current number; there will probably be more.) In almost all of these sites, local organizers will put on programs of their own to follow the morning session and will report back to you on their proceedings and recommendations. Cabinet Affairs is encouraging subcabinet officials to attend and speak at these satellite conferences. In addition, regional administrators from HHS, USDA, EPA, Education, and GSA are taking an active role in the satellite sessions.

Report of Proceedings: We are currently making arrangements for an official conference report, to be issued in early June. The report, in addition to providing a summary of the conference proceedings, will serve as a resource guide and learning tool for parents and child care providers. We expect to print 250,000 copies and distribute them through departmental programs, such as Head Start and Even Start, and to individuals who request information about the Conference.

Pre-Conference Policy Initiatives

We would like to make three announcements prior to the Conference, in order to lay the groundwork for the Conference's discussion of ways to enhance early childhood development.

FMLA Expansion for Federal Employees: In your April 12 radio address, you will introduce the themes of the Conference and then direct heads of executive departments and agencies to expand family and medical leave for federal employees in the ways proposed in your legislation. This action would allow federal employees 24 hours of unpaid leave each year to participate in activities relating to school and child care, children's health care, and (unrelated to the Conference) elderly relatives' health needs. You will stress in your radio address how such family-friendly policies can support parents with young children.

Prescription for Reading: On April 16, the First Lady (and perhaps you, depending on the status of budget negotiations) will announce an initiative to encourage pediatricians to "prescribe" that parents read to their children. As part of this initiative, the American Academy of Pediatrics will announce that prescribing reading to infants and toddlers should be part of standard pediatric care. In addition, several book companies have committed to donating hundreds of thousands of books for distribution to children through community health centers and other medical offices across the nation. This initiative reinforces the Parents as First Teachers portion of the America Reads program.

Should mention at Summit

THE PRESIDENT HAS SEEN
4-15-97

Executive Order on Environmental Health and Safety Risks: You currently have under consideration a proposed Executive Order that would require agencies to consider and explain the effects of certain major rules on children. This order, if you decide to approve it, would serve as an excellent lead-in to the Conference, and we recommend issuing it on April 16. The order gives meaning and effect to your Administration's commitment to protect children in making regulatory decisions.

Conference Policy Announcements

The biggest news from the Conference should be the Conference itself -- that you and the First Lady hosted a day-long meeting on this subject and that scientists, community leaders, parents, and other experts communicated ideas and information on this issue to each other and the American public. The Conference also should provide a vehicle to remind everyone of your Administration's accomplishments in this area, such as increasing funding for research related to children, expanding and improving Head Start and creating the Early Head Start Program, raising childhood immunization rates to an all-time high, and launching a major new effort to eliminate childhood lead poisoning.

In addition, the Conference -- especially your opening remarks -- will give you an opportunity to discuss new and pending policy initiatives that show a continuing commitment to this set of issues. We recommend that your comments focus principally, but not exclusively, on child care and children's health and that you make the announcements discussed below.

Child Care: Child care experts believe the Defense Department's child care system is now the best in the country and possibly the world (in large part because of legislation enacted in the late 1980s). DoD child care is characterized by: high standards, including a high percentage of accredited centers; a strong enforcement system with four unannounced annual inspections and a 1-800 hot line for parents to report concerns; a wage structure that is tied to training and an "up or out" personnel policy requiring completion of training requirements; relatively generous wages and benefits, which reduce staff turnover; a system of linking up individual home care providers to give them needed support; and sufficient funding to make quality child care affordable (though there still are waiting lists).

We recommend you hold up the DoD child care system as a model for the nation and issue an executive memorandum directing the Secretary of Defense to use the Department's resources and expertise to improve child care across the nation. In particular, you would direct that (1) military bases partner with state and county governments to provide on-the-job training in child care to welfare recipients; (2) each military child development center partner with a civilian child care center and work with it to improve quality; (3) DoD establish regional "Child Care Masters Programs" that civilian child care managers could attend for two weeks to learn best practices; (4) DoD publicize its model designs for child care facilities and playgrounds; and (5) DoD issue benchmarks in the areas of standards, enforcement, compensation, and cost against which civilian child care programs could evaluate themselves. Most civilian child care systems

both good

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4-15-97

will come up short against DoD's benchmarks, particularly in terms of compensation and affordability, but such a comparison might help build public support for greater investment in child care. DoD fully supports the idea of issuing such a directive.

You also might want to float some trial balloons on more ambitious -- and costly -- proposals. For example, some have suggested making the Child and Dependent Tax Care Credit refundable (at a cost of $2-4 billion), so that families with little or no income can benefit from it. The Blue Dog budget makes the credit refundable, but pays for it by eliminating the tax benefit for families with incomes over $100,000. Another legislative proposal would provide a tax credit to private companies and institutions to encourage them to build quality child-care centers on-site. Given our budget, you cannot endorse any of these proposals, but you might want to use this opportunity to suggest your openness to further discussion of such legislation.

Children's Health Initiative: We also recommend that you discuss in your opening remarks the importance of insurance coverage for children's health and development, highlighting the Children's Health Initiative in your 1998 budget proposal. Your proposal will extend coverage to up to 5 million uninsured children by the year 2000. You can announce at the Conference that the deans of academic medical centers -- important legitimators within the medical community -- have endorsed your proposal.

We are also planning a follow-up children's health event, where you will release a study showing the links between insurance coverage, health status and development and learning for children from 0 to 18 years old and talk in more detail about your health proposal. Either at the follow-up event or at the Conference itself, you can announce a project by Kaiser Permanente to spend $100 million over the next 5 years to provide health insurance to uninsured children.

Child Victims of Violence Initiative. You can announce that the Department of Justice will establish, with FY 97 discretionary funding, a Child Victims of Violence Initiative through the Yale, New Haven Child Development-Community Policing Program. This program, which Chief Wearing will speak about, trains police officers in child development, so that they can better respond to situations arising in the field. The new initiative will extend the program to other sites and also broaden it to include people other than police officers -- such as prosecutors, probation and parole officers, and mental health professionals -- whose work would benefit from knowing about early child development.

Head Start Funding: You can announce the launch of a new competition for Early Head Start grants, which will highlight this Administration's creation of the program.

America Reads Early Childhood Kits: You can announce the release of the America Reads Early Childhood Kits for Families and Caregivers. The kits include a developmental growth chart and suggestions about developmentally appropriate activities for children ages 0 to 5. Everyone who looks at these kits loves them. The kits will be distributed to early childhood programs across the nation and to individuals who call the Department of Education's 1-800 line.

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Document No.

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/12 ACTION/CONCURRENCE/COMMENT DUE BY: —

SUBJECT: Early Childhood Conference - Overview / Recommendations

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	McCURRY	☐	☑
BOWLES	☐	☑	McGINTY	☐	☐
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PODESTA	☐	☑	RUFF	☐	☐
MATHEWS	☐	☑	SMITH	☐	☐
RAINES	☐	☑	REED	☐	☐
BAER	☐	☑	SOSNIK	☐	☑
ECHAVESTE	☐	☑	LEWIS	☐	☑
EMANUEL	☐	☑	YELLEN	☐	☐
GIBBONS	☐	☐	STREETT	☐	☐
HALE	☐	☐	SPERLING	☐	☑
HERMAN	☐	☐	HAWLEY	☐	☐
HIGGINS	☐	☐	VERVEER	☐	☑
HILLEY	☐	☑	RADD	☐	☐
KLAIN	☐	☐	J. KLEIN	☐	☑
BERGER comments attached	☐	☑		☐	☐
LINDSEY	☐	☐		☐	☐

REMARKS:

This has been forwarded to the President

RESPONSE:

Staff Secretary
Ext. 6-2702

'97 APR 11 PM9:09

THE WHITE HOUSE

WASHINGTON

April 11, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Melanne Verveer
Elena Kagan

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THE WHITE HOUSE

WASHINGTON

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Comments:

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COS

'97 APR 11 PM9:09

THE WHITE HOUSE

WASHINGTON

April 11, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Melanne Verveer
Elena Kagan

SUBJECT: White House Conference on Early Childhood Development and Learning

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- Dr. Donald Cohen, Director of the Yale Child Study Center, who will discuss what the behavior of children shows about their cognitive, emotional, and social development;

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Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 4/12 ACTION/CONCURRENCE/COMMENT DUE BY: —

SUBJECT: Early Childhood Conference - Overview / Recommendations

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	☐	☑	McCURRY	☐	☑
BOWLES	☐	☑	McGINTY	☐	☐
McLARTY	☐	☐	NASH	☐	☐
PODESTA	☐	☑	RUFF	☐	☐
MATHEWS	☐	☑	SMITH	☐	☐
RAINES	☐	☑	REED	☐	☐
BAER	☐	☑	SOSNIK	☐	☑
ECHAVESTE	☐	☑	LEWIS	☐	☑
EMANUEL	☐	☑	YELLEN	☐	☐
GIBBONS	☐	☐	STREETT	☐	☐
HALE	☐	☐	SPERLING	☐	☑
HERMAN	☐	☐	HAWLEY	☐	☐
HIGGINS	☐	☐	VERVEER	☐	☐
HILLEY	☐	☑	RADD	☐	☐
KLAIN	☐	☐		☐	☐
BERGER	☐	☑		☐	☐
LINDSEY	☐	☐		☐	☐

REMARKS:

This has been forwarded to the President

RESPONSE:

Staff Secretary

'97 APR 11 PM9:09

THE WHITE HOUSE

WASHINGTON

April 11, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
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Elena Kagan

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Phil - NSC returned this - want to know if it really should have been given to them. Anna

NO - mistake

Document No. '97 APR 14 AM 9:40

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RAINES	☐	☑	REED	☐	☐
BAER	☐	☑	SOSNIK	☐	☑
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THE WHITE HOUSE

WASHINGTON

April 11, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Melanne Verveer
Elena Kagan

SUBJECT: White House Conference on Early Childhood Development and Learning

As you know, on Thursday, April 17, you and the First Lady will host the *White House Conference on Early Childhood Development and Learning: What New Research on the Brain Tells Us About Our Youngest Children.* This memorandum provides an overview of the Conference, as well as summarizing recommended policy announcements.

Conference Overview

The Conference will spotlight new scientific findings about how children develop, and explore how we can make the most of this information to give children what they need to thrive. The Conference will provide an opportunity to showcase what your Administration already has accomplished in this area, such as increasing investments in scientific research and creating or improving programs like Early Head Start and WIC.

The Conference will consist of two roundtable discussions, one in the morning and one in the afternoon, with a luncheon in the State Dining Room (optional for you) in between the two.

Morning session: You and the First Lady will make remarks to open the Conference. Yours will discuss the importance of the issue to be addressed, note past Administration accomplishments in the area, and discuss new initiatives, principally for improving child care and children's health (detailed below).

A panel of experts will then present an overview of the emerging knowledge, gained from neuroscience and behavioral science, on early childhood development. Dr. David Hamburg, President of the Carnegie Corporation, will moderate brief presentations by:

- Dr. Donald Cohen, Director of the Yale Child Study Center, who will discuss what the behavior of children shows about their cognitive, emotional, and social development;

- Dr. Carla Shatz, a neuroscientist at the University of California, Berkeley, who will explain how children's brains develop in the earliest years of life; and

- Dr. Patricia Kuhl, Chair of the Department of Speech and Hearing Sciences at the University of Washington, who will discuss how children learn language.

Following these presentations, three more experts will join the panel to discuss what the scientific research suggests about protecting children's health and providing good child care:

- Dr. Ezra Davidson, Drew University of Medicine, who can address the importance of prenatal and perinatal services;

- Dr. T. Berry Brazelton, Harvard University, who can discuss the pediatrician's role in early childhood development; and

- Dr. Deborah Phillips, Institute of Medicine, who can address how child care can affect early development.

These experts also will respond to a series of questions posed by the First Lady and Mrs. Gore. Some of these questions will come from a poll conducted by Hart Research for Zero to Three (an early development advocacy group) that tried to discover what parents most want to know about early childhood development. Other questions will tackle the tough issues raised by the new research -- for example, "does this research mean that women should not work outside the home?" or "does this research suggest that adopting an older child is a bad idea?"

Afternoon Session: The purpose of the afternoon session is to highlight model efforts that communities are undertaking to support parents and enhance early childhood development. This panel will be action-oriented and will give you an opportunity to highlight Administration accomplishments and initiatives. Participants in the discussion will include:

- Dr. Gloria Rodriguez, Avance Family Support Program, San Antonio, TX.
  Avance is a widely acclaimed family support and education program serving predominantly Hispanic communities.

- Harriet Meyer, Ounce of Prevention, Chicago, IL.
  Ounce of Prevention is a statewide program in Illinois that develops innovative early childhood programs and runs model Early Head Start and child care programs.

- Melvin Wearing, Chief of Police, New Haven, CT.
  Wearing will discuss a pioneering initiative that trains community police officers to use child development principles in their work.

- Arnold Langbo, The Kellogg Company CEO, Battle Creek, MI.
  Kellogg launched a community-wide effort last fall to provide practical early brain development information to every Battle Creek parent and caregiver.

- Rob Reiner, CastleRock Entertainment, Los Angeles, CA.
  Reiner will discuss the "I Am Your Child" campaign launched this month and the media's role in making early childhood development information available.

- Governor Bob Miller, Nevada, Co-chair of the NGA Children's Task Force.
  Miller will discuss what States are doing to enhance early childhood development.

Satellite Sites: The morning session of the Conference will be transmitted to at least 53 satellite sites -- mostly universities and hospitals -- in about 30 states and all 10 federal regions. (Fifty-three is the current number; there will probably be more.) In almost all of these sites, local organizers will put on programs of their own to follow the morning session and will report back to you on their proceedings and recommendations. Cabinet Affairs is encouraging subcabinet officials to attend and speak at these satellite conferences. In addition, regional administrators from HHS, USDA, EPA, Education, and GSA are taking an active role in the satellite sessions.

Report of Proceedings: We are currently making arrangements for an official conference report, to be issued in early June. The report, in addition to providing a summary of the conference proceedings, will serve as a resource guide and learning tool for parents and child care providers. We expect to print 250,000 copies and distribute them through departmental programs, such as Head Start and Even Start, and to individuals who request information about the Conference.

Pre-Conference Policy Initiatives

We would like to make three announcements prior to the Conference, in order to lay the groundwork for the Conference's discussion of ways to enhance early childhood development.

FMLA Expansion for Federal Employees: In your April 12 radio address, you will introduce the themes of the Conference and then direct heads of executive departments and agencies to expand family and medical leave for federal employees in the ways proposed in your legislation. This action would allow federal employees 24 hours of unpaid leave each year to participate in activities relating to school and child care, children's health care, and (unrelated to the Conference) elderly relatives' health needs. You will stress in your radio address how such family-friendly policies can support parents with young children.

Prescription for Reading: On April 16, the First Lady (and perhaps you, depending on the status of budget negotiations) will announce an initiative to encourage pediatricians to "prescribe" that parents read to their children. As part of this initiative, the American Academy of Pediatrics will announce that prescribing reading to infants and toddlers should be part of standard pediatric care. In addition, several book companies have committed to donating hundreds of thousands of books for distribution to children through community health centers and other medical offices across the nation. This initiative reinforces the Parents as First Teachers portion of the America Reads program.

Executive Order on Environmental Health and Safety Risks: You currently have under consideration a proposed Executive Order that would require agencies to consider and explain the effects of certain major rules on children. This order, if you decide to approve it, would serve as an excellent lead-in to the Conference, and we recommend issuing it on April 16. The order gives meaning and effect to your Administration's commitment to protect children in making regulatory decisions.

Conference Policy Announcements

The biggest news from the Conference should be the Conference itself -- that you and the First Lady hosted a day-long meeting on this subject and that scientists, community leaders, parents, and other experts communicated ideas and information on this issue to each other and the American public. The Conference also should provide a vehicle to remind everyone of your Administration's accomplishments in this area, such as increasing funding for research related to children, expanding and improving Head Start and creating the Early Head Start Program, raising childhood immunization rates to an all-time high, and launching a major new effort to eliminate childhood lead poisoning.

In addition, the Conference -- especially your opening remarks -- will give you an opportunity to discuss new and pending policy initiatives that show a continuing commitment to this set of issues. We recommend that your comments focus principally, but not exclusively, on child care and children's health and that you make the announcements discussed below.

Child Care: Child care experts believe the Defense Department's child care system is now the best in the country and possibly the world (in large part because of legislation enacted in the late 1980s). DoD child care is characterized by: high standards, including a high percentage of accredited centers; a strong enforcement system with four unannounced annual inspections and a 1-800 hot line for parents to report concerns; a wage structure that is tied to training and an "up or out" personnel policy requiring completion of training requirements; relatively generous wages and benefits, which reduce staff turnover; a system of linking up individual home care providers to give them needed support; and sufficient funding to make quality child care affordable (though there still are waiting lists).

We recommend you hold up the DoD child care system as a model for the nation and issue an executive memorandum directing the Secretary of Defense to use the Department's resources and expertise to improve child care across the nation. In particular, you would direct that (1) military bases partner with state and county governments to provide on-the-job training in child care to welfare recipients; (2) each military child development center partner with a civilian child care center and work with it to improve quality; (3) DoD establish regional "Child Care Masters Programs" that civilian child care managers could attend for two weeks to learn best practices; (4) DoD publicize its model designs for child care facilities and playgrounds; and (5) DoD issue benchmarks in the areas of standards, enforcement, compensation, and cost against which civilian child care programs could evaluate themselves. Most civilian child care systems

will come up short against DoD's benchmarks, particularly in terms of compensation and affordability, but such a comparison might help build public support for greater investment in child care. DoD fully supports the idea of issuing such a directive.

You also might want to float some trial balloons on more ambitious -- and costly -- proposals. For example, some have suggested making the Child and Dependent Tax Care Credit refundable (at a cost of $2-4 billion), so that families with little or no income can benefit from it. The Blue Dog budget makes the credit refundable, but pays for it by eliminating the tax benefit for families with incomes over $100,000. Another legislative proposal would provide a tax credit to private companies and institutions to encourage them to build quality child-care centers on-site. Given our budget, you cannot endorse any of these proposals, but you might want to use this opportunity to suggest your openness to further discussion of such legislation.

Children's Health Initiative: We also recommend that you discuss in your opening remarks the importance of insurance coverage for children's health and development, highlighting the Children's Health Initiative in your 1998 budget proposal. Your proposal will extend coverage to up to 5 million uninsured children by the year 2000. You can announce at the Conference that the deans of academic medical centers -- important legitimators within the medical community -- have endorsed your proposal.

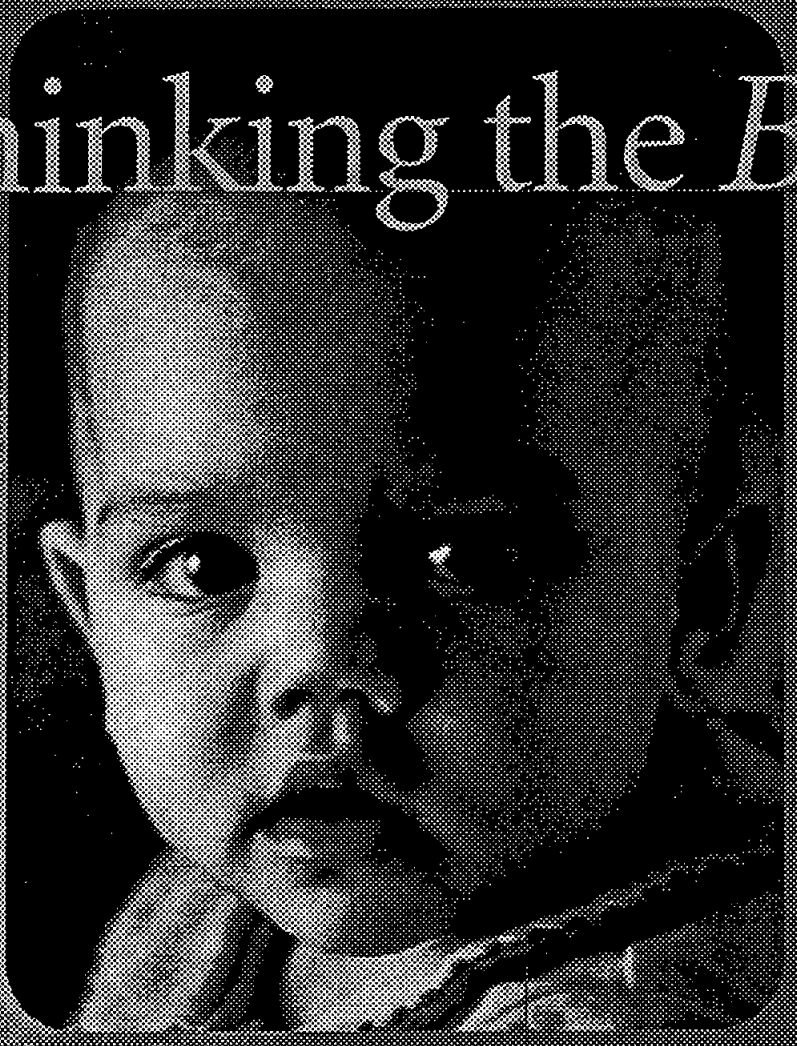
We are also planning a follow-up children's health event, where you will release a study showing the links between insurance coverage, health status and development and learning for children from 0 to 18 years old and talk in more detail about your health proposal. Either at the follow-up event or at the Conference itself, you can announce a project by Kaiser Permanente to spend $100 million over the next 5 years to provide health insurance to uninsured children.

Child Victims of Violence Initiative. You can announce that the Department of Justice will establish, with FY 97 discretionary funding, a Child Victims of Violence Initiative through the Yale, New Haven Child Development-Community Policing Program. This program, which Chief Wearing will speak about, trains police officers in child development, so that they can better respond to situations arising in the field. The new initiative will extend the program to other sites and also broaden it to include people other than police officers -- such as prosecutors, probation and parole officers, and mental health professionals -- whose work would benefit from knowing about early child development.

Head Start Funding: You can announce the launch of a new competition for Early Head Start grants, which will highlight this Administration's creation of the program.

America Reads Early Childhood Kits: You can announce the release of the America Reads Early Childhood Kits for Families and Caregivers. The kits include a developmental growth chart and suggestions about developmentally appropriate activities for children ages 0 to 5. Everyone who looks at these kits loves them. The kits will be distributed to early childhood programs across the nation and to individuals who call the Department of Education's 1-800 line.

Rethinking the Brain

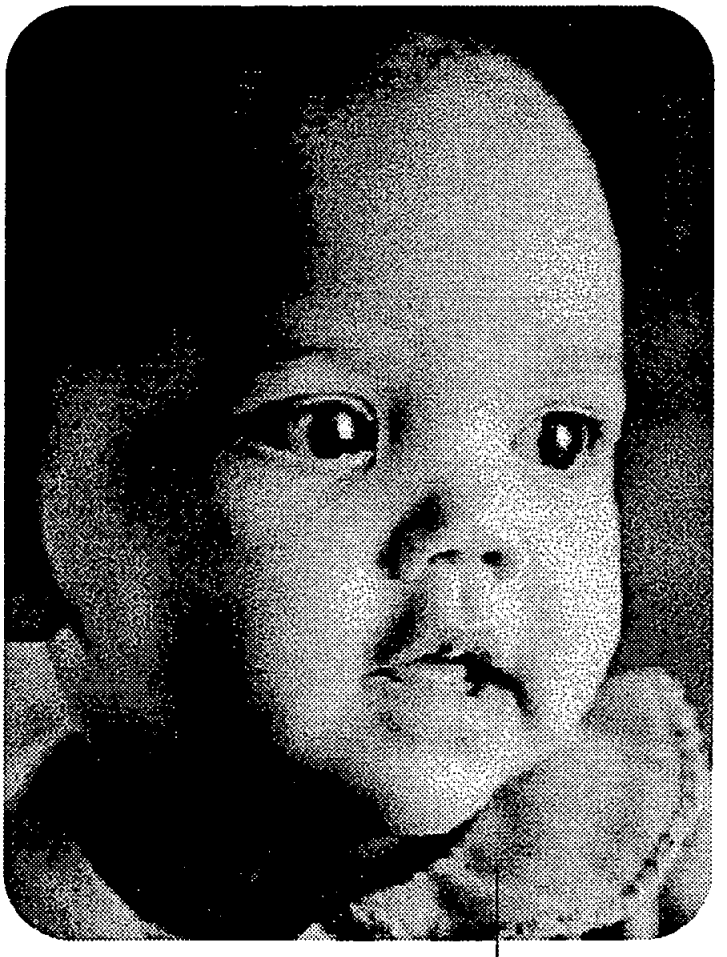


New Insights into Early Development

By Rima Shore

Institute for Research on Public Policy

Rethinking the Brain



New Insights into Early Development

By Rima Shore

Families and Work Institute

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Executive Summary

A father comforts a crying newborn. A mother plays peekaboo with her ten-month-old. A child care provider reads to a toddler. And in a matter of seconds, thousands of cells in these children's growing brains respond. Some brain cells are "turned on," triggered by this particular experience. Many existing connections among brain cells are strengthened. At the same time, new connections are formed, adding a bit more definition and complexity to the intricate circuitry that will remain largely in place for the rest of these children's lives.

We didn't always know it worked this way. Until recently, it was not widely believed that the brains of human infants could be so active and so complex. Nor did we realize how flexible the brain is. Only 15 years ago, neuroscientists assumed that by the time babies are born, the structure of their brains is genetically determined. They did not recognize that the experiences that fill a baby's first days, months and years have such a decisive impact on the architecture of their brains, or on the nature and extent of their adult capacities. Today, thanks in part to decades of research on brain chemistry and sophisticated new technologies, neuroscientists are providing evidence for assertions that would have been greeted with skepticism ten or twenty years ago.

Breakthroughs in Neuroscience—Why Now?

Every field of endeavor has peak moments of discovery and opportunity, when past knowledge converges with new needs, new insights, and new technologies to produce stunning advances. For neuroscience, this is one such moment. Certainly, the development of new research tools, such as brain imaging technologies, has been a crucial factor. But technological advances never occur in a vacuum. Brain research has been stimulated, in part, by growing concern about the status of children in America—not only their academic achievement, but also their health, safety, and overall well-being. There is growing consensus, among decision makers in many fields, that efforts to recast policy and reconsider the best use of public resources must begin at the beginning—with clearheaded thinking about young children's brains.

What Have We Learned?

1. **Human development hinges on the interplay between nature and nurture.** Much of our thinking about the brain has been dominated by old assumptions—that the genes we are born with determine how our brains develop, and that in turn how our brains develop determines how we interact with the world. Recent brain research challenges these assumptions. Neuroscientists have found that throughout the entire process of development, beginning even before birth, the brain is affected by environmental conditions, including the kind of nourishment, care, surroundings, and stimulation an individual receives. The impact of the environment is dramatic and specific, not merely influencing the general direction of development, but actually affecting how the intricate circuitry of the brain is wired.

The notion of "wiring" or "circuitry" is often used to describe the brain's complex network. Brain function hinges on the rapid, efficient passage of signals from one part of the brain to another. It needs a well organized network. The building blocks of this network are brain cells (neurons) and the connections (synapses) they form to other brain cells. These synapses are vital to healthy development and learning: they link up to form neural pathways. As an individual interacts with the environment—reacting to stimuli, taking in information, processing it, or storing it—new signals race along these neural pathways. In neuroscientists' terms, the synapses and the pathways they form are "activated."

It is during the first three years of life that the vast majority of synapses is produced. The number of synapses increases with astonishing rapidity until about age three and then holds steady throughout the first decade of life. A child's brain becomes super-dense, with twice as many synapses as it will eventually need. Brain development is, then, a process of pruning.

This is why early experience is so crucial: those synapses that have been activated many times by virtue of repeated early experience tend to become permanent; the synapses that are not used tend to be eliminated. In this way early experiences—positive or negative—have a decisive impact on how the brain is wired.

New knowledge about brain function should end the "nature or nurture" debate once and for all. A great deal of new research leads to this conclusion: how humans develop and learn depends critically and continually on the interplay between nature (an individual's genetic endowment) and nurture (the nutrition, surroundings, care, stimulation, and teaching that are provided or withheld). Both are crucial.

2. **Early care has a decisive and long-lasting impact on how people develop, their ability to learn, and their capacity to regulate their own emotions.** The ways that parents, families, and other caregivers relate and respond to young children, and the ways that they mediate children's contact with the environment, directly affect the formation of neural pathways. In particular, a child's capacity to control emotions appears to hinge, to a significant extent, on biological systems shaped by his or her early experiences and attachments. Neuroscientists are finding that a strong, secure attachment to a nurturing caregiver can have a protective biological function, helping a growing child withstand (and, indeed, learn from) the ordinary stresses of daily life. There is no single "right" way to create this capacity; warm, responsive care can take many forms.

3. **The human brain has a remarkable capacity to change, but timing is crucial.** There is mounting evidence that the brain has the capacity to change in important ways in response to experience. It shows that the brain is not a static entity, and that an individual's capacities are not fixed at birth. The brain itself can be altered—or helped to compensate for problems—with timely, intensive intervention. In the first decade of life, and particularly in the first few years, the brain's ability to change and compensate is especially remarkable.

Because the brain has the capacity to change, there are ample opportunities to promote and support children's healthy growth and development. But timing is crucial. While learning continues throughout the life cycle, there are optimal periods of opportunity—"prime times"—during which the brain is particularly efficient at specific types of learning. In the neurobiological literature, these times are called "critical periods."

4. **There are times when negative experiences or the absence of appropriate stimulation are more likely to have serious and sustained effects.** A number of researchers have focused their attention on specific circumstances that may interfere with warm, responsive caregiving during critical periods, including maternal depression. While not all babies of depressed mothers show negative effects, maternal depression can impede healthy brain development, particularly in the part of the brain associated with the expression and regulation of emotions. Postpartum depression that lasts only a few months does not appear to have a lasting impact; but babies who are from six to eighteen months old when their mothers suffer from depression appear to be at greater risk. When mothers are treated for or recover from depression, their children's brain activity and behavior can improve significantly.

New knowledge about the vulnerability of the developing brain to environmental factors suggests that significant, early exposure to such substances as nicotine, alcohol, and cocaine may have more harmful and long-lasting effects on young children than was previously suspected.

Early experiences of trauma or ongoing abuse, whether in utero or after birth, can interfere with the development of the subcortical and limbic areas of the brain, resulting in extreme anxiety, depression, and/or the inability to form healthy attachments to others. Adverse experiences throughout childhood can also impair cognitive abilities.

Many of the risk factors described above occur together, jeopardizing the healthy development of young children and making research endeavors more challenging. Research shows that many of these risk factors are associated with or exacerbated by poverty. Today, fully a quarter of American children under the age of six are growing up in poverty; the same figure holds for children under the age of three. Economic deprivation affects their nutrition, access to medical care, the safety and predictability of their physical environment, the level of family stress, and the quality and continuity of their day-to-day care.

5. **Evidence amassed over the last decade points to the wisdom and efficacy of prevention and early intervention.** There are, to be sure, some genetic disorders or neurological events (such as a massive stroke) whose consequences are difficult if not impossible to reverse, given current knowledge and methods. But study after study shows that intensive, well designed, timely intervention can improve the prospects—and the quality of life—of many children who are considered to be at risk of cognitive, social, or emotional impairment. In some cases, effective intervention efforts can even ameliorate conditions once thought to be virtually untreatable, such as autism or mental retardation.

The efficacy of early intervention has been demonstrated and replicated in diverse communities across the nation. Children from families with the least formal education appear to derive the greatest cognitive benefits from intervention programs. Moreover, the impact of early intervention appears to be long-lasting, particularly when there is follow-up during the elementary school years.

Where Do We Go From Here?

In most spheres of knowledge, what we don't know far exceeds what we do know. Brain research is no exception. Coming years promise to yield new discoveries about how the brain develops and how children's capacities grow and mature.

However, the knowledge base is ample enough to allow us to act now. A framework for action might be designed around key assertions presented in this report, including the importance of the interplay between nature and nurture; the importance of strong, secure early attachments; the extent and rapidity of early development; the brain's remarkable plasticity; and the wisdom and efficacy of prevention and high-quality, well designed early intervention.

Such a framework would need to take into account three key principles:

First, do no harm. New insights into the brain suggest that the principle that guides medical practice should be applied just as rigorously to all policies and practices that affect children: first do no harm. Policies or practices that prevent parents from forming strong, secure attachments with their infants in the first months of life need urgent attention and reform. At the same time, parents need more information about how the kind of care they provide affects their children's capacities. "First, do no harm" also means mounting intensive efforts to improve the quality of child care and early education, so that parents can be sure that while they are at work, their young children's emotional development and learning are being fostered.

Prevention is best, but when a child needs help, intervene quickly and intensively. Knowing that early experience has such a strong influence on brain development, parents may worry that every unpleasant sensation or upsetting experience will become a neurological nightmare. They may rest assured that in most cases, a history of consistent and responsive care cushions children from the occasional bumps and bruises that are inevitable in everyday life. In most cases, children can recover even from serious stress or trauma. And if they are given timely, intensive, sustained help, they can overcome a wide range of developmental problems. More detailed knowledge about specific aspects of brain development and functioning will allow the design of interventions that more closely match children's needs.

Promote the healthy development and learning of every child. If we miss early opportunities to promote healthy development and learning, later remediation may be more difficult and expensive, and may be less effective given the knowledge, methods and settings that are currently available. However, *risk is not destiny.* The medical, psychological, and educational literatures contain sufficient examples of people who develop or recover significant capacities after critical periods have passed to sustain hope for every individual. Ongoing efforts to enhance the cognitive, emotional, and social development of youth and adults in every phase of the life cycle must be supported.

Implications for Policy and Practice

New insights into early development confront policy makers and practitioners in many fields with thorny questions and difficult choices. As we move into the next century, our children need and deserve policies and practices that reflect the importance of the early years, and that embody the principles that emerged from the brain conference. In particular, new knowledge about early development adds weight and urgency to the following policy goals:

Improve health and protection by providing preventive and primary health care coverage for expectant and new parents and their young children. Today, about one in five pregnant women receives little or no prenatal care in the cru-

cial first trimester; for African American, Latina, and American Indian women, the figure is one in three. In addition to prenatal care, pregnant women need safe homes, adequate nutrition, and buffering from extreme stress. The first three years of life are also filled with important health and safety risks, but millions of children in this age span are uninsured or underinsured.

Promote responsible parenthood by expanding proven approaches. All parents can benefit from solid information and support as they raise their children; some need more intensive assistance. There is substantial research evidence that certain parent education/family support programs promote the healthy development of children, improve the well-being of parents, and are cost-effective.

Safeguard children in child care from harm and promote their learning and development. Researchers have found that most child care settings are of mediocre to poor quality, and the nation's youngest children are the most likely to be in unsafe, substandard child care. More than one-third are in situations that can be detrimental to their development. Most of the rest are in settings where minimal learning is taking place. We can do better. Studies show that it is possible to improve quality, creating settings in which children can thrive and learn.

Enable communities to have the flexibility and the resources they need to mobilize on behalf of young children and their families. Efforts are now underway across the nation to mobilize communities on behalf of young children and their families. These efforts need and deserve support from national, state, and local leaders, as well as from leaders of business, the media, community organizations, and religious institutions.

Conveying New Knowledge about the Brain Finally, new knowledge about the brain must be communicated to families and the public at large with immense care. While mothers and fathers have a powerful impact on their children's development and learning, many factors play a role and parents must not be made to feel solely responsible for every hurdle their children may encounter. While warm, responsive caregiving helps to promote healthy development, some neurological conditions remain fairly resistant to change. And while the neuroscientist's lens may appear to magnify or isolate such neurological problems, they are in fact only one facet of these children's rich and complex lives.

The notion of critical periods also needs to be carefully qualified. To be sure, nature provides prime times for development and learning, but parents and other caregivers can take advantage of these times in many ways, drawing upon their own varied resources and beliefs. Moreover, it is never too late to improve the quality of a child's life.

In short, new insights into early brain development suggest that as we care for our youngest children, as we institute policies or practices that affect their day-to-day experience, the stakes are very high. But we can take comfort in the knowledge that there are many ways that we as parents, as caregivers, as citizens, and as policy makers can raise healthy, happy, smart children. We can take heart in the knowledge that there are many things that we as a nation can do, starting now, to brighten their future and ours.

Foreword

Rethinking the Brain, and the conference which inspired it, present an overview of neuroscientists' recent findings about the brain, and suggest how these insights can guide and support our nation's efforts to promote the healthy development and learning of young children.

What can science teach? How can its findings be applied to urgent social problems? Richard Feynman, a Nobel Laureate in physics, often mused about such questions. He wrote:

> *From time to time people suggest to me that scientists ought to give more consideration to social problems, especially that they should be more responsible in considering the impact of science on society. It seems to be generally believed that if the scientists would only look at these very difficult social problems and not spend so much time fooling with less vital scientific ones, great success would come of it. It seems to me that we do think about these problems, from time to time, but ... social problems are very much harder than scientific ones....*

Feynman went on to say that it would be a mistake to underestimate the value of the world view which comes from scientific endeavor. In particular, the wonders of science have led us "to imagine all sorts of things infinitely more marvelous than the imaginings of poets and dreamers of the past."

I have my own example of the wonders of imagination flowing from scientific findings. A human baby develops from the fertilization of a human egg by a human sperm, resulting in a combined cell which is very tiny. In about 25 weeks that microscopic cell grows to become a fetus weighing one pound. In 15 more weeks, the fetus grows sevenfold. I am awed by the fact that a fetus weighing one pound already has 100 billion brain cells (called neurons), any one of which may form, over time, as many as 15,000 connections to other brain cells.

This report is about the early development of the human brain. For many years, I have been interested in early childhood development. I have listened to and read the remarkable insights of people like Anna Freud, John Bowlby, the Robertsons of London, Selma Fraiberg, Berry Brazelton, and Sally Provence. I have been struck by the keen clinical judgments they reached about the importance of infancy, relying only on their own keen eyes, without the benefit of the new, sophisticated imaging technologies.

In the years when most of these pioneers began publishing their observations and theories, there was very little neurobiological evidence to confirm their judgments about the critical nature of early brain development. But over the last decade, incredible advances in the knowledge and tools available to neuroscientists have allowed them to document the immense proliferation of neurons in the prenatal period, as well as the processes by which children's brains, including those of infants, form myriad connections among those neurons. Indeed, how children's brains develop from a few cells to a complex structure encompassing billions of cells and trillions of connections is so astonishing as to be almost unbelievable.

Neuroscientists' insights suggest that the early years are filled with opportunities—and pitfalls. It is my hope that this report, and the discussions it sparks, will help parents, educators, human services providers, and policy makers in many fields seize those opportunities and sidestep those pitfalls.

Irving Harris
The Harris Foundation
April 1997

Preface

Rethinking the Brain is based, in large part, on the proceedings from a national conference that we organized and convened on the critical importance of early brain development for our nation's future well-being. This meeting, titled *Brain Development in Young Children: New Frontiers for Research, Policy and Practice,* was held on June 13 and 14, 1996 at the University of Chicago and brought together 150 of the nation's leading brain scientists, experts in child development and early education, business leaders, policy makers and members of the news media.

The conference has served as a research base for the "I Am Your Child" Campaign, an early childhood public engagement campaign established by Rob Reiner, Michele Singer Reiner, Ellen Gilbert of International Creative Management, and other prominent entertainers, media, foundations, corporations, and child development experts. The outreach campaign is coordinated by the Families and Work Institute. The campaign is bringing national attention to the importance of the first three years of life, promoting family involvement in young children's healthy development and school readiness, helping to mobilize communities to act on behalf of young children and their families, and building the capacity of early childhood organizations to help families nurture their children.

The conference on brain development and its report build on a seminal report, *Starting Points: Meeting the Needs of Our Youngest Children,* released by Carnegie Corporation of New York in 1994. *Starting Points* noted that:

> *Across the United States, we are beginning to hear the rumblings of a quiet crisis. Our nation's children under the age of three and their families are in trouble, and their plight worsens every day.*
>
> *To be sure, the children themselves are not quiet; they are crying out for help. And their parents' anxieties about inadequate child care and the high cost of their child's health care can be heard in kitchens, playgrounds, pediatricians' waiting rooms, and workplace cafeterias across the nation. But these sounds rarely become sound-bites.*

When *Starting Points* was released, much of the extensive media attention focused on new highly persuasive evidence from research on brain development that how individuals function from the preschool years all the way through adolescence and even adulthood hinges, to an important extent, on their experiences in the first three years of life.

But *Starting Points* also made it clear that there is a very wide gap between scientific research and public knowledge—between what is known and what is done. In particular, our nation's pivotal institutions have not carefully considered our growing knowledge of early brain development.

The conference amplified the information presented in *Starting Points.* This report began as a summary of information and perspectives presented at that conference. As it took shape, however, it grew into a more comprehensive effort to bring to public attention the following key findings of recent brain research:

- Human development hinges on the interplay between nature and nurture.
- Early care and nurture have decisive and long-lasting impact on how people develop, their ability to learn, and their capacity to regulate their emotions.
- The human brain has a remarkable capacity to change, but timing is crucial.

- There are times when negative experiences or the absence of appropriate stimulation are more likely to have serious and sustained effects.
- Substantial evidence amassed by neuroscientists and child development experts over the last decade points to the wisdom and efficacy of prevention and early intervention.

These findings—as presented in *Rethinking the Brain*—are undergirded by substantial, hard scientific evidence collected painstakingly in research laboratories and through naturalistic observation. When considered together with the research of developmental psychologists and early intervention program experts, they expand the frontiers of knowledge; moreover, they should now compel public attention toward a much more forceful commitment to nurturing our youngest children.

This report is intended primarily for professionals in diverse fields who are seeking to achieve better results for young children and their families. We recognize, however, that the difficult choices it presents may raise concern for other members of the public, especially parents.

Rethinking the Brain highlights opportunities to promote healthy development, and to reduce risks, in the early years of life. In the process, it necessarily paints in broad strokes some very complex issues and debates. We wish to underscore that myriad factors shape a child's development—not only genes, but also the environment; and not only the immediate environment of the home, but also the larger social and economic settings of local communities and states, and of the nation as a whole. In this sense, all Americans share responsibility for every child.

Of course, parents bear the greatest responsibility for children's well-being. We believe that new insights into early development can help parents rethink their own approaches to childrearing and make sound decisions for their families. But no parent should draw from this report the conclusion that he or she is solely responsible for any difficulties a child may have.

As we rethink the brain, it is also vital to consider effective ways to present new findings to the public, with a view toward offering families help and hope, not distress or guilt. Research is needed to guide this effort. At the same time, we need the best thinking of leaders in diverse fields to address, on an ongoing basis, critical dissemination issues.

We are very grateful to the scholars and child development experts who participated in the conference and who reviewed this report; many spent hours with us, exploring the connections between the biological and the social sciences.

We were also especially fortunate to have a superb steering committee that helped shape the conference agenda and the subsequent report—led by the indefatigable and remarkable Irving Harris. His vision guided us through this entire process.

A special note of appreciation to Rima Shore. In addition to her lucid, artful prose and exceptional understanding of complex subjects, large and small, she has gone beyond the confines of the conference to incorporate additional research, presenting an in-depth picture of why and how we need to "rethink" the brain development of young children. We are also grateful to Jennifer Swanberg of the Families and Work Institute. She was an astute, tireless researcher while also managing the complex process of producing this report.

It is our strong hope that this report will make new insights into early development accessible to the public and policy makers, and that they will will become the basis for taking action on behalf of young children and their families.

Ellen Galinsky
Families and Work Institute

Michael H. Levine
Carnegie Corporation of New York

April 1997

"Beeboo," she says.

"Peekaboo," her mother answers, spreading one hand in front of her face and trying to change her diaper with the other.

"Beebeebeebeebee," she sings, waving her arms excitedly.

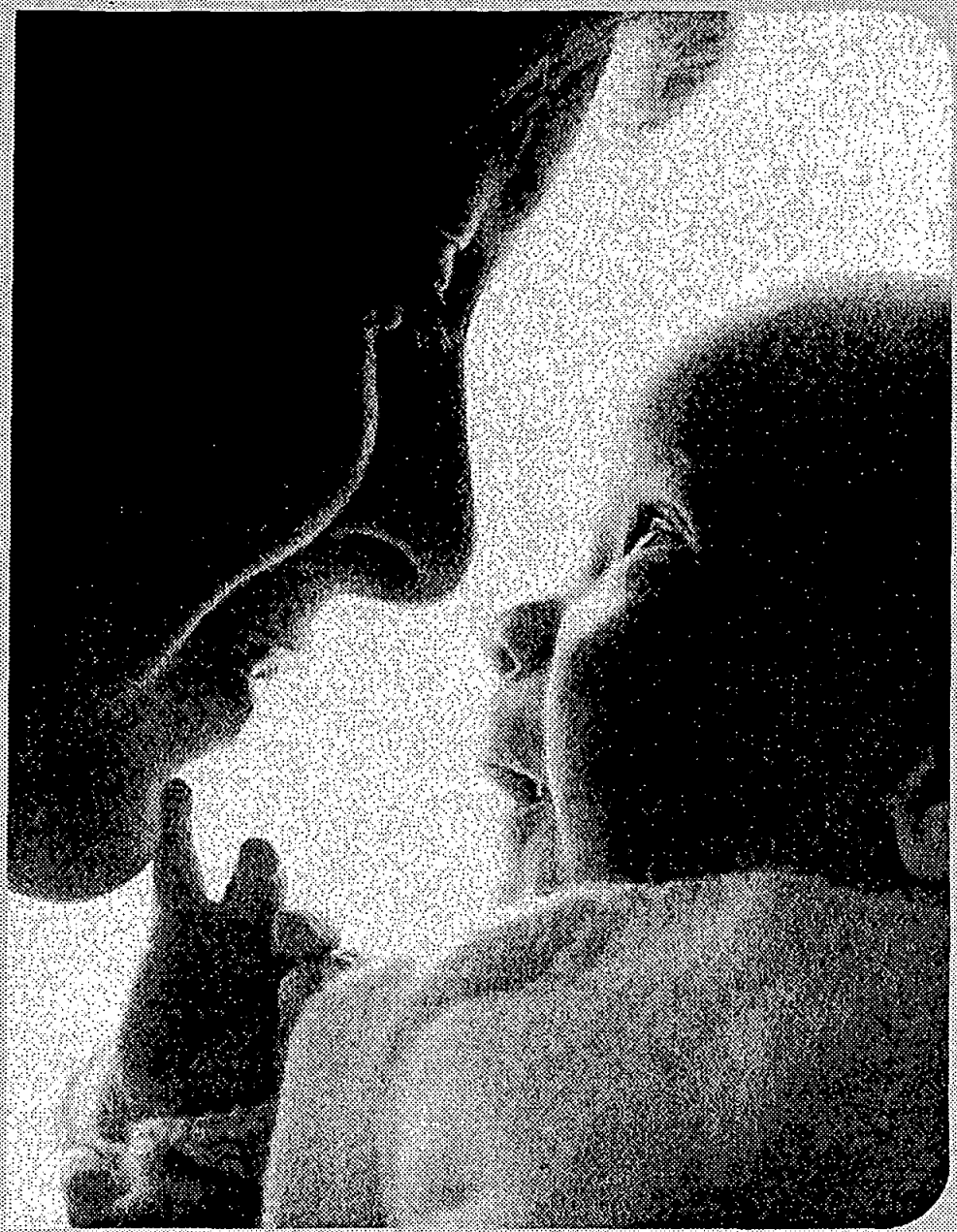
"Peekaboo, I see you. There's my baby!"

And in a matter of seconds, thousands of cells in this child's growing brain respond. Some brain cells are "turned on," triggered by this particular experience. Many existing connections among brain cells are strengthened. At the same time, new connections are formed, adding a bit more definition and complexity to the intricate circuitry that will remain largely in place for the rest of her life.

We didn't always know it worked this way. Until recently, it was not widely believed that the brains of human infants could be so active and so complex. Nor did we realize how flexible the brain is. Only 15 years ago, neuroscientists assumed that by the time babies are born, the structure of their brains is genetically determined. They did not recognize that the experiences that fill a baby's first days, months, and years have such a decisive impact on the architecture of her brain, or on the nature and extent of her adult capacities. Nor did they appreciate the extent to which young children actively participate in their own brain development by signalling their needs to caregivers and by responding selectively to different kinds of stimulation.

Today, thanks in part to decades of research on brain chemistry and sophisticated new technologies, neuroscientists are providing evidence for assertions that would have been greeted with skepticism—if not outright disbelief—ten or twenty years ago. Of course, there is still some resistance to theories that challenge traditional ways of

thinking about young children and about brain development. But now, teams of scientists across the nation and around the globe are elaborating on the brain's development and functions—getting right down to the cellular level. They are showing how nature and nurture interact on a continuous basis as children grow and mature. And in the process, they are sending a wake-up call to parents, teachers, health professionals, and policy makers in many fields, cautioning that we ignore the opportunities and risks of the first years of life at our own peril—and at the peril of future generations.



Indeed, brain research is one of the most exciting and fruitful scientific endeavors of the last decades of the 20th century. But unless this research finds its way into our homes and health clinics, our early childhood centers and classrooms, America's schools and human service institutions will remain locked in a 19th-century paradigm.

"An Organ of Minor Importance"

How we function as adults hinges to a significant extent on how our brains develop when we are young. This statement may sound self-evident, but has not always held sway in public life. Indeed, resistance to brain research has a long and complex history that goes back to ancient times. Many people have resisted an emphasis on the brain because it seems to diminish the role of moral qualities, of "character" and "soul." In the fourth century B.C., Aristotle described the brain as "an organ of minor importance," insisting that "the seat of the soul and the control of voluntary movement—in fact, of nervous functions in general—are to be sought in the heart."

Few people today would endorse the notion that the brain has little importance, but many share the sense that the way to improve the status of America's children is to focus more on qualities of heart (the realm of families and clergy) than on the brain (the realm of scientists and academics). But in fact, by highlighting the interplay between nature and nurture, recent brain research challenges this dichotomy, stressing the vital role of families and communities in promoting optimal brain development.

Others have been wary of neuroscience because some of its early practitioners, including adherents of phrenology, used fallacious arguments about the brain to justify the subjugation of women, racial minorities, and immigrant groups. As a result of this ignoble history, many people understandably greet new efforts to lend scientific credibility to views about how and why people learn with some skepticism.

Finally, still others are reluctant today to lend credibility to brain research because they fear, with some reason, that it may be used to support a misinformed determinism—the conviction that young children have preset limits to what they can learn, or that we might as well give up on children who have not made a good start, academically, emotionally, or socially, in the first decade of life.

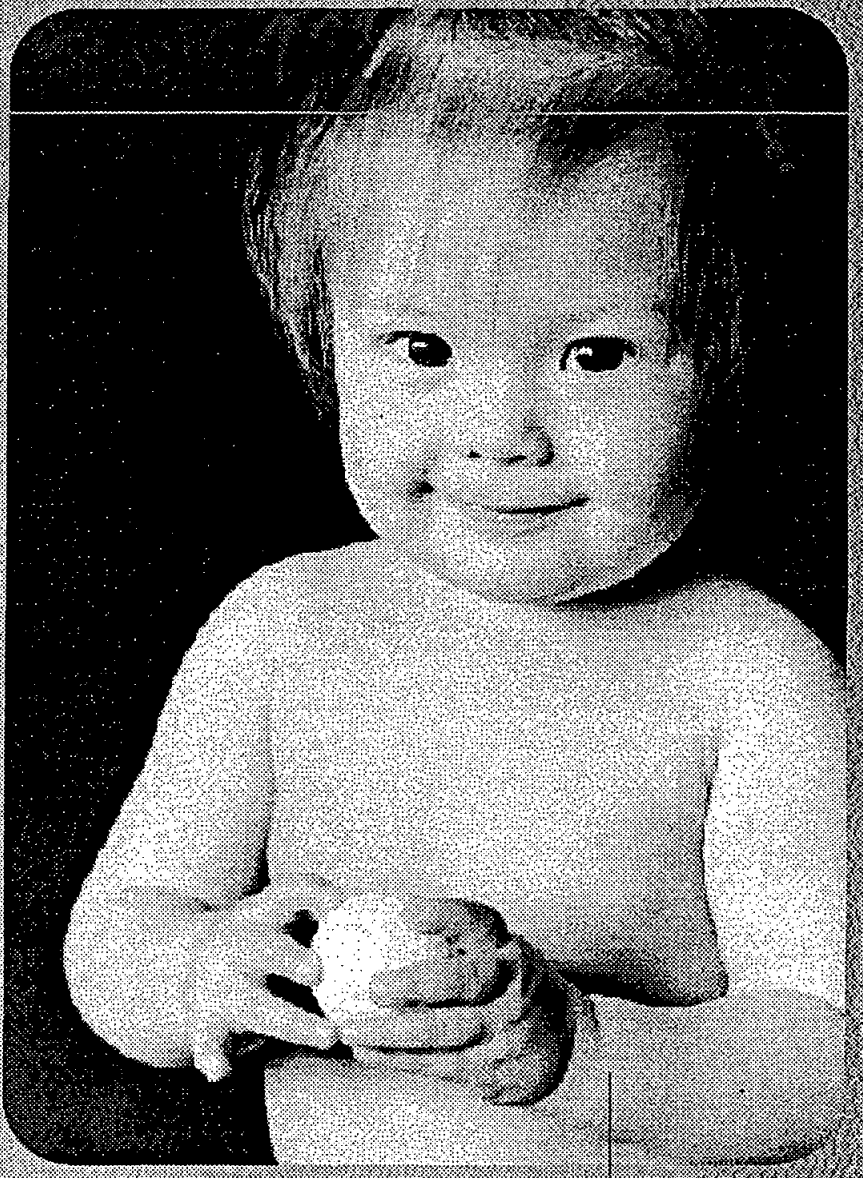
That is why it is so important to underscore three key findings of recent brain research:

- First, an individual's capacity to learn and thrive in a variety of settings depends on the interplay between nature (their genetic endowment) and nurture (the kind of care, stimulation, and teaching they receive).
- Second, the human brain—across all ethnic and racial groups—is uniquely constructed to benefit from experience and from good teaching, particularly during the first years of life.
- And third, while the opportunities and risks are greatest during the first years of life, learning takes place throughout the human life cycle.

In June 1996, a two-day conference was convened by the Families and Work Institute to discuss new knowledge about early brain development and its implications for America's children. Entitled *Brain Development in Young Children: New Frontiers for Research, Policy and Practice*, the conference was funded by the Carnegie Corporation of New York, The Charles A. Dana Foundation, The Harris Foundation and the Robert R. McCormick Tribune Foundation, and was developed in conjunction with the "I Am Your Child" campaign, a public engagement effort designed to focus attention on the importance of the first three years of life.

The conference sprang from the conviction that not just parents and families, but the nation as a whole, has a vital stake in its youngest children's healthy development and learning. It brought together professionals from the neurosciences, medicine, education, human services, the media, business, and public policy to look at what is known about the brain and how that knowledge can and should inform efforts to improve results for children and their families.

This report draws on the proceedings of that conference as well as papers by participants, a range of other background materials and interviews with scholars. It highlights the major findings reported at the conference, summarizes their implications for policy and practice in education and the human services, notes areas of debate, and points to pathways for future research. Finally, it frames the tough policy questions that arise from new insights into early development.



Breakthroughs in Neuroscience—*Why Now?*

Every field of endeavor has peak moments of discovery and opportunity—when past knowledge converges with new needs, new insights, and new technologies to produce stunning advances. For neuroscience, this is one such moment. The last ten years have produced more knowledge about the brain and how it develops than scientists had gleaned in the previous several centuries.

New Research Tools

Why have discoveries in neuroscience advanced so dramatically, capturing the attention of professionals in so many fields? Why now? Certainly, the development of new research tools has been a crucial factor. Dramatic chapters in the history of human exploration have always been prefaced by technological breakthroughs, opening new possibilities, permitting not only material progress but also conceptual leaps and, over time, social change. Some five hundred years ago, new navigational technologies allowed seafarers to find their way to uncharted realms, and at the same time to reframe their contemporaries' thinking about their own world. Today new devices for mapping the human body are allowing new explorations of the brain, and new ways of thinking about how individuals develop and learn.

In the past, investigations of the brain relied heavily on animal studies. Research on humans focused primarily on case studies of people with neurological disorders. Autopsies were also an important source of knowledge; for centuries, most conclusions (and many fallacies) about how people learn and think were premised on observations of the physical size and appearance of different brains and of different parts of the brain. Today, animal studies and autopsies continue to be important sources of knowledge about human anatomy and physiology. But with the help of new technologies, scientists also have numerous ways to study the brains of living people—methods that are designed to be non-invasive. Magnetic Resonance Imaging (MRI) has given neuroscientists a far more detailed view of the brain than was previously possible; a related technology, known as "functional MRI," offers new insights into how the brain works. Perhaps the most dramatic advance in brain imaging in recent years has been the Positron Emission Tomography or PET scan. The PET scan allows scientists not only to observe brain structure in great detail, but also to record and measure with considerable precision the activity levels of various parts of the brain.

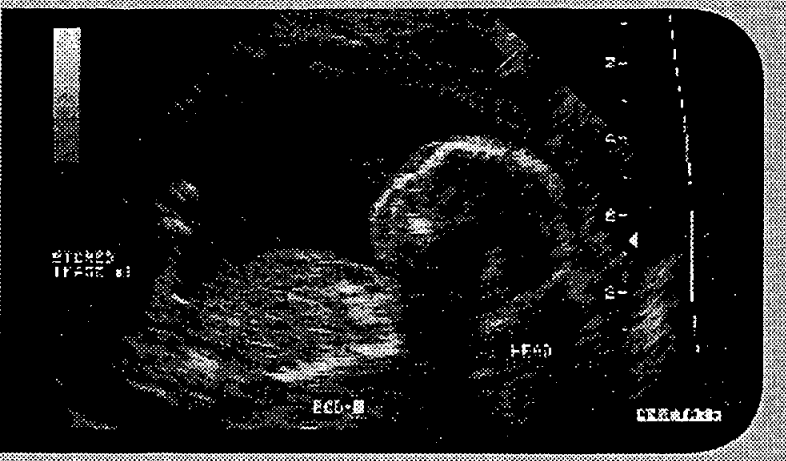
Dramatic chapters in the history of human exploration have always been prefaced by technological breakthroughs.

PET scans are powerful tools that can help physicians diagnose and treat a wide range of neurological disorders. But they also provide insight into how normal brains develop in the first years of

The Neuroscientist's Tool Box

Studying Brain Development Before Birth

Today, a number of new techniques are allowing scientists to gain new understanding of brain development in the prenatal period. For the last two decades, ultrasound imaging has made it possible to get a glimpse of a fetus in the mother's womb. Ultrasound produces computerized images of internal body parts, based on the echoes produced by sound waves. Today, high-resolution ultrasound recordings allow scientists to study and document early brain development—including neural functioning during the prenatal period, and to study fetal behavior. Advances in embryo transplantation have also led to new insights about neural functioning at the earliest stages of life. As a result of these techniques, a view of development is emerging that treats the prenatal period as an adaptive period that is part of a coherent system of development.



A GLIMPSE OF A FETUS: Ultrasound technology analyzes how sound waves bounce off internal body parts, and then translates this information into a computerized image. This ultrasound shows a fetus in the uterus of a woman who is midway through her pregnancy.

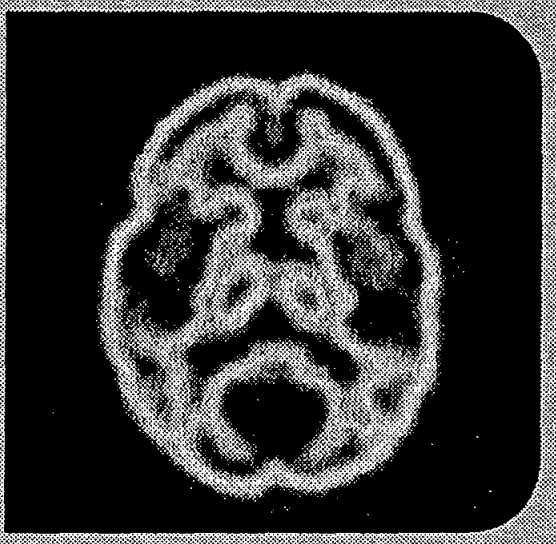
Scanning the Brain

In the past, the only way to get a detailed look at the brain of a living person was to perform surgery. Recent technologies have provided much safer, less invasive ways to create detailed images of the brain, including the Magnetic Resonance Imaging (MRI) scan and the Positron Emission Tomography (PET) scan. Both are used primarily for diagnostic purposes, but have also yielded new insights into how the normal brain develops and functions.

The MRI can produce detailed images of any internal body part. It exposes the body to a magnetic field, and then measures the energy—the nuclear magnetic resonance—that bounces off atoms within the body. Computers then translate these data into detailed images. A related technology, functional MRI, offers insight into how various parts of the body, including specific regions of the brain, work (or do not work). Functional MRI provides information about changes in the volume, flow, or oxygenation of blood that occur as a person undertakes various tasks, including not only motor activities, such as squeezing a hand, but also cognitive tasks, such as speaking or solving a problem.

The PET scan differs from the MRI because it does not just show the brain's structure and function; it also shows how the brain uses energy. To perform a PET scan, scientists inject an individual with a tracer chemical—a compound containing an isotope that gives off particles called positrons. This compound closely resembles glucose, the brain's chief energy source. As a result, the brain is "tricked" into taking up the tracer chemical and trying to use it to fuel its various activities.

This biochemical mimicry has proven immensely useful. By using a special camera that is sensitive to positrons, scientists can visualize not only the fine structures of the brain, but also the level of activity that is taking place in its various parts. That is, they can look at color-coded, cross-sectional images to see how rapidly different parts of the brain take up and try to use the tracer substance. In the process, they can zoom in very precisely on specific parts of the brain; the most up-to-date positron cameras can capture 47 "slices" of the brain at the same time. In this way, neuroscientists can record and quantify a vast amount of information about the structure and activity of a particular brain; they can use these data to create models of brain function. In addition to measuring the brain's activity level, PET scans can also be used to record and measure other aspects of brain function, including blood flow to various parts of the brain, oxygen utilization, protein synthesis, and the release and binding of specialized substances called neurotransmitters.



BRAIN AT WORK: A PET scan shows not only the structure, but also the activity level (metabolic rate), of various parts of the brain. At the time this PET scan was performed, the part of the brain that appears in red was most active.
Source: H.T. Chugani.

Because they require the injection of a tracer compound, PET scans cannot be considered entirely "non-invasive" procedures. But because many children undergo PET scans when neurological problems are suspected or diagnosed, researchers have at their disposal a wide range of data that they can use to draw conclusions about normal development. These data have allowed some insight into the relationship between the developing brain and the environment.

Looking at Brain Waves

The PET scan is the most sophisticated tool now available for studying human brain function, but cannot be used for research purposes with children too young to give informed consent. Other less invasive procedures are more appropriate for research involving young children, and have yielded a great deal of insight into normal brain development. The electroencephalogram (EEG) detects and records brain waves, and can be used to study how the brain reacts to various environmental factors, such as comforting care or stressful conditions. By correlating EEG

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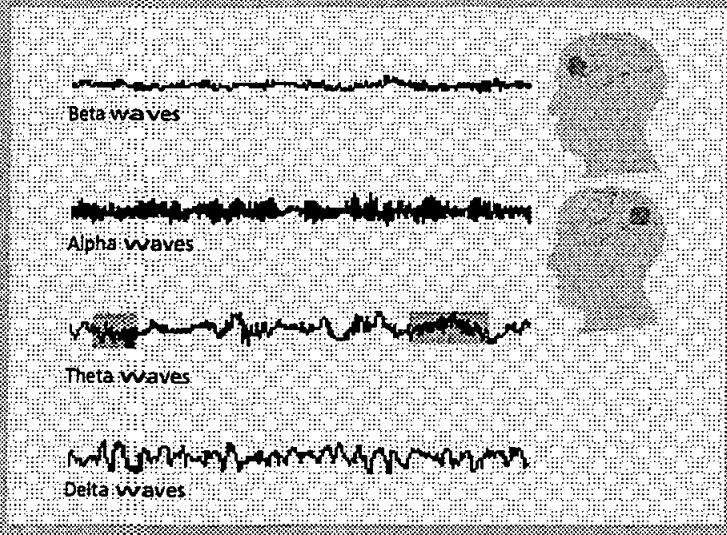


GRAPHING BRAIN WAVES: An electrocephalograph (EEG) detects and graphs brain waves. Four types of brain waves are associated with different parts of the brain and with different states: alert wakefulness (beta); relaxed wakefulness (alpha); the onset of sleep (theta); and deep sleep or coma (delta).

readings with videotapes of children engaged in various activities, scientists can draw conclusions about the effects of particular events or interactions on the brain's electrical activity. In the past, the EEG also had an "invasive" aspect, since a subject's head had to be slightly scratched to properly attach the electrodes. Recently, neuroscientists developed caps lined with special sponges that allow EEG monitoring of babies and young children without any discomfort.

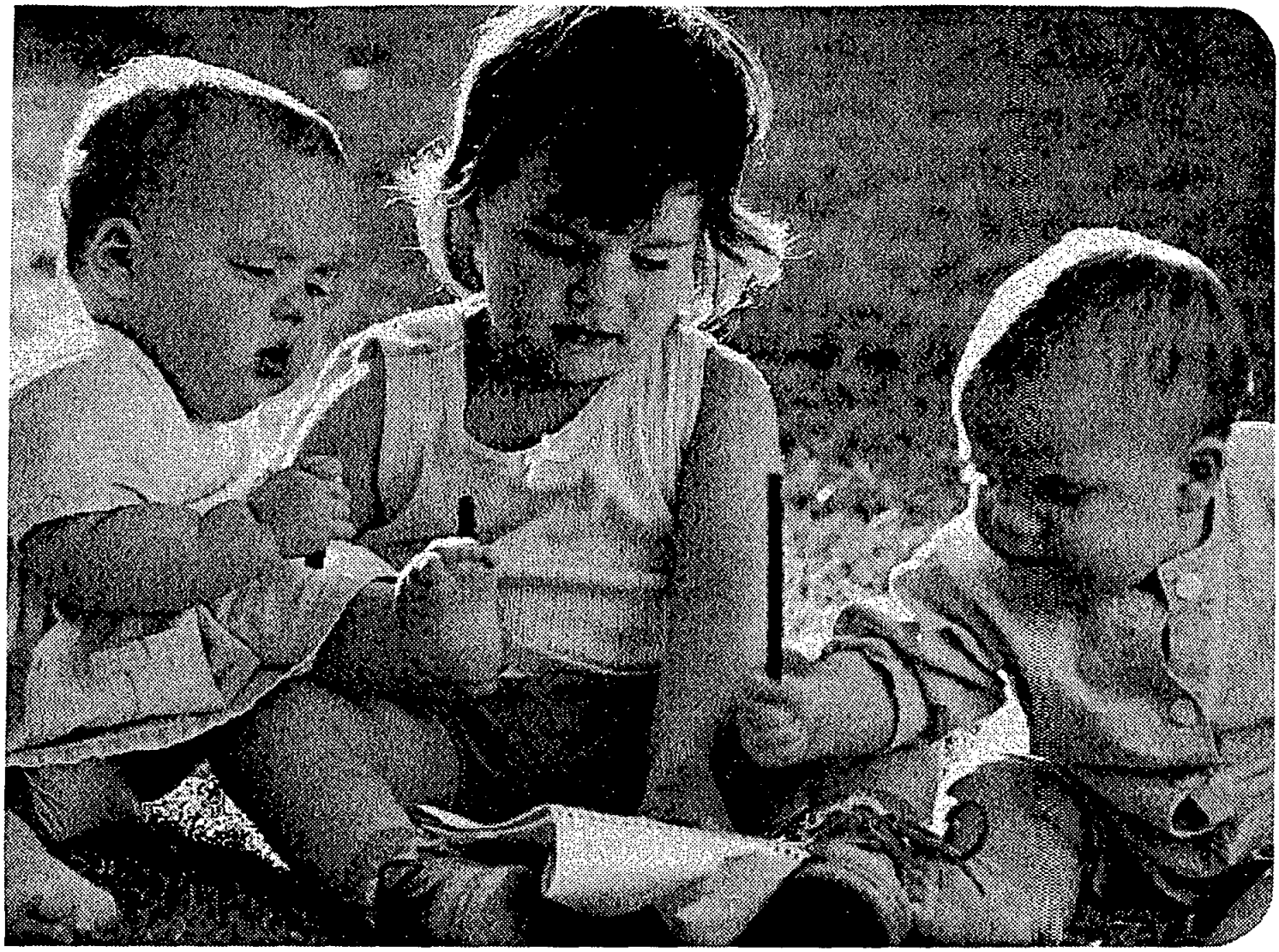
Analyzing Brain Chemistry

Another significant non-invasive way to study brain development is the analysis of a steroid hormone known as cortisol, which is contained in saliva. Because levels of cortisol in saliva rise when stress increases, a simple saliva test is a fairly accurate way to gauge the impact of adverse conditions on the brain's biochemistry. Excess cortisol can destroy brain cells and lessen synapse density in some parts of the brain; chronically high levels of cortisol have been associated with some developmental delays and neurological impairments.

Scientists also have new ways to study serotonin, a neurotransmitter that plays a crucial role in brain function. Too much or too little serotonin can affect cognitive and emotional functioning. For example, high levels of serotonin have been associated with autistic spectrum disorders, and low levels with aggression. New techniques have also been developed to study genetic defects that affect the production of serotonin and other biochemical substances needed for normal brain function.

Looking at Children and Families

Less specialized technologies also play a role in generating new knowledge about brain development. Today, many parents in virtually every socioeconomic and ethnic group have access to videotape equipment, at least on special occasions such as children's birthdays. Experts on child development have taken advantage of parents' videotapes to study variations in development. Not only parents, but also researchers frequently use video to study caregiver-child interactions over time.



life. For example, by studying the PET scans of infants and toddlers of various ages, scientists can see which parts of the brain are particularly active—that is, undergoing intensive development—at each stage. They can observe closely which parts of the brain are associated with particular activities or are affected by different types of stimulation. And they can draw conclusions about patterns of brain development and neurological functioning that tend to be similar or variable for different individuals.

In short, brain scans and other technologies have made it possible to investigate—and get a glimpse of—the brain's intricate circuitry and how it evolves. Neuroscientists have also greatly expanded our understanding of brain chemistry, and in particular the effects of various environmental factors on the brain. At the same time, they have gained insight into the nature of brain dysfunction.

The Context for Recent Brain Research

Technological breakthroughs never occur in a vacuum. Without a favorable social and ideological context, and without a widely shared perception of need, the sustained research and development needed to perfect new technologies rarely take place. Or, even if they do, the new knowledge or new possibilities that they generate may not

The Quiet Crisis

In the 1994 report entitled *Starting Points*, the Carnegie Task Force on Meeting the Needs of Our Youngest Children described the quiet crisis that faces infants and toddlers and their families. *Starting Points* reported that "of the 12 million children under the age of three in the United States today, a staggering number are affected by one or more risk factors that make a healthy development more difficult." In the three years since *Starting Points* appeared, there have been improvements in some areas. For example, teen pregnancy rates are gradually declining, and immunization rates are rising. But many risk factors remain:

- Seven percent of babies are born with low birthweight (less than 5.5 pounds), and are therefore at greater risk for disabilities and death. For children born to smokers, the rate is nearly 12 percent.
- One-fifth of all expectant mothers, and one-third of African American and Latina expectant mothers, receive no prenatal care in the first trimester of pregnancy. Four percent of all expectant mothers receive no care at all or receive care very late in their pregnancies.
- One-fourth of all two year olds in the U.S.—more than one million children—do not receive their full series of recommended immunizations.
- The incidence of child abuse and neglect has increased dramatically over the last decade. The number rose from 1.4 million in 1986 to more than 2.8 million in 1993. (This is an estimate of actual cases of abuse and neglect, not just reported cases.) During the same period, the number of children who were seriously injured quadrupled.
- Each year, some 21,000 newborns are abandoned or become boarder babies, remaining in hospitals after they are medically ready to leave.
- The U.S. has the highest teen pregnancy rate among developed countries. About 1 million teenagers become pregnant each year; 80% of those pregnancies are unintended and almost 50% end in abortions.

become widely known or exploited. Brain research has been stimulated, in part, by the search for better ways to help individuals with neurological disorders. But today, intensive interest in early brain development also reflects growing concern about the status of children in America—not only their academic achievement, but also their health, safety, and overall well-being.

Two decades of productive research in the fields of child development, education, and cognitive science, and the evaluation of early intervention and school reform initiatives, have generated substantial knowledge about the kinds of initiatives and programs that are likely to work. Research has consistently shown that high quality child care and early education can boost children's chances for later success in school. But today, most American preschoolers who are in out-of-home care—particularly infants and toddlers—are in settings of poor to mediocre quality.[1] Educators estimate that millions of American children—at least a third—enter kindergarten unprepared to benefit from the kinds

of instruction and interactions they encounter in their classrooms.[2] Poor school performance is foreshadowed by below-average performance on measures of cognitive and social functioning during the preschool years.[3]

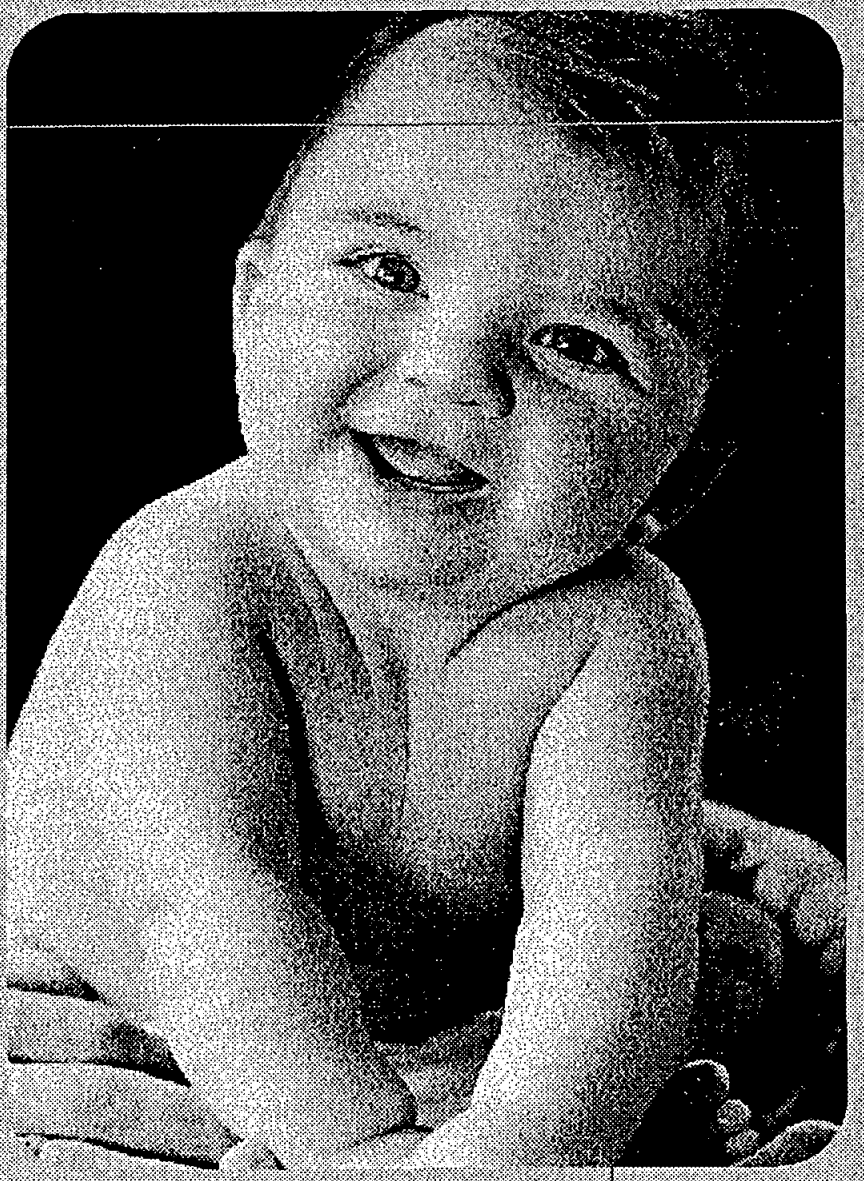
These facts are particularly alarming in view of considerable evidence that by the time they are eight years old, children are launched into trajectories that largely determine their academic futures. Researchers have been able to predict the likelihood of students' dropping out of high school based on their academic performance and social adjustment in the third grade.[4] Some researchers have predicted drop-out patterns before children even enter school, based on the quality of care and support they receive in the first years of life. L. Alan Sroufe and his colleagues at the University of Minnesota, who have followed hundreds of children over two decades, report that children's achievement at age 16 can be predicted based on the level of support they receive in their preschool years.[5] Finally, a growing body of research shows that when children do not get a good start in the early years, later remediation becomes much more difficult and costly.[6]

Given these findings, there is growing frustration with educational investments and educational research that focus primarily on school-age children, and learning strategies that begin only when children reach the age of five. There is greater recognition that if, as a society, we fail to meet the needs of our youngest children, none of our strategies for teaching them later will be as effective. Many Americans from all walks of life are coming to the conclusion that to improve achievement and help our students solve the complex problems they will encounter on a daily basis in the next century, we as a nation must support efforts that expand and apply the most fundamental knowledge available to us about how children develop (or fail to develop) the capacity to learn and to thrive in a variety of settings. More and more decision makers in diverse fields are coming to believe that efforts to recast policy and reconsider the best use of public resources must begin with clearheaded thinking about young children's brains.

New Interest in the Brain Across Diverse Disciplines

The conviction that the early years are crucial is provoking, across a wide range of disciplines, greater interest in neuroscience in general and early brain development in particular. Professionals in education and the human services are becoming more receptive to new knowledge about human brain development. Developmental psychologists and anthropologists are turning to neuroscience for insight into the relationship between the workings of the human mind and the evolution of different cultures; moreover, social scientists and neurobiologists are finding many commonalities in their findings. Leaders in the broadcast and print media are recognizing the far-reaching implications of recent brain research, and are taking steps to make it available to the public. There are new opportunities for collaboration, and a greater commitment by neuroscientists to making their work accessible and meaningful to nonspecialists.

In short, working across disciplines, researchers, practitioners, and policy makers in diverse fields are engaged in an active, exciting effort to rethink the brain, and to apply new knowledge and ideas that can support the healthy development and well-being of children. As researchers amass a growing body of vital information about the brain, the public is beginning to get the message.



What Have We *Learned?*

The research presented at the June 1996 conference pointed to five key lessons that have the potential to reframe research, policy, and practice in diverse fields committed to improving results for children and families.

1 **Human development hinges on the interplay between nature and nurture.** Much of our thinking about the brain has been dominated by old assumptions—that the genes we are born with determine how our brains develop, and that, in turn, how our brains develop determines how we interact with the world. These assumptions are not often stated in such explicit terms, but they underlie many conventional notions about why people and cultures are so different from each other. In some cases, they have been used to justify fatalistic and fallacious assertions that certain groups or individuals are bound to fail.[7]

Recent brain research challenges these assumptions. Neuroscientists have shown that throughout the entire process of development—beginning even before birth—the brain is affected by environmental conditions, including the kind of nourishment, care, surroundings, and stimulation an individual receives. The impact of the environment is dramatic and specific, not merely influencing the general direction of development, but actually affecting how the intricate circuitry of the human brain is "wired." And because every individual is exposed to different experiences, no two brains are wired the same way. Of the nearly six billion people alive on the earth today, no two individuals have the same brain. Even identical twins, born with the same genetic endowment, will develop differently based on how and when various environmental factors affect the development of their brains.

The Impact of the Environment

To be sure, genes play an important role, endowing every individual with a particular set of predispositions. (Indeed, roughly 60 percent of genes in the human body are dedicated to brain development.) In recent years, geneticists have made significant breakthroughs in their understanding of the relationship between genes and human behavior. For example, they are beginning to identify specific genes that appear to predispose an individual toward certain traits such as a bashful or outgoing social style. But they acknowledge that genetic endowment is only part of the equation; it is the dynamic relationship between nature and nurture that shapes human development.

Parents often notice that children have different temperaments. From birth, some appear to be more outgoing and adaptable; others tend to be more withdrawn and slow to warm up.[8] To be sure, genes play a role in determining temperament; but as researchers have shown, even before birth, the intrauterine environment can have a decisive influence on development, including temperamental differences in children. As infants grow, their predispositions are vitally influenced by a wide range of environmental factors, including not only the physical but also the social and emotional settings.

Neuroscientists stress the fact that interaction with the environment is not simply an interesting feature of brain development; it is an absolute

The Brain in Brief

Brain Structure

The brain is part of the central nervous system, and plays a decisive role in controlling many bodily functions, including both voluntary activities (such as walking or speaking) and involuntary ones (such as breathing or blinking).

The brain has two hemispheres, and each hemisphere has four lobes. Each of these lobes has numerous folds. These folds do not all mature at the same time. The chemicals that foster brain development are released in waves; as a result, different areas of the brain evolve in a predictable sequence. The timing of these developmental changes explains, in part, why there are "prime times" for certain kinds of learning and development.

Different parts of the brain control different kinds of functions. Most of the activities that we think of as "brain work," like thinking, planning, or remembering, are handled by the cerebral cortex, the uppermost, ridged portion of the brain. Other parts of the brain also play a role in memory and learning, including the thalamus, hippocampus, amygdala, and basal forebrain. The hypothalamus and amygdala, as well as other parts of the brain, are also important in reacting to stress and controlling emotions.

Brain Cells

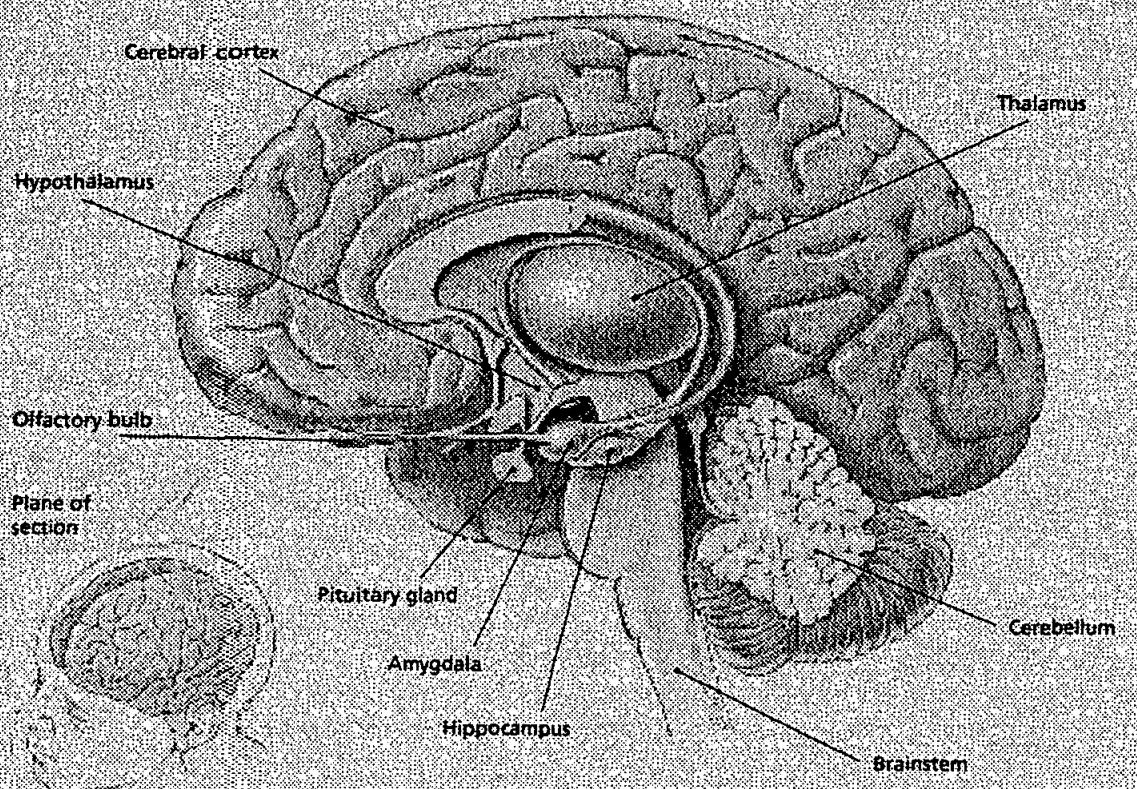
Of course, the basic building blocks of the brain are much smaller than an illustration could show. They are the specialized nerve cells that make up the central nervous system—neurons. The nerve cells proliferate before birth. In fact, a fetus' brain produces roughly twice as many neurons as it will eventually need—a safety margin that gives newborns the best possible chance of coming into the world with healthy brains. Most of the excess neurons are shed in utero. At birth, an infant has roughly 100 billion brain cells.

Every neuron has an axon (usually only one)—an "output" fiber that sends impulses to other neurons; each neuron also has many dendrites—short hairlike "input" fibers that receive impulses from other neurons. In this way, neurons are perfectly constructed to form connections.

As a child grows, the number of neurons remains relatively stable, but each cell grows, becoming bigger and heavier. The proliferation of dendrites accounts for some of this growth. The dendrites branch out, forming "dendrite trees" that can receive signals from many other neurons.

Connections among Brain Cells

At birth, the human brain is in a remarkably unfinished state. Most of its 100 billion neurons are not yet connected in networks. Forming and reinforcing these connections are the key tasks of early brain development.



AN ADULT BRAIN: This side view shows one hemisphere. Different parts of the brain control different kinds of functions. Most of the activities we think of as "brain work," like thinking, planning, or remembering, are handled by the cerebral cortex.

Connections among neurons are formed as the growing child experiences the surrounding world and forms attachments to parents, family members, and other caregivers.

In the first decade of life, a child's brain forms trillions of connections or synapses. Axons hook up with dendrites, and chemicals called neurotransmitters facilitate the passage of impulses across the resulting synapses. Each individual neuron may be connected to as many as 15,000 other neurons, forming a network of neural pathways that is immensely complex. This elaborate network is sometimes referred to as the brain's "wiring" or "circuitry."

In the early years, children's brains form twice as many synapses as they will eventually need. If these synapses are used repeatedly in a child's day-to-day life, they are reinforced and become part of the brain's permanent circuitry. If they are not used repeatedly, or often enough, they are eliminated. In this way, experience plays a crucial role in "wiring" a young child's brain.

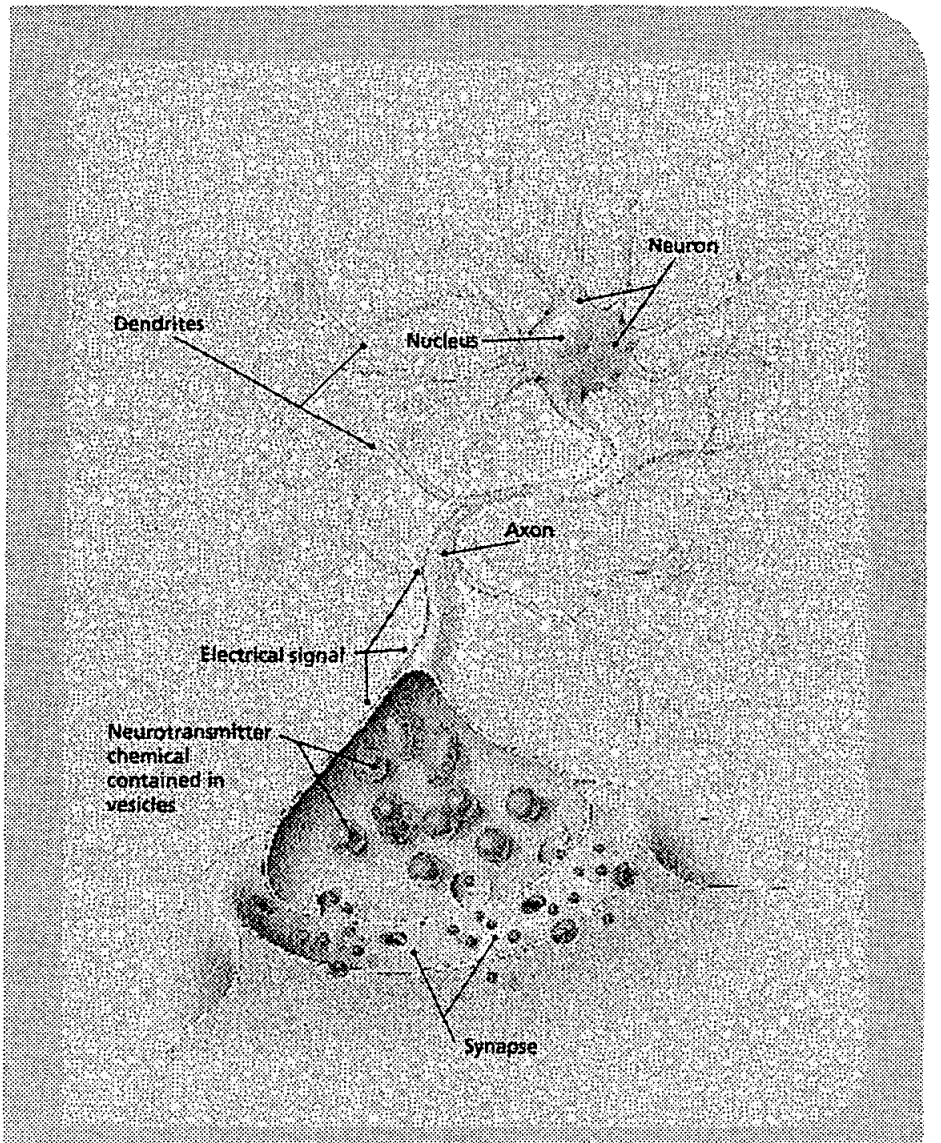
Rethinking the Brain

Old Thinking...	New Thinking...
How a brain develops depends on the genes you are born with.	How a brain develops hinges on a complex interplay between the genes you're born with and the experiences you have.
The experiences you have before age three have a limited impact on later development.	Early experiences have a decisive impact on the architecture of the brain, and on the nature and extent of adult capacities.
A secure relationship with a primary caregiver creates a favorable context for early development and learning.	Early interactions don't just create a context; they directly affect the way the brain is "wired."
Brain development is linear: the brain's capacity to learn and change grows steadily as an infant progresses toward adulthood.	Brain development is non-linear: there are prime times for acquiring different kinds of knowledge and skills.
A toddler's brain is much less active than the brain of a college student.	By the time children reach age three, their brains are twice as active as those of adults. Activity levels drop during adolescence.

requirement. It is built into the process of development, beginning within days of conception. From an evolutionary standpoint, there is a very good reason for this. The demands on the human brain are immense—one is tempted to say, unthinkable. In addition to controlling and monitoring all of the body's vital functions, this single organ must receive and process information about the world from the millions of sensory receptors reporting from the body surface and the internal organs; it must factor in past experience; it must then respond and adapt appropriately. In short, it must learn continuously and intensively. Carrying out these tasks requires billions of brain cells (or neurons), and trillions of connections (or synapses) among them. Because this challenge is so overwhelming, the brain has a unique way of developing that sets it apart from every other organ in the human body. Gradually creating and organizing billions of brain cells in a predetermined manner during early childhood would demand more information (in the form of genetic coding) than the body could possibly dedicate to this purpose. Nature solved this problem by evolving a more economical system. The developing brain produces many times more neurons and more synapses than it will eventually need. Most of the extra neurons are shed by the time a baby is born. The brain con-

tinues to grow in size, however, as each neuron expands; by adulthood, the brain will quadruple in weight. While the number of neurons remains stable, the number of synapses increases markedly in the first three years.

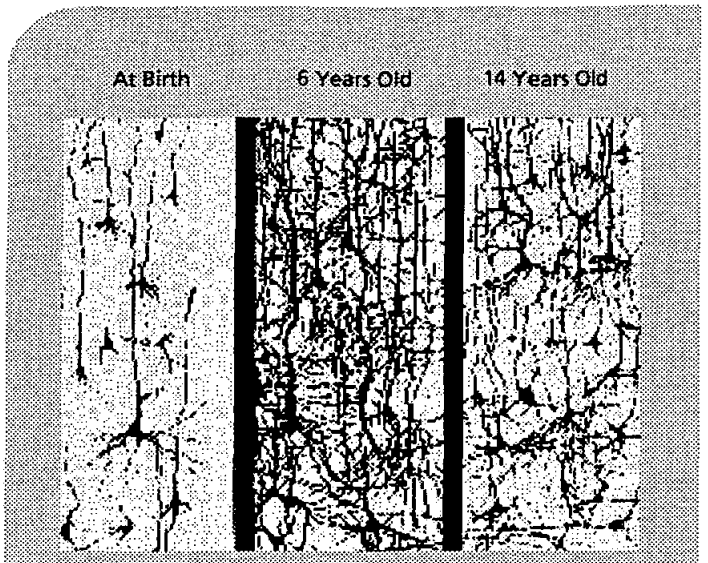
How are these connections formed? Neurons are designed for efficient connectivity. Every neuron has an axon, which sends electrical signals to other neurons, and numerous hairlike structures called dendrites which receive incoming signals. A synapse is produced when the axon of one neuron connects with the dendrite of another. Transmission of an electrical signal across this hookup requires a neurotransmitter chemical such as serotonin, dopamine, or the endorphins. The resulting connections are profuse: in the early years of life, each neuron forms up to 15,000 synapses. During some phases, a million new synapses are produced every four minutes.



READY TO LEARN: Making connections is a neuron's mission. The axon of one neuron hooks up with the dendrite of another to form a synapse. Neurotransmitters enable electrical impulses to travel across the synapse. Synapses allow learning and problem-solving to take place.

The brain development of infants and toddlers proceeds at a staggering pace. By the age of two, the number of synapses reaches adult levels; by age three, a child's brain has 1,000 trillion synapses—about twice as many as her pediatrician's. This number holds steady throughout the first decade of life. In this way a young child's brain becomes super-dense.

These conclusions are not based on mere speculation. As early as the 1970s—ancient history from the neuroscientist's perspective—Peter Huttenlocher at the University of Chicago began counting synapses in the frontal cortex. He observed that children's brains have many more synapses than adults' brains, and that the density of synapses remains high throughout the first decade of life.[9] After this, there is a gradual decline in synapse density; by the time a child reaches late adolescence, half of all the synapses in the brain have been discarded, leaving about 500 trillion—a



SYNAPTIC DENSITY: Synapses are created with astonishing speed in the first three years of life. For the rest of the first decade, children's brains have twice as many synapses as adults' brains.
Drawings supplied by H.T. Chugani.

number that remains relatively constant for the rest of the life cycle.

Brain development is, then, a process of pruning: the brain selectively eliminates excess synapses. In fact, the brain appears to be actively producing and eliminating synapses throughout life. In the first three years, production far outpaces elimination; for the rest of the first decade, production and elimination are roughly balanced; and beginning in early adolescence, elimination is clearly the dominant process. In this way, as a child grows, an overabundance of connections gives way to a complex, powerful system of neural pathways.

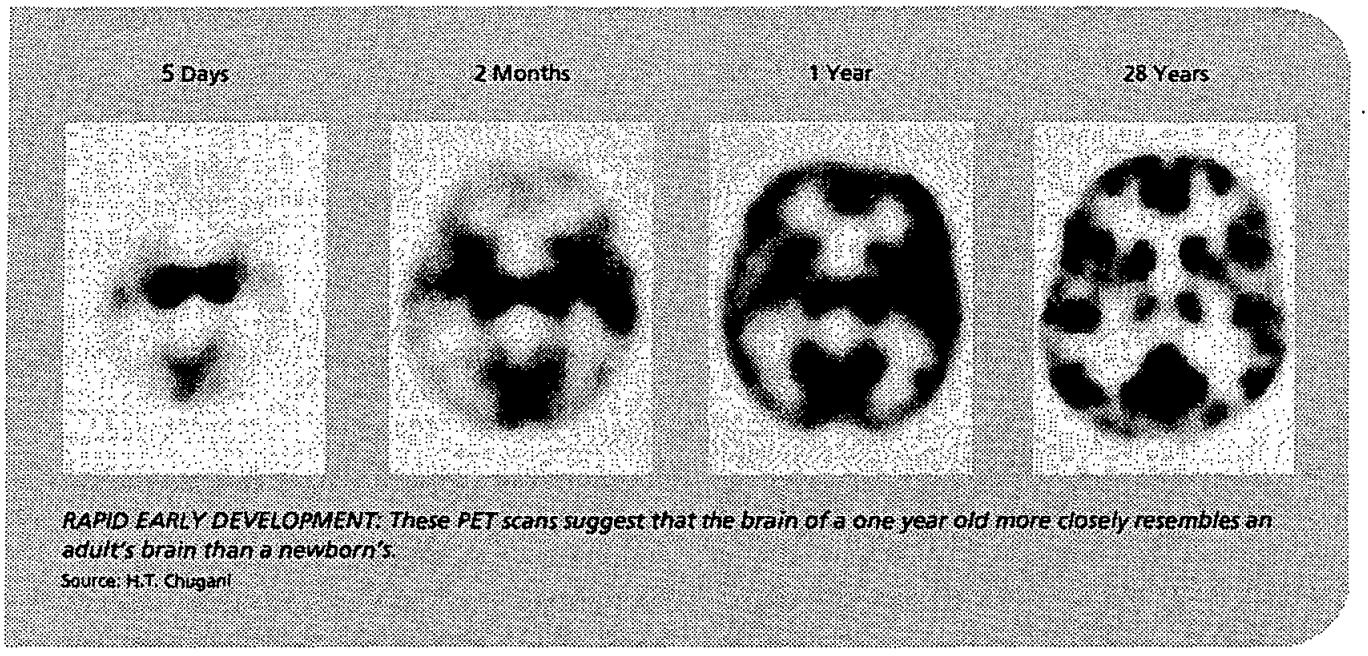
But how does the brain "know" which connections to keep and which to discard? This is where early experience plays a crucial role. When some kind of stimulus activates a neural pathway, all the synapses that form that pathway receive and store a chemical signal. Repeated activation increases the strength of that signal. When the signal reaches a threshold level (which differs for different areas of the brain), something extraordinary happens to that synapse. It becomes exempt from elimination—and retains its protected status into adulthood. Scientists do not yet fully understand the mechanism by which this occurs; they conjecture that the electrical activity produced when neural pathways are activated gives rise to chemical changes that stabilize the synapse.

These findings confirm that brain development is a "use it or lose it" process. As pruning accelerates in the second decade of life, those synapses that have been reinforced by virtue of repeated experience tend to become permanent; the synapses that were not used often enough in the early years tend to be eliminated. In this way the experiences—positive or negative—that young children have in the first years of life influence how their brains will be wired as adults.

The dynamic process of producing and eliminating synapses offers clear benefits. For example, it enables young children to adapt readily to many different kinds of conditions and settings. It helps children who grow up in a setting where survival hinges on efficient hunting to acquire the necessary perceptual and physical skills, while enabling children who grow up in an urban environment to develop the capacity to filter out certain kinds of stimulation.

To be sure, maintaining large numbers of synapses requires considerable energy. Using PET scan technology, Harry Chugani and his colleagues at Michigan Children's Hospital, Wayne State University, have documented the fact that in the early years, the human brain has a significantly higher metabolic rate (as measured by its utilization of glucose) than it will have later in life, presumably due to the profusion of connections being formed in the brains of young children.

Indeed, based on measurements of glucose utilization, Chugani has found that the brain development that takes place before a baby's first birthday is more rapid and extensive than neurobiologists



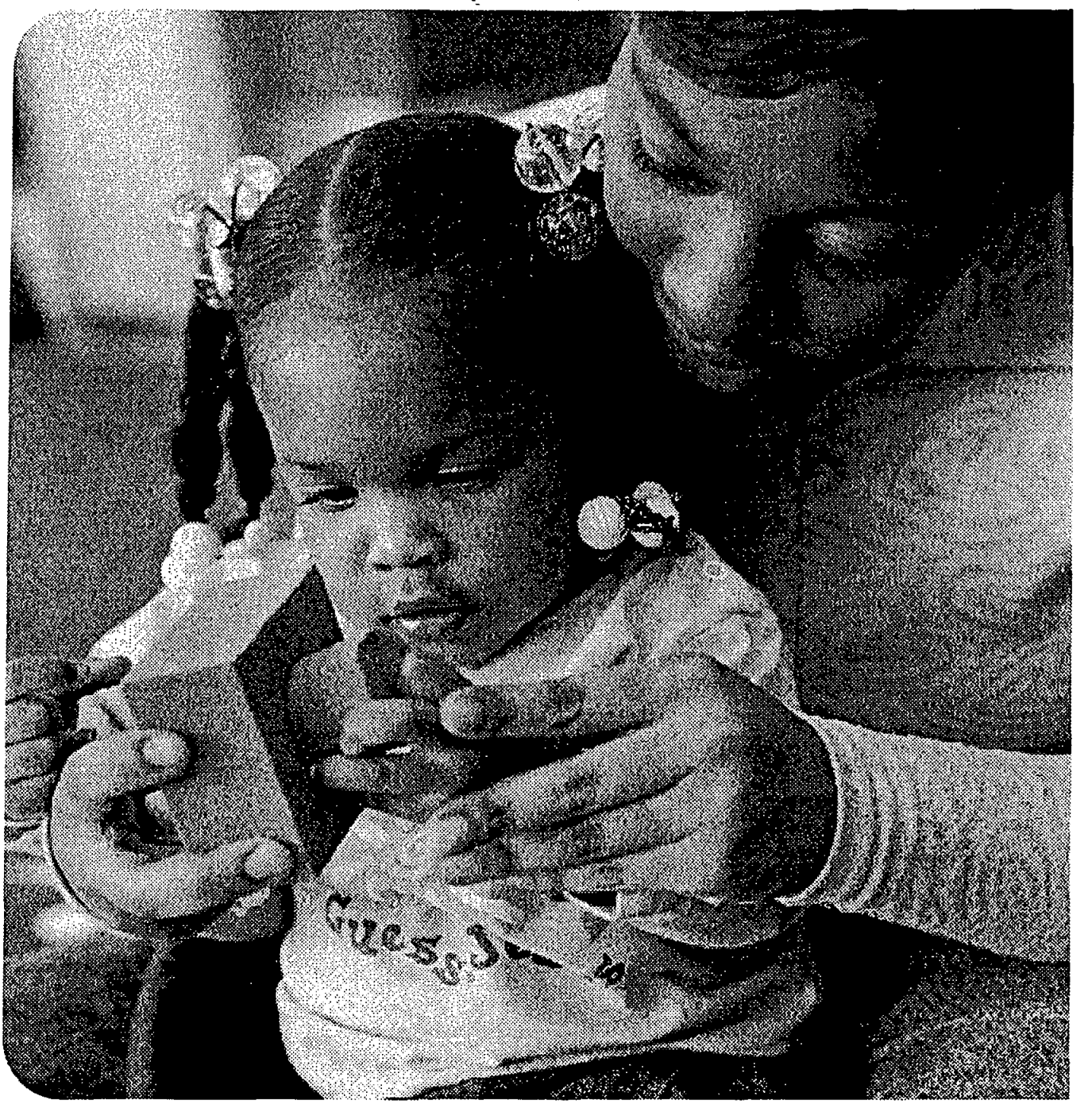
RAPID EARLY DEVELOPMENT: These PET scans suggest that the brain of a one year old more closely resembles an adult's brain than a newborn's.
Source: H.T. Chugani

previously suspected. A newborn's brain is in a largely subcortical state; its cerebral cortex—the part of the brain responsible for complex cognitive functions like language and spatial orientation—is relatively dormant. By the time the candle is lit on the baby's first birthday cake, the brain has achieved a highly cortical state. But the cortex is not the only region of the brain to mature quickly. PET scans show that by the age of one, a baby's brain qualitatively resembles that of a normal young adult. This transformation corresponds to the dramatic changes that parents and other people who care for babies witness in the first year, as newborns progress with incredible speed from virtually helpless beings to children who are starting to reason, to walk and talk, to form intentions and carry them out, and to enjoy interactions with a variety of people, pets, and objects.

By the age of two, toddlers' brains are as active as those of adults. The metabolic rate keeps rising, and by the age of three, the brains of children are two and a half times more active than the brains of adults—and they stay that way throughout the first decade of life. Compared with adult brains, children's brains also have higher levels of some neurotransmitters, which play an important role in the formation of synapses. All of these factors—synapse density, glucose utilization, and the level of some neurotransmitters—remain high throughout the first decade of life, and begin to decline only with puberty. This suggests that young children—particularly infants and toddlers—are biologically primed for learning.[10]

The pruning process proceeds at a rapid pace in the second decade of life, but does not occur at the same rate in all parts of the brain. Fewer changes

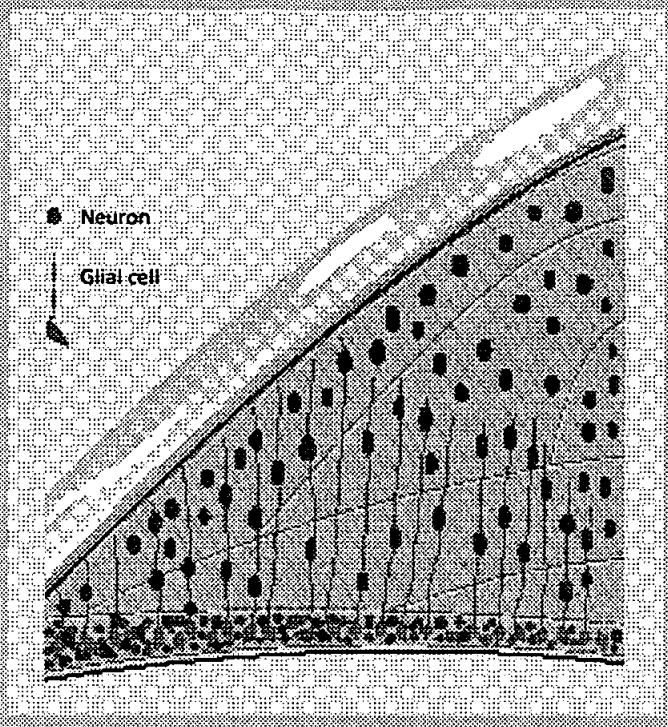
By the age of three, the brains of children are two and a half times more active than the brains of adults—and they stay that way throughout the first decade of life.

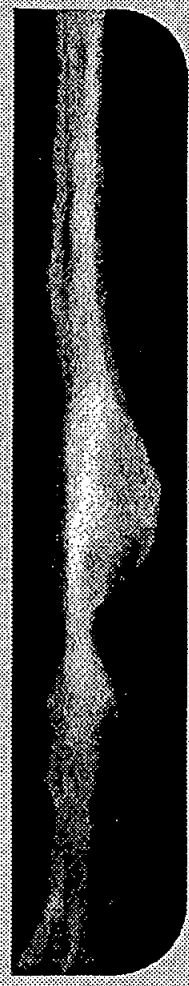


are seen in the more "hard-wired" areas of the brain, such as the brainstem, that control such involuntary functions as respiration. In contrast, the most dramatic pruning has been observed in the cerebral cortex. As this part of the brain develops, roughly 33 synapses are eliminated every second—suggesting that the developing brain responds constantly and swiftly to ongoing conditions that promote (or inhibit) learning.[11]

Connectivity is a crucial feature of brain development, because the neural pathways formed during the early years carry signals and allow us to process information throughout our lives. How, and how well, we think and learn—both as chil-

dren and as adults—has a great deal to do with the extent and nature of these connections. Researchers have measured the level of brain activity required for different tasks, and have found that when individuals address more difficult problems, brain activity surges. But if a problem is solved easily, changes in brain activity are virtually undetectable.[12] This reflects the role of connectivity: when experience and learning have created efficient neural pathways, signals travel easily among them and the processing of information requires relatively little effort.





CORTICAL CELL MIGRATION: Cortical neurons (above) *develop in the deepest layer of the immature cortex and travel up glial cells ("cortical ladders"). The information they pick up from other neurons they pass along the way determines their identity.*

A CORTICAL LADDER: A double exposed photograph (right) of neuronal migration up a glial cell.

Source: *Journal of Neuroscience* (reprinted with permission).

The Development of the Cortex

Pasko Rakic and his colleagues at Yale University have found that the cerebral cortex is vulnerable to environmental influence from its earliest stages of development—within days of conception. By studying macaque monkeys, whose brain development closely parallels that of humans, Rakic and his colleagues have found that as a fetus develops, brain cells have to find their way up the cerebral wall, sliding up elongated cells called glial fibers until they reach their precise position within the cerebral cortex. The sequence and timing of this process must adhere to a very precise schedule if normal development is to occur. As a cell climbs this cortical "ladder," it comes into contact with the numerous cells that it passes on its rise to the top. This contact activates various genes that define the cell's identity, location, and mission. But if anything interrupts or sidetracks this journey—such as exposure to adverse environmental conditions or a lack of nutrition—the effects can be devastating.[13]

Often cells that go astray will die before any harm is done. But, as Rakic observes, if cells end up in the wrong place at the wrong time and form inappropriate synapses, the result may be a neurological disorder such as severe infantile epilepsy, autism, or schizophrenia. The delicate nature of this cell migration process explains, in part, why

"The Ecological Brain"—An Anthropologist's View

From Bradd Shore, *Culture in Mind: Cognition, Culture, and the Problem of Meaning.* New York: Oxford University Press, 1996. (Reprinted with the permission of Oxford University Press.)

The implications are, quite literally, mind-bending. At birth, the human brain weights a mere 25 percent of its eventual adult weight. This is a curious state of affairs for the brainiest of the primates. A macaque, by contrast, is born with a brain that is 60 percent of its adult weight. Its neural growth has already slowed dramatically while still in utero. Even our closest primate relation, the chimpanzee, is born with about 45 percent of its brain weight already developed, and its brain growth slows down shortly after birth. Chimps mature both physically and socially years ahead of their human cousins.

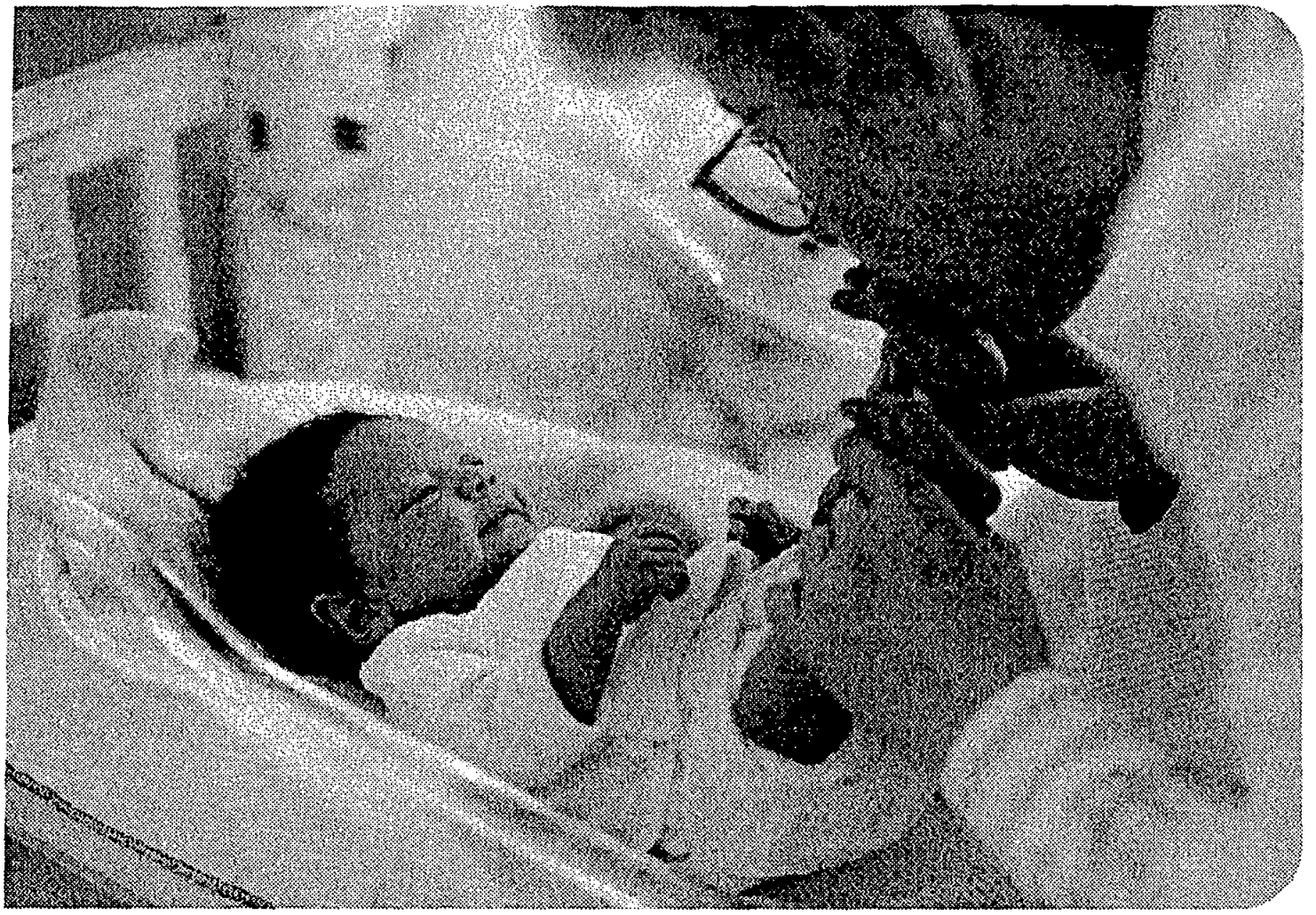
Among primates, only the human brain continues to grow at fetal rates after birth, and the frantic pace of this postpartum neural building boom continues for the first two years of life before it begins to show any signs of abating. The cortex's natural insulation, the fatty myelin sheath that grows about the axons and permits efficient connection of electrical impulses, is not completely formed until about the sixth year of life. Only at puberty is the physical maturation of the human brain complete. After that, neural development continues throughout life. But this is, strictly speaking, more a matter of "mind" than of brain.

This delayed maturation of the human nervous system is paralleled by a general developmental retardation of the human child compared with other primates. Humans also show a tendency to both physiological and behavioral neoteny, retaining juvenile traits in adult forms of both anatomy (i.e., head-body ratio) and behavior (i.e., playfulness).

This combination of premature birth and retarded development means that fully three-quarters of the human brain develops outside the womb, in direct relationship with an external environment. Evolution has equipped our species with an "ecological brain," dependent throughout its life on environmental input. This is a factor of extraordinary significance for cultural anthropology and cognitive psychology alike.

substance abuse, poor nutrition, or exposure to radiation can have a long-lasting or permanent impact on a developing fetus.[14]

By elaborating processes such as cell migration, neuroscience has given us a much more specific picture of the risks that threaten early brain development, and we know precisely when those risks are highest. For example, a fetus that is exposed to cocaine or to radiation on the fourteenth day after conception is likely to have a different (and worse) outcome than a fetus exposed on the thirtieth day. These findings have far-reaching implications for prenatal preventive care. Indeed, they suggest the need for early parent education, since many expectant mothers do not know that they are carrying a child until well after the days of highest risk have passed.



Humans and Other Primates

Some of the research cited thus far comes from animal studies, and to be sure the neurobiology of animals—even other primates—differs significantly from that of human beings. But compared to the brains of other species, the human brain is even more primed to respond to experience and the environment. Bradd Shore of Emory University emphasizes, in a recent book on cognition and culture, that compared with other species, humans are born with remarkably undeveloped brains—"a curious state of affairs for the brainiest of the primates."[15] Other primates, including the macaque monkeys studied by many neuroscientists, come into the world with brains that are much further along in their own development trajectories: at birth, their brains are closer to their eventual adult weight and show less dramatic growth. Among primates, only the human brain enters the world in such an unfinished state. Indeed, in humans the great preponderance of brain development takes place outside the womb, in direct relationship with the external environment. In short, to a greater extent than other species, humans have brains that are dependent on environmental input.

But experience does not begin at birth. A growing body of evidence (from studies of humans) confirms that even before birth, brain development and perceptual learning are affected by experience, including a fetus' own sensory and motor experiences. Ultrasound recordings show that the neurons that develop in utero begin driving an infant's limbs

Day-to-Day Care of Young Children's Brains

Recent research on early brain development and school readiness suggest the following broad guidelines for the care of young children:

- Ensure health, safety, and good nutrition — Seek regular prenatal care; breast feed if possible; make sure your child has regular check-ups and timely immunizations; safety-proof the places where children play; and use a car seat whenever your child is travelling in a car.
- Develop a warm, caring relationship with children — Show them that you care deeply about them. Express joy in who they are. Help make them feel safe and secure.
- Respond to children's cues and clues — Notice their rhythms and moods, even in the first days and weeks of life. Respond to children when they are upset as well as when they are happy. Try to understand what children are feeling, what they are telling you (in words or actions), and what they are trying to do. Hold and touch them; play with them in a way that lets you follow their lead. Move in when children want to play, and pull back when they seem to have had enough stimulation.
- Recognize that each child is unique — Keep in mind that, from birth, children have different temperaments, that they grow at their own pace, and that this pace varies from child to child. At the same time, have positive expectations about what children can do and hold onto the belief that every child can succeed.
- Talk, read, and sing to children — Surround them with language. Maintain an ongoing conversation with them about what you and they are doing. Sing to them, play music, tell stories and read books. Ask toddlers and preschoolers to guess what will come next in a story. Play word games. Ask toddlers and preschoolers questions that require more than a yes or no answer, like "What do you think..." Ask children to picture things that have happened in the past or might happen in the future. Provide reading and writing materials, including crayons and paper, books, magazines, and toys. These are key pre-reading experiences.

as early as at seven weeks of gestation. In his remarks at the conference, Myron A. Hofer of Columbia University and the New York State Psychiatric Institute, wondered aloud why there should be so much fetal activity so early in pregnancy, in view of the fact that this activity is not needed to help the fetus adapt to the perfectly suitable intrauterine environment. He concludes that a key function of early fetal activity is to aid the process of constructing the brain, so that from the very start, experience can act on the brain's development. Experimental data confirm that learning can take place in utero. Studies have shown, for example, that newborns will show a preference (by sucking on a pacifier more intensely) for sounds that mimic the mother's voice as it was heard in utero.[16]

All of this evidence—and a great deal more that is beyond the scope of this report—leads to a single conclusion: how humans develop and learn depends critically and continually on the interplay between nature (an individual's genetic endowment) and nurture (the nutrition, surroundings, care, stimulation, and teaching that are provided or withheld). The roles of nature and nurture in determining intelligence and emotional resilience should not be weighted quantitatively; genetic and environmental factors have a more dynamic, quali-

- Encourage safe exploration and play — Give children opportunities to move around, explore and play (and be prepared to step in if they are at risk of hurting themselves or others). Allow them to explore relationships as well. Arrange for children to spend time with children of their own age and of other ages. Help them learn to solve the conflicts that inevitably arise.
- Use discipline to teach — Talk to children about what they seem to be feeling and teach them words to describe those feelings. Make it clear that while you might not like they way they are behaving, you love them. Explain the rules and consequences of behavior so children can learn the "whys" behind what you are asking them to do. Tell them what you want them to do, not just what you don't want them to do. Point out how their behavior affects others.
- Establish routines — Create routines and rituals for special times during the day like meal time, nap time, and bed time. Try to be predictable so the children know that they can count on you.
- Become involved in child care and preschool — Keep in close touch with your children's child care provider or teacher about what they are doing. From time to time, especially during transitions, spend time with your children while they are being cared for by others.
- Limit television — Limit the time children spend watching TV shows and videos as well as the type of shows they watch. Make sure that they are watching programs that will teach them things you want them to learn.
- Take care of yourself — You can best care for young children when you are cared for as well.

tative interplay that cannot be reduced to a simple equation. Both factors are crucial. New knowledge about brain function should end the "nature or nurture" debate once and for all.

2 **Early care and nurture have decisive, long-lasting impact on how people develop, their ability to learn, and their capacity to regulate their own emotions.** Parents and other caregivers have long known that babies thrive when they receive warm, responsive early care; now we are beginning to understand the biological mechanisms that underlie this common knowledge. Responsive caregiving not only meets babies' basic, day-to-day needs for nourishment and warmth, but also takes into account their rhythms, preferences, and moods. The ways that parents, families, and other caregivers relate and respond to young children, and the ways that they mediate their children's contact with the environment, directly affect the formation of neural pathways. We know, for example, that parents tend to mimic and reinforce their infants' positive emotional responses. Interactions like these appear to influence developing patterns of neuronal connectivity.[17]

The Protective Function of Warm, Responsive Care

Recent brain research suggests that warm, responsive care is not only comforting for an infant; it is critical to healthy development. In fact, a strong, secure attachment to a nurturing caregiver appears to have a protective biological function, "immunizing" an infant to some degree against the adverse

effects of later stress or trauma. These are the implications of research by Megan R. Gunnar of the University of Minnesota, who has gauged children's reactions to stress by measuring the levels of a steroid hormone called cortisol in their saliva. Researchers have known for some time that adverse or traumatic events, whether physical or psychological, can elevate an individual's cortisol level. In turn, cortisol affects metabolism, the immune system, and the brain. Cortisol alters the brain by making it vulnerable to processes that destroy neurons and, just as importantly, by reducing the number of synapses in certain parts of the brain. In this way, stressful or traumatic experiences can indeed undermine neurological development and impair brain function. And in fact, children who have chronically high levels of cortisol have been shown to experience more developmental delays—cognitive, motor, and social—than other children.[18]

But some children seem to weather stress better than others, and Gunnar's research asks why. Her findings suggest that babies who receive sensitive and nurturing care in their first year of life are less likely than other children to respond to minor stresses by producing cortisol than other children. And when they do respond by producing cortisol, they can more rapidly and efficiently turn off this response. This protective effect has been shown to carry forward to later childhood: elementary school children with histories of secure attachment

are less likely to show behavior problems in the face of stress.[19] Specialists in child development have long observed that babies who receive warm, responsive care tend to thrive and to show more resilience later in life. Now neuroscientists are gathering important biological clues about why.

Gunnar's research indicates that early neurological development is shaped not only by physical conditions, but also by an individual's social environment. Indeed, there is mounting evidence that the kind of care infants receive, and the kind of attachments they form with their primary caregivers, have a decisive effect on their regulatory capacities—in particular their emerging ability to display and modulate emotions. In other words, a child's capacity to control emotions appears to hinge, to a significant extent, on biological systems shaped by her early experiences. When a child is abandoned or emotionally neglected very early in life, such brain-mediated functions as empathy, attachment, and affect regulation are often impaired.[20]

Early neurological development is shaped not only by physical conditions, but also by an individual's social environment.

The Importance of Attachment

Since neuroscientists now confirm that children are primed for learning in the first few years, parents and other caregivers may feel compelled to expose their babies to a steady flow of information and intellectual stimulation. Should expectant parents recite the multiplication table to their unborn babies? Should child care providers encourage toddlers to memorize many facts and figures? The answer is: measures like these are unnecessary. Children learn in the context of important relationships. The best way to help very young children grow into curious, confident, able learners is to give them warm, consistent care so that they can form secure attachments to those who care for them. Paying attention to an infant's moods, knowing when he needs comfort rather than stimulation (or vice versa), mimicking a baby's trills and "bee-bees," or following a toddler's lead as she invents a new version of peekaboo—these interactions are all part of responsive care, and do far more to boost later learning than, say, flash cards or tapes of the ABCs.

The psychological and psychoanalytic literatures contain a substantial body of work, notably classic studies by John Bowlby emphasizing the importance and complexity of an infant's attachment to her mother or primary caregiver, and the traumatic effects of the experience of loss or long-term separation from the mother. But children are not only affected by a breach of attachment; research launched in the 1970s that followed children over time showed that qualitative differences in attachment can have long-term psychological consequences. Alan Sroufe and his colleagues provide strong evidence of the link between early care and a child's later capacity to connect well with others. For example, young children who receive highly erratic care are more prone to becoming very dependent and anxious later in life; children who receive persistently unresponsive care are more likely than other children to shut down emotionally and to act in ways that keep others at a distance.[21] In contrast, children who receive consistent, responsive care in the first years of life are more likely to develop strong social skills.

Following Children Through the Decades

Neurobiologists tell us that the experiences children have in the first years of life affect their abilities and behaviors throughout childhood and into adulthood. The evidence they produce is impressive. But do real children in real families develop in the ways that brain scientists predict? Do insecure attachments or adverse environmental conditions actually show up, years later, as learning disabilities, emotional distress, or behavior problems? To know for sure, one would have to study a large number of children, beginning before birth and continuing over at least two decades.

That is precisely what Byron Egeland, L. Alan Sroufe and their colleagues at the University of Minnesota have done. Since 1975, they have conducted a long-term study of high-risk families. Known as the Minnesota Parent-Child Project, the research project began with 267 women in the last trimester of their first pregnancies whose incomes placed them below the poverty line; two decades later, 180 children were still participating in the study. Over the years, the research team carried out frequent and varied assessments of both mothers and children, separately and together, and documented the contexts in which they lived. The assessments have included objective psychological tests, interviews, questionnaires, and observations of child behavior and mother-child interactions.

More recently, researchers such as Alicia Lieberman of the University of California at San Francisco and Charles Zeanah of the Louisiana State University School of Medicine, have stressed the long-term impact of infant attachment, underscoring the importance of "goodness of fit" between parents and their infant, and describing techniques that can help them become well attuned to each other. They also note that infants are capable of becoming attached to more than one caregiver, but do develop, from a very young age, an internal hierarchy or "order of preference."[22] Researchers such as Kyle Pruett of Yale University are also beginning to consider fathers' contributions to children's well-being, and the influence on early development of fathers' ways of making eye contact, playing with children, and using vocalization. There has been some research on fathers who are their young children's primary caregivers, but more work is needed in this area.

Recent brain research deepens our understanding of the effects of different patterns of attachment and, moving beyond the psychological, documents the biological factors that help to explain these effects. Myron Hofer's research over three decades bridges the findings of psychologists and biologists, illuminating a range of biological processes underlying attachment theory. Hofer points out that in all mammals, including humans, the containment of the fetus within the mother's body allows maternal regulation of fetal physiology. Through the processes of placental transfer, mothers supply biologically active substances of many kinds to their babies, as well as vital blood gases, oxygen and carbon dioxide. In this way, the mother exerts physiological control of the developing fetus. There are some indications that mothers exert influence not only on fetal physiology, but also on fetal behavior. For example, on the basis of animal studies, researchers believe that pregnant

The researchers did not directly study the children's brain development. Rather, they collected detailed and comprehensive information about each child's adaptation. The study was very comprehensive, covering all major aspects of development—social, cognitive, and emotional. They looked at children's temperaments, made detailed assessments of IQ and other developmental milestones, and assessed children's language development. They also observed and assessed each child's context—including both life stresses and the ongoing social support available to them and their families.

Data collection was especially concentrated in the first two years, focusing most intensely on early attachments. The researchers paid particular attention to children's relationships with their primary caregivers, based on their conviction that children's experiences are most often filtered through those relationships.

For 180 children (and their mothers) who remained in the study through age 20, the researchers found that:

- The kinds of attachments children have formed with their primary caregivers at one year of age predict teacher ratings, behavior problems, and quality of relationships with peers in preschool. Early attachments also predict the social competency of ten- and eleven-year-olds in a summer camp setting.
- Children gain a great deal from interactions with peers over the years. Infants who experience warm, responsive caregiving are, later in life, more empathetic with peers. When they are responded to early in life, they learn something basic about what it means to be connected with other people.
- Children's development is adversely affected by numerous environmental conditions associated with poverty. The negative effects of poverty are cumulative and increase with age.
- Abuse, neglect, and trauma in the early years have a long-term, adverse effect on children's development.
- Early caregiving that is sensitive and emotionally responsive can indeed buffer the effects of high-risk environments (including maternal stress). This is especially true for boys. It can promote positive change for children who have experienced poverty and abuse, and can interrupt the transmission of abusive patterns from one generation to the next.
- By studying the early experiences of high-risk young children (from 12 to 42 months)—especially the quality of their primary attachments and the level of environmental supports—it is possible to predict children's later school achievement. The correlation was fairly strong at the first and third grade, and even stronger in the sixth grade and at age 16.
- Several factors contribute to resilience—the capacity for positive outcomes despite challenging or threatening circumstances. These factors include: emotionally responsive caregiving; early competence; a well organized home environment; well developed intellectual and language capabilities; and a low overall level of risk. The best ways to divert children from maladaptive pathways are to reduce the level of stress they experience and provide support to the family.

women, through their own daily activities and routines, help to set their babies' daily rhythms and sleep-wake cycles.[23]

The mother's regulatory role during pregnancy is well established. What is less well understood is the way that mothers (or other primary caregivers), by virtue of the kind of care they provide, continue to regulate babies' physiological processes *after birth*, including their neurological development. Hofer's research addresses this issue.[24] In extensive studies of rats, he has shown that a wide range of infant systems are affected or regulated by the nature of the mother-infant attachment—that is, the nature and timing of their physical contact; the presence or absence of reciprocity in their interactions; the mother's responsiveness to the infant's own rhythms and behavioral signals; and the extent to which all of the infant's sensory systems are activated. Hofer has referred to these interactions as "hidden regulators." His studies of hidden regulators in young rats suggest that mother-infant interactions regulate many biological systems, particularly those involving reward, arousal and sleep, regulation of body temperature, and hunger. By the same token, separation from the mother has a dramatic impact on early development. Hofer's studies of rat pups show that when infants are removed from the mother two weeks after birth, dramatic physiological and biochemical effects can be

observed within 24 hours, including changes in the infant's levels of growth hormone and other biologically active substances, heart rate, blood pressure, sleep patterns, sucking, and responsiveness to stimulation. Infants who are permanently separated from their mothers appear to be more vulnerable to stress later in life.

Hofer's observations rely heavily on animal studies, but he points to mounting evidence that the nature of the caregiver-infant attachment affects early human development as well. He cites, for example, studies of infants raised in chaotic or neglectful families who fail to grow at expected rates, as well as studies showing that premature infants who are touched and held on a regular basis gain weight more quickly, register greater gains in head circumference, and show greater overall improvement than those who receive less tactile stimulation.[25]

At the University of Wisconsin's Harlow Primate Laboratory, Gary W. Kraemer has illuminated the nature and impact of early attachment by studying monkeys. His research shows how neuroendocrine systems are "tuned" through caregiver-infant interactions and then carried forward. Kraemer concludes that the basic regulatory systems that shape infant behavior are acquired through interactions with a caregiver. He emphasizes the importance of interaction: this is not a one-way process. Caregivers do not simply transfer the required knowledge to young children. Rather, regulatory systems emerge out of the give and take between caregiver and infant, with the infant playing an active role. In his work with monkeys, Kraemer has also found that if the attachment process fails or the caregiver is unresponsive to the infant's needs, the infant may become socially dysfunctional. In this way, disrupted or insecure attachments can lead to problems in adulthood.[26]

Children learn in the context of important relationships.

Findings like these encourage neuroscientists to posit that hidden regulators are also present in human caregiver-infant relationships. Hofer states that some of these regulators may continue to operate in adult relationships, and that they form an important mechanism by which interaction with the environment—in this case the social environment—shapes the development of biological systems and behavior.

Based on work by Hofer, Kraemer, and others, we now have new insight into the relationship between psychology and neurobiology, and the ongoing importance of good early attachment between caregivers and infants. In addition, there is a growing body of research on children's attachments and relationships with child care providers. Recent studies show that child care does not weaken the bonds between parent and child; moreover, secure attachments to consistent child care providers—especially when providers are well trained and care for a small number of children—have been associated with better cognitive and social development, greater language proficiency, and fewer behavior problems.[27]

A final word about attachment: as we mine new knowledge about the brain to promote better results for children and their families, Maya Carlson and Felton Earls of the Harvard School of Medicine and the Harvard School of Public Health urge sustained attention not only to cognitive development, but to social development as well. The goal is not only to produce competent students and workers, but also to enhance children's capacity to become competent family members. As Earls

Gauging Attachment

"Peek-boo," he says.
"Peekaboo," his father answers, spreading one big hand in front of his face and trying to get breakfast ready with the other.
"Peeka-peeka-peeka-peeka," he chants, beaming with delight.
"Peekaboo, I see you. There's my boy!"

By the time children are two, it seems easier to judge whether they are securely attached to their caregivers. You can see it in smiles that light up their eyes, in playful exchanges that celebrate a history of loving care. But as researchers seek to elaborate the role of attachment in early brain development, they must be more systematic in their approach. They need a theoretical framework that can help them explore what attachment means, how it comes about, and how it can be measured. The challenge is to bring hard science to bear on a necessarily "soft" concept.

An infant's physiology and behavior are regulated from the start by the moment-to-moment give and take between child and caregiver. Young children benefit when caregivers are able to read and respond to the signals they send. Neuroscientists can now detect the effects of a caregiver's warm, responsive care—or its absence—on the brain's biochemistry and architecture.

Researchers are confirming that attachment is a two-way process. This view has not always held sway. Existing scholarship on parent-child attachment springs largely from the work of John Bowlby, whose emphasis on attachment as a crucial component of early development has been immensely influential over several decades. Bowlby observed numerous babies as they interacted with their mothers. He described a control system in which babies, beginning at about six months of age, use a range of behaviors (such as smiling, babbling, crying, or visual tracking) to draw a caregiver's attention or protest separation.

In recent years, researchers have extended (and in some cases, challenged) Bowlby's theories and methods. They generally agree that babies play an active role in forming attachments, but they tend to place more weight on the regulatory role of a caregiver's sensory characteristics and behaviors.

In the seventies, Mary Ainsworth and her colleagues showed that mother-child pairs differ in the quality and intensity of their attachment, and that these variations can be measured. Ainsworth devised innovative strategies for observing children, mothers, and strangers relate in a series of brief, highly structured interactions, and then gauging and classifying different types of attachment. She identified three types of children: avoidant/insecurely attached; ambivalent /insecurely attached; and securely attached.

Today, researchers tend to assess attachment with methods that require more extended, in-depth observation of children and caregivers in more natural settings. For example, the Attachment Behavior Q-Set, developed by Everett Waters and Kathleen E. Deane, of the State University of New York at Stony Brook, presents an observer with a set of cards, each containing a simple statement about a specific interaction or behavior. A card might read, for example, "When child finds something new to play with, he carries it to mother...." After several hours, the observer sorts the cards into piles that range from "most characteristic" of the child's behavior to "least characteristic."

The Q-Set method identifies three kinds of relationships that refine Ainsworth's typology. A child with a **secure** attachment exhibits specific behaviors that reflect a trusting relationship with the caregiver. A child with an **anxious/resistant** attachment is not comforted by the caregiver. When picked up, for example, she may resist by arching her back, biting, screaming, or whining. When a child has an **anxious/avoidant** attachment, she tends to behave as if the caregiver were not in the room.

Many intervention programs include home visitation, and visitors need tools that can help them assess, as objectively as possible, child-caregiver attachment. Carollee Howes of the University of California at Los Angeles has developed assessment tools for use in the Children First program, including an Adult Attachment Interview and an Adult Involvement Scale.

Intensive research into the neurobiology of attachment is now underway. Efforts to understand and measure attachment should benefit greatly from collaboration among researchers in diverse disciplines-including neuroscientists, child development experts, psychologists, and anthropologists. Collaboration should lead to new insights into children's attachments with fathers, grandparents, child care providers, and other caregivers. In addition, it promises to shed light on how attachments are formed and expressed in different cultures.

and Carlson have written, "the major social responsibility of parents (and other caretakers) is to maintain and embellish the early social concern and understanding of young children to enable them to form long-lasting relations with their own partners and children."[28]

3. **The human brain has a remarkable capacity to change, but timing is crucial.** There is mounting evidence of the brain's neuroplasticity. This means that the brain has the capacity to change in important ways in response to experience. There is now ample scientific support for the view evidence that the brain is not a static entity, and that a person's capacities are not fixed at birth. The brain itself can be altered—or helped to compensate for problems—with appropriately timed, intensive intervention. An intervention is an action, or series of actions, that parents, other caregivers, or professionals undertake in an effort to help an individual or group solve a problem, change a behavior, or improve a particular aspect of their development or functioning. Helping a mother to read her newborn's signals more accurately, reading a story to a group of toddlers, running a program that provides home visits to new parents, and performing surgery are all "interventions."

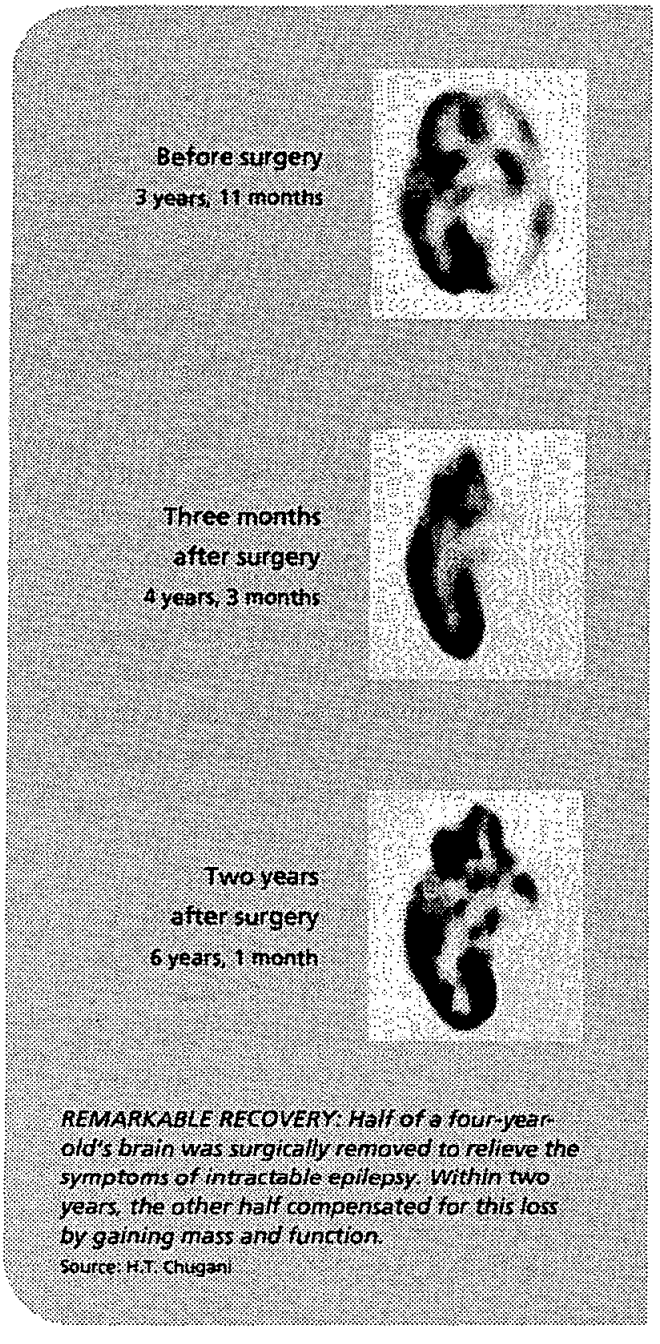
The Brain's Capacity to Compensate

Surgeons and other physicians who treat children for neurological disorders offer dramatic examples of human brain plasticity. It is well established, for example, that a child who loses language due to a stroke often recovers this capacity, because the brain transfers this function to its other hemisphere. In cases of intractable epilepsy, where it is sometimes necessary to remove an entire hemisphere of a child's brain, the remaining hemisphere generally begins to do double duty, and there can be a remarkable resurgence of vital neural pathways allowing substantial recovery of cognitive functioning.

The brain's ability to change and to recover lost functions is especially remarkable in the first decade of life. By the time children enter adolescence, recovery is certainly possible, but tends to be slower and less complete, and may require more intensive intervention. This decrease in plasticity corresponds with a drop in synapse density that accompanies the onset of puberty. But the effects are not just theoretical. Numerous case studies show that over time, the brain gradually becomes less susceptible to external influence or teaching. For example, the literature on feral children—those who have grown up without exposure to human language—suggests that they learn to speak most successfully if they are brought into contact with human society in the first decade of life.[29] The first decade is critical not only for language acquisition, but also for other cognitive functions. Visual processing also requires certain kinds of stimulation in the first decade of life. For instance, children who lose an eye before the age of eight compensate more effectively—and therefore have better depth perception—than those who lose an eye later in life. Based on new insights into brain plasticity, eye surgeons are now removing congenital cataracts much sooner, to ensure that visual acuity will not be lost.

"Prime Times" for Healthy Development

Because the brain has the capacity to change, parents and other family members, friends, child care providers, teachers, doctors, and human service providers have ample opportunities to promote and support children's healthy growth and development. Needless to say, no single strategy will



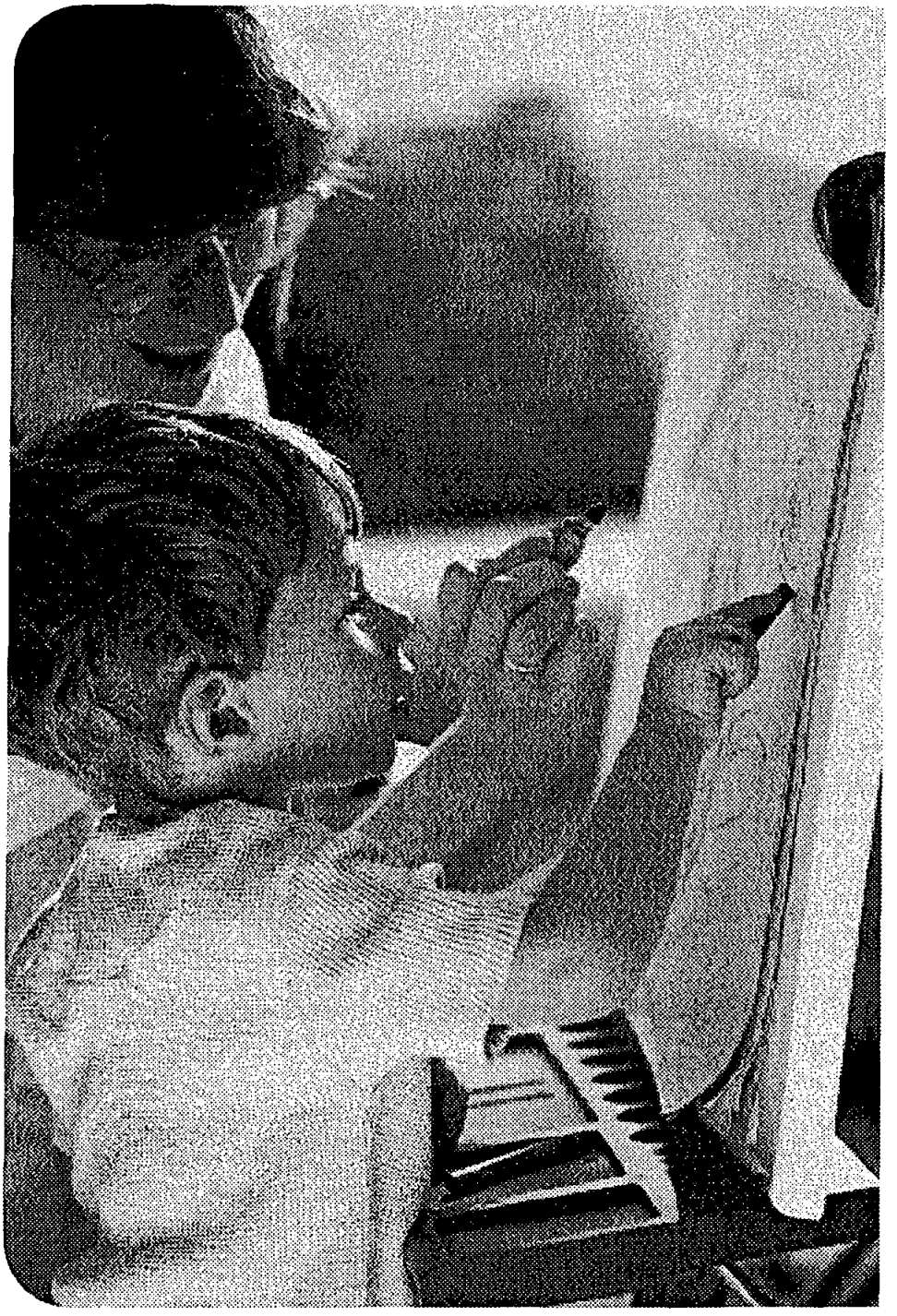
REMARKABLE RECOVERY: Half of a four-year-old's brain was surgically removed to relieve the symptoms of intractable epilepsy. Within two years, the other half compensated for this loss by gaining mass and function.
Source: H.T. Chugani

result in optimal brain development; efforts to promote children's learning must be comprehensive.

Scientists have learned that different regions of the cortex increase in size when they are exposed to stimulating conditions, and that the longer the exposure, the more they grow. Stimulation enlarges the number of dendrites in each neuron, creating larger "dendrite trees" and thickening cortical cells. Research bears out that an enriched environment can boost the number of synapses that children form. Studies of young adults indicate about 15 percent variability in synapse density; researchers believe that most of this variation reflects early experiences.[30]

People who care for children can also take heart from animal studies. William T. Greenough of the University of Illinois performed an important experiment, exposing one group of rats to a stimulating environment, and housing another comparison group in drab cages with very little stimulation. Then he looked at their brains. The rats living in an enriched environment had 25 percent more connections among their brain cells.[31] Translated into human terms, this could mean trillions of extra synapses. But the impact of an impoverished environment can be equal or even more dramatic, thinning out dendrite trees and reducing cortical thickness.[32]

The bottom line is that the brain's plasticity presents us with immense opportunities and weighty responsibilities. But timing is crucial. While learning continues throughout the life cycle, there are "prime times" for optimal development—periods during which the brain is particularly efficient at specific types of learning. In the neurobiological literature, these special periods are described as "critical periods" or "plastic periods." Both terms signify a span of time, in development, when significant alterations in the brain's architecture appear to be possible. As Harry Chugani observes, "Perhaps critical is not a good word. This is an opportunity, really—one of nature's provisions for us to be able to use the environmental exposure to change the anatomy of the brain and to make it more efficient." Once the prime time has passed, opportunities for forging certain kinds of neural pathways appear to diminish substantially.



the normal developmental schedule of experience, neural connections are not made properly, and the cortical columns that result are thinner than they should be—sometimes with devastating results. For example, a normal kitten that is blindfolded during the critical period when visual stimulation is required will never have normal vision. Moreover, if that kitten receives visual input but does not get motor stimulation, this deprivation will affect the kitten's visual-motor coordination.[33]

During developmental "prime times," neurons can create synapses most easily and efficiently. This requires not only energy and sufficient neurotransmitters, but also enough synaptic space. Gary Kraemer reports, based on his studies of monkeys, that competition for synaptic space is an important feature of early brain development. For example, input from each eye competes for synaptic space in an infant's visual cortex. If one eye of an infant monkey is closed during the period when this competition takes place, the synapses formed in response to stimuli from the open eye expand into regions that would normally serve the closed eye. Even during the critical period, opening the closed eye will not restore function unless the eye that has been open is shut.[34]

The concept of the critical period rests on the premise that neurological development depends on the exposure of the brain (and particularly the cortex) to many kinds of stimulation according to a predictable timetable. When there is a disruption of

It has long been known that there are optimal periods for different kinds of learning. Young children who move to a new country or community pick up the language easily, while their adolescent brothers and sisters can't shed their accents and their parents struggle to make themselves understood at all. This is not news. But now we understand that a young child can easily acquire a new language because the brain cells that process language are in the process of being wired, and are therefore especially responsive to experience.

Critical periods do not exist for brain development as a whole, but rather for each of the brain's systems. The brain's intricate circuitry is not formed at a steady pace; rather, brain development proceeds in waves, with different parts of the brain becoming active "construction sites" at different times and with different degrees of intensity. By studying the PET scans of children who came to his hospital for diagnosis and treatment, Harry Chugani and his colleagues have quantified the activity levels of different parts of the brain at various stages of development. In this way, they have gained insight into brain plasticity at particular ages. At one month of age, for example, there is intensive activity in the cortical and subcortical regions that control sensory-motor functions. Cortical activity rises sharply between the second and third months of life—a prime time for providing visual and auditory stimulation. By about eight months, the frontal cortex shows increased metabolic activity. This part of the brain is associated with the ability to regulate and express emotion, as well as to think and to plan, and it becomes the site of frenetic activity just at the moment that babies make dramatic leaps in self-regulation and strengthen their attachment to their primary caregivers. During this period, caregivers play an important role in helping infants to develop self-regulatory capacity by responding sensitively to their emotional signals.

A final point about cortical development in infancy: the fact that increased metabolic activity in the frontal cortex coincides with rapid development of a baby's ability to form attachments and self-regulate is not a simple case of cause and effect. Here again, the dynamic relationship between nature and nurture is evident. The heightened activity reflects, in part, the reinforcement of some synapses and the elimination of others, allowing complex interactions with the world; but these more complex interactions in turn lead to further reinforcement and pruning of synapses.

While learning continues throughout the life cycle, there are "prime times" for optimal development—periods during which the brain is particularly efficient at specific types of learning.

4. **The brain's plasticity also means that there are times when negative experiences or the absence of appropriate stimulation are more likely to have serious and sustained effects.** Brain development reflects a wide range of physical, cognitive and emotional experiences; the brain organizes in response to the

pattern, intensity and nature of these experience. Harry Chugani observes, "We know that rich and positive experiences stabilize certain connections in the brain." He goes on to speculate, "But what about negative experiences? What about aggression and violence? There is no reason to think that they cannot be 'stabilizing' influences in the same way. We can have individuals who, based on early experiences, are in effect 'hard-wired' for negative behaviors." Some neuroscientists consider this an overstatement; others find it too mild.

The following pages summarize presentations made at the conference on a range of major risk factors that may compromise brain development in the prenatal period and the first years of life. In each instance, there is some controversy as to the effects of particular behaviors and whether they can be distinguished from the impact of other risk factors. One further qualification: the studies cited in this section are part of a much larger literature on the impact of negative experiences on early brain development.[35] The major conclusions drawn here are supported by numerous studies of markedly different samples of children using a wide variety of research methods.

"We know that rich and positive experiences stabilize certain connections in the brain. But what about negative experiences?"

The Impact of Trauma and Neglect

Early experiences of trauma or abuse—whether in utero or after birth—can interfere with development of the subcortical and limbic areas of the brain, resulting in extreme anxiety, depression, and/or the inability to form healthy attachments to others. Adverse experiences throughout childhood can also impair cognitive abilities, resulting in processing and problem-solving styles that predispose an individual to respond with aggression or violence to stressful or frustrating situations. Researchers have shown, by observing children and their primary caregivers over time, that whether children form secure attachments hinges on the quality of care they receive; children who are abused or neglected are unlikely to be securely attached to their caregivers. The same researchers have observed, moreover, that both quality of care and security of attachment affect children's later capacity for empathy, emotional regulation, and behavioral control.[36]

But trauma or abuse are hardly the only conditions that can lead to developmental delays or impairments; as many researchers have shown, emotional neglect, social deprivation, and a chronic lack of appropriate stimulation are among the other factors that may jeopardize early development. Based on an expanded knowledge of early brain development, researchers are creating a "road map" for development—marking the key emotional milestones that children must pass at particular junctures on their way to healthy and mature development. Here again, the notion of "prime times" is important. As the brain develops in the first years of life, there are periods when children can meet a new developmental challenge most easily and efficiently. Bruce Perry of Baylor University asserts that when key experiences are minimal or absent, the result may be an inability to modulate impulsivity, immature emotional and behavioral

functioning, and (in combination with other developmental experiences) a predisposition to violence.

Indeed, Perry argues that a great deal of violence in the United States today may be connected to a lack of appropriate attachments early in life. Perry suggests that violence is an outgrowth of a "malignant combination of experiences"—emotional and cognitive neglect and traumatic stress. The combined effect of neglect and trauma can lead to a dramatic impairment of the brain's capacity for modulation and regulation. When these conditions persist, the neurophysiology of the brainstem and midbrain tends to become overdeveloped. These are the areas of the brain that allow only for immediate responses related to biological survival—responses that are primitive and "hard-wired," and not very susceptible to external influence.[37] Perry observes that overdevelopment of these areas is associated with anxiety, impulsivity, poor affect regulation, and hyperactivity. At the same time, cortical functions (such as problem-solving) and limbic functions (such as empathy) become underdeveloped.

The long-term research of Sroufe and his colleagues confirm the link between poor attachment and violence. The children in their study whose primary caregivers were emotionally unavailable in the early years of life did indeed exhibit (according to independent assessment) more aggression and conduct problems in childhood and adolescence.[38] Sroufe notes that across all cultures in which attachment has been studied, "anxious-avoidant attachment," which results from persistent unresponsiveness on the part of the primary caregiver, can indeed make a child more prone to violence.

Stanley Greenspan of the George Washington University School of Medicine and Health Sciences observes that children vary in their response to neglect and trauma, based on individual differences and the organization of their particular central nervous systems. Children who are underreactive to sensations and have low muscle tone tend to respond by becoming more self-absorbed, withdrawn, passive and depressed. In contrast, children who crave sensory input and are very active are more likely to become more aggressive under these circumstances. Intense empathy and nurturing relationships along with limit-setting and practice with regulating behavior can help even the children who tend to crave sensory input become compassionate, thoughtful, and empathetic.[39]

Both quality of care and security of attachment affect children's later capacity for empathy, emotional regulation, and behavioral control.

The Impact of Maternal Depression

A number of researchers have focused their attention on specific situations in which children may not receive the warm, responsive care they need at a crucial stage of development. Some have studied the impact of maternal depression on the development of infants and toddlers.[40] A recent study by The Commonwealth Fund found that one in three birth mothers experiences symptoms of postpartum depression. Among mothers whose depression persists beyond the first six months, the symptoms come and go; but nine percent of mothers who reported lingering depression said that they experience it all of the time.[41]

When mothers' depression was treated or went into remission, their babies' brain activity returned to normal.

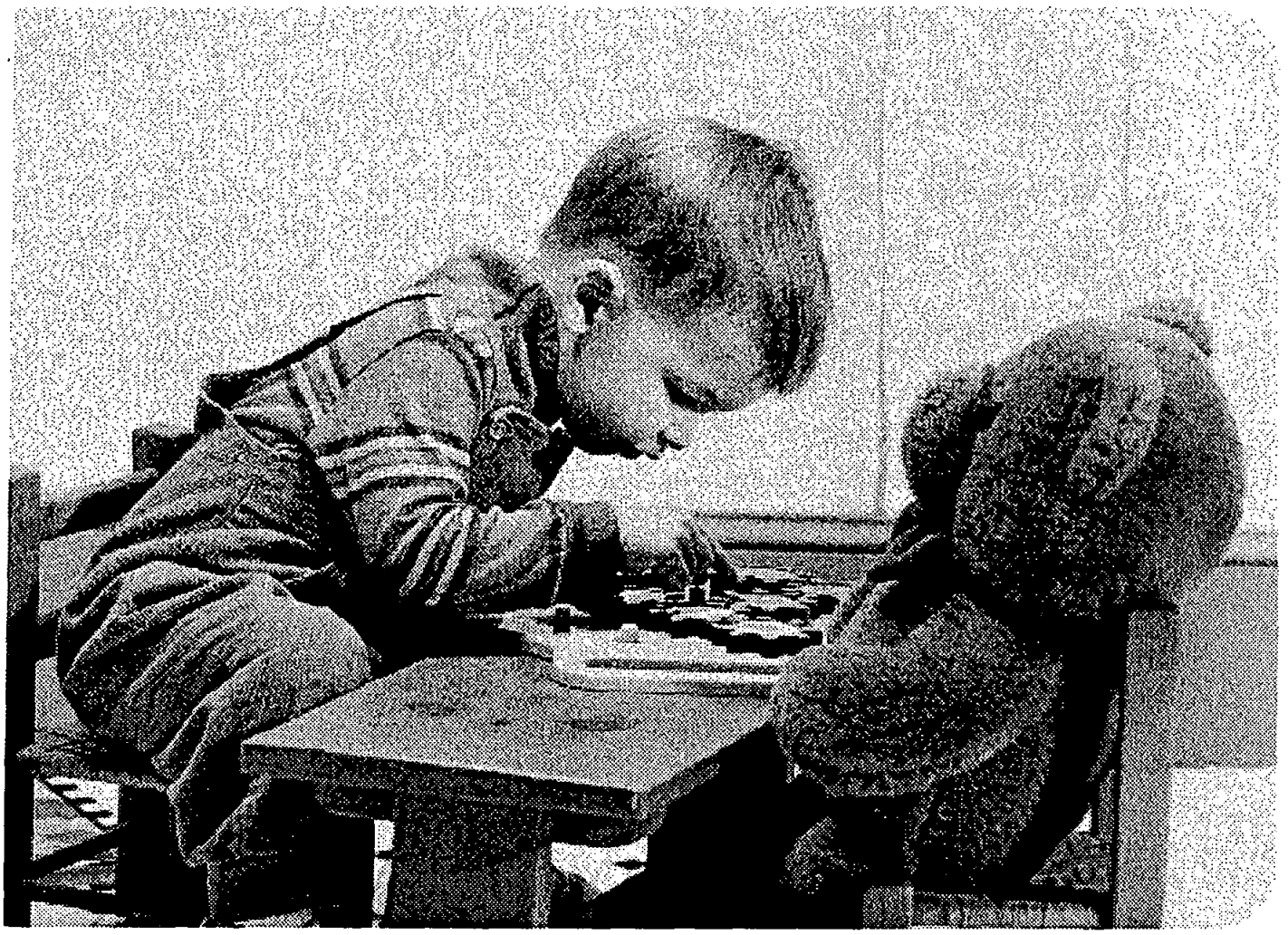
When postpartum depression is limited to a few months immediately after birth, it appears to have no lasting impact on children's development. But lingering depression can have adverse effects. *Starting Smart*, published by Ounce of Prevention, says, "Research has shown that parents suffering from untreated depression often fail to respond sensitively to their children's cries and bids for attention, and that they are unlikely to provide the child with the kind of cognitive stimulation that promotes healthy brain development."[42]

Geraldine Dawson and her colleagues at the University of Washington report that depressed mothers of infants tend to express less positive and more negative affect; to be less active and more disengaged from their babies; when they are engaged, tend to be more intrusive and controlling; and often fail to respond adaptively to infants' emotional signals. Their infants tend to be more withdrawn and less active than other babies. They are apt to have shorter attention spans and less motivation to master new tasks than the infants of non-depressed mothers. Dawson also reports physiological effects: infants of depressed mothers tend to have elevated heart rates and elevated cortisol levels.

Proceeding from the premise that parents' behavior shapes young children's emerging ability to express and modulate emotions, Dawson and her colleagues examined the impact of maternal depression on the biological systems involved in emotional development, especially the frontal cortex. The researchers studied the brain functions of 13-to-14-month-olds—30 children of depressed mothers and 30 children of non-depressed mothers—using EEG. The EEG was attached to babies scalps by means of caps that use sponges and warm water as the conductive medium. This allowed researchers to conduct sophisticated brain mapping without causing the baby any discomfort whatsoever.

The researchers exposed the infants to a variety of conditions meant to elicit a variety of emotions—watching an interesting toy, playing with the mother or caregiver, or being separated from the mother. They videotaped the sessions, and correlated the videotapes with the brain mapping produced by the EEG. They found that a substantial proportion of babies with depressed mothers—about 40 percent—showed reduced brain activity. The researchers paid particular attention to the left frontal region—the part of the cortex associated with outwardly-directed emotions (such as joy, interest, or anger). Nine out of ten babies who showed high levels of left frontal activity had non-depressed mothers. On the other hand, 21 of the 28 babies who showed low levels of left frontal activity had depressed mothers.

While not all babies of depressed mothers show negative effects, the pattern is clear: maternal depression can impede healthy brain activity, particularly the part of the brain associated with the expression and regulation of emotions. Dawson is confident that the adverse effects stem primarily from the mother-child interactions, rather than from a genetic predisposition to depression. By correlating the videotapes with the EEG results, she and her colleagues found that babies showed less brain activity when their mothers were more negative and more intrusive. Furthermore, she found that in many cases, when mothers' depression was treated or went into remission, their babies' brain activity returned to normal.



Dawson says that there is mounting evidence that the period of greatest risk for maternal depression is the period from six to eighteen months. When mothers' depression remits by the time their infants reach the age of six months, their babies do not appear to suffer later cognitive delays or emotional symptoms. In contrast, when mothers remain depressed beyond their babies' sixth month, their children tend to show later behavioral problems and cognitive impairment. As might be expected, the more persistent and prolonged a mother's depression, the more likely it is that her child will have behavioral disturbances. There is also some evidence that infants born to mothers who suffer from depression during pregnancy are less active and less responsive to social stimuli than other newborns.

This research dramatizes the need to screen for maternal depression even during the prenatal period, and the importance of encouraging mothers to seek treatment. Fathers or other family members need support as well, since a non-depressed father and a strong relationship between the baby's parents have been shown to moderate the adverse impact of maternal depression on young children.

The Impact of Substance Abuse

New knowledge about the vulnerability of the developing brain to environmental factors suggests that early exposure to nicotine, alcohol, and drugs (in utero and in the postnatal environment) may

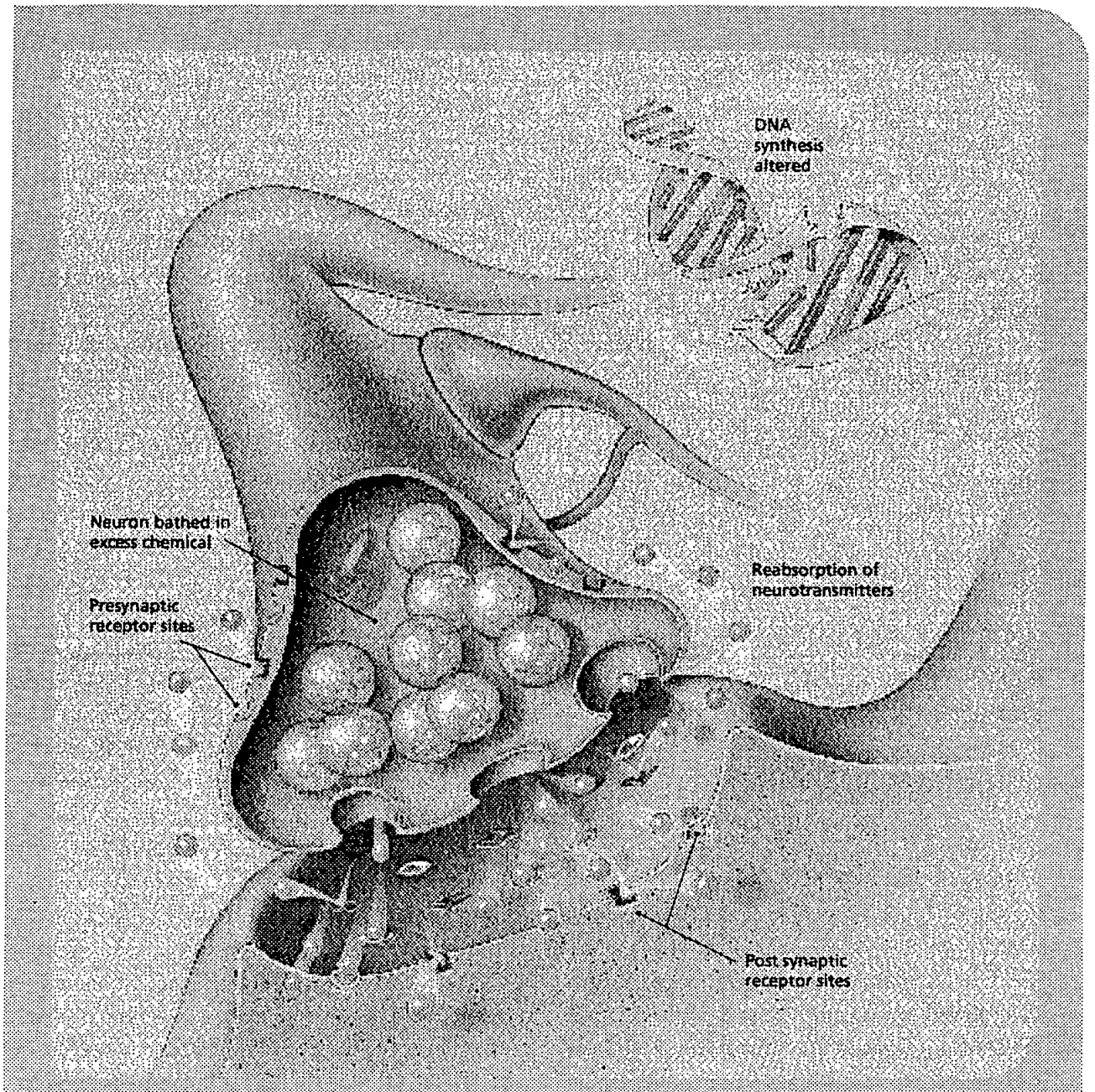
have even more powerful and long-lasting effects on young children than was previously suspected. Recent studies appear to bear this out. Most of the current research focuses on exposure to these substances during the prenatal period, although neuroscientists assume that postnatal exposure (for example, when children breathe in smoke from cigarettes or crack cocaine), also has an adverse impact on brain development.

Maternal smoking during pregnancy is associated with somewhat higher rates of preschool and school-aged behavioral problems.

Pregnant women are routinely advised by their doctors not to drink alcohol while they are planning or expecting a child, but may not know exactly why. In fact, neuroscientists are now gaining new insight into how alcohol affects prenatal brain development. Some important findings have come from animal studies. Studies of mice suggest, for example, that exposure to alcohol early in the prenatal period reduces the number of cells in the neural tube, the part of the embryo that gives rise to the brain and spinal cord.[43] Other studies have shown that when alcohol is administered to rats throughout pregnancy (5 percent alcohol in a protein-rich diet), many neurons in their babies' brains (specifically in the cortex) are smaller than expected and have fewer dendrites—parts of brain cells needed to form synapses.[44] Recent brain research suggests that human infants who are exposed to alcohol before birth face many of the same biological consequences. For example, EEG studies have found that the brain waves of infants born to alcoholic mothers show a distinct pattern of reduced activity, particularly in the left hemisphere.[45]

Mothers who drink heavily during pregnancy are at greatest risk of giving birth to babies with fetal alcohol syndrome (FAS); some researchers believe that two or more drinks per day lead to FAS while others place the dangerous consumption level a bit higher. FAS is associated with low birthweight, later growth deficiencies, facial abnormalities, and a range of neurological disorders. Some children may show few or no adverse effects; but today, more and more children are being diagnosed with fetal alcohol syndrome. By the time they enter preschool, FAS children may show signs of mental retardation; may have impaired perceptual, linguistic, and fine motor skills; and may exhibit behavior problems.

Smoking during pregnancy can also affect early development. Estimates of the percentage of pregnant women who smoke cigarettes range from 17 to 25 percent.[46] Some of these women find it difficult to stop smoking during pregnancy, but manage to cut back. And in many cases, their children show no apparent effects. But the nicotine in tobacco products does cross the placenta and has a direct impact on the developing fetus. A number of studies indicate that maternal smoking during pregnancy can, in some cases, affect brain development, inhibiting neuron growth in particular ways. It can also alter the brain's biochemistry by affecting neurotransmitters—the chemicals that flow across synapses, allowing connectivity among brain cells. As synapses are produced, some portion of these chemicals is not needed and is therefore reabsorbed by neurons and remetabolized. Exposure to nicotine appears to interfere with the reabsorption of certain neurotransmitters, including serotonin.



HOW NICOTINE AND OTHER DRUGS MAY AFFECT SYNAPSES: When a synapse is activated, neurons release more neurotransmitters than they need and then reabsorb the excess at special receptor sites. Scientists hypothesize that drugs such as nicotine and cocaine interfere with this reabsorption by blocking receptor sites. As a result, the neurons' "connection sites" are bathed in leftover chemicals and may become overstimulated.

When that happens, scientists hypothesize, neurons are bathed in the excess chemical, increasing the level of excitation in that part of the brain. Nicotine appears to affect brain development in other ways as well. For example, animal studies suggest that exposure to nicotine can alter DNA and RNA synthesis in the brain. These changes can have clear, long-term consequences even when a fetus is exposed to levels of nicotine that are not usually considered toxic.[47]

Given these effects, one would expect children exposed to nicotine before birth to be more prone to developmental delays or impairments. And in fact, research shows that their behavior may indeed be affected. Animal studies indicate that in utero exposure to nicotine causes decreased learning efficiency and heightened motor activity. Studies of humans suggest that maternal smoking during pregnancy is associated with somewhat higher rates of preschool and school-aged behavioral problems. For example, research conducted at the University of Chicago showed that boys whose mothers smoke more than half a pack of cigarettes a day during pregnancy are much more likely than the sons of nonsmokers to develop conduct disorders later in life.[48]

In the prenatal period, exposure to cocaine can interfere with the production of synapses.

Exposure to cocaine in utero can also be perilous. The prevalence of cocaine use among pregnant women appears to be alarmingly high. In her remarks at the conference, Linda Mayes of Yale University reported that from 17 to 50 percent of women who receive prenatal care at Yale New Haven Hospital use cocaine or crack cocaine two or three times a week throughout their pregnancies. She added that other inner-city hospitals report that as many as 50 percent of pregnant women receiving prenatal care use cocaine or crack. Mayes estimates that nationwide, at least 40,000 and perhaps as many as 375,000 infants born each year have been exposed to cocaine in utero, and often to other drugs as well. After birth, children continue to be exposed to cocaine through passive smoke inhalation. In fact, some 17 percent of children coming to inner-city emergency rooms for clinical care test positive for exposure to cocaine.[49]

To be sure, some children who are exposed to cocaine in utero appear to suffer few ill effects; evidence of functional impairment can sometimes be hard to detect. And since expectant mothers who use cocaine often have a number of other risk factors, it is sometimes difficult to establish cause and effect. However, the research suggests that the consequences of cocaine use during pregnancy can be severe and long-lasting. Exposure to cocaine early in gestation can disrupt the migration of neurons up the cortical wall. As noted earlier, this can lead to a number of serious neurological disorders. Later in the prenatal period, exposure to cocaine can interfere with the production of synapses. To an even greater degree than exposure to nicotine, it may inhibit the reabsorption of neurotransmitters. And indeed, children exposed to cocaine in utero have been found to have disturbances in attention, information processing, learning, and memory. The physiological signs associated with prenatal exposure to cocaine include changes in children's heart rate, blood pressure, and daily cortisol cycles. Mayes' research, comparing 61 cocaine-exposed and 47 non-drug-exposed three-month-old infants, shows that exposure to cocaine tends to show up at this early age as delayed or impaired motor development.[50]

The Impact of Institutionalization

It has long been known that institutionalization has a long-lasting, adverse effect on children's social and cognitive development. Research done in the first half of this century produced solid evidence of this fact, and led to a rapid decline in the number

of such institutions in the United States and Western Europe.[51] In other parts of the world, however, many children still spend their first years in large orphanages. For example, the Romanian government expanded the number of state-run orphanages in the seventies and eighties, and these places still exist despite changes in the government's maternal and child health policies.

In 1994, Maya Carlson and Felton Earls, in consultation with Megan Gunnar, went to Romania to study young children living in these institutions, where children receive adequate custodial and medical care but live in conditions that are unpredictable and make it difficult to form attachments to consistently available caregivers. Their purpose was to study the neurobiological consequences of institutionalization by measuring the children's daily cortisol levels. They also assessed the effects of social deprivation on the children's physical growth and psychological functioning. In conducting this research, Earls and Carlson were guided by the International Convention on the Rights of the Child.

The researchers found that the cortisol levels and daily cycles of the children in the orphanages were abnormal, failing to show the strong daily rhythms typical of home-reared children as young as 12 weeks of age. Compared to home-reared Romanian children of the same age, their morning cortisol levels were much lower, but became higher at noon and remained elevated into the evening hours. Depressed morning cortisol levels have been reported in children who have experienced catastrophic events, such as the Armenian earthquake of 1988, and these levels are related to symptoms of post-traumatic stress disorder.[52]

Carlson and Earls note that the social and cognitive effects of early institutionalization can be partially prevented or reversed when staff-to-child ratios are dramatically improved, when children are given the chance to form stable relationships with consistent caregivers, and when professionally staffed programs of developmental stimulation are introduced. These measures have the greatest impact if they are undertaken when children are very young. The work of other researchers has consistently shown that when children are subjected to severe psychosocial deprivation during the first two years of life, social deficits may be even more difficult to reverse than cognitive deficits.[53]

Recent advances in knowledge of young children's brains help to explain why poverty can have such a detrimental impact on early development.

In collaboration with Megan Gunnar, Carlson and Earls are now expanding their work to include the study of adopted Romanian children.[54] Cortisol analysis is also proving useful for studying "failure to thrive" and for assessing the impact on young children of child care in various settings.[55]

The Impact of Poverty

Many of the risk factors described so far occur together, jeopardizing the development of young children and making research endeavors more challenging. Many of these risk factors are associated with or exacerbated by poverty. Indeed, recent advances in knowledge of young children's brains help to explain why poverty can have such a detrimental impact on early development.

Today, one in four American children under the age of six is growing up in poverty. The one in four figure holds as well for children under age three.[56] Given the crucial role of environmental factors in early brain development, these children are at particularly high risk of developmental delays and impairments. Economic deprivation affects the mother's and child's nutrition, access to medical care, the safety and predictability of their physical environment, the level of stress experienced by their parents and other caregivers, and the quality and continuity of their day-to-day care. Poverty also affects children's in-home and out-of-home stimulation, and their exposure to extreme stress and violence. Epidemiological surveys confirm the impact of these conditions: the risk for poor school readiness and mental retardation is highest among children from families with the lowest socioeconomic status.[57]

Research on the impact of poverty is often difficult, because it requires teasing apart the separate and independent effects of economic hardship and other related risk factors. However, a number of important studies have taken on this challenge. Alan Sroufe and his colleagues have found that poverty and factors associated with poverty have a pervasively negative impact on children's functioning in several areas, and that the negative effects appear to snowball as children get older. Most of the children in their long-term study were healthy, robust babies; most were born without physical disabilities or medical problems. However, as a result of the adverse effects of poverty, most showed gradual declines in mental, motor, and socio-emotional development. Compared to low-risk children, they tended to have poor-quality relationships with their caretakers in infancy and were found to be "anxiously attached" at 12 and 18 months. Of those who attended preschool, 70 percent were considered to have difficulty getting along and cooperating with other children, regulating their emotions, and playing and functioning on their own. By the time they reached elementary school, the great majority—fully 80 percent—showed impairments serious enough to warrant some form of special education services; 18 percent were retained in the same grade sometime in elementary school.

Among the protective factors that made these children more resilient, a secure attachment with their caregivers was the most important.

Sroufe and his colleagues emphasize that the "decline in functioning observed at each developmental period seems to have been related to adverse living conditions, not inherent factors and traits within each child."[58] By observing infants' early environment, support, and relationships, Sroufe's team has been able to predict with reasonable accuracy later attention-deficit hyperactivity disorder (ADHD), depression, and conduct problems.

The research team also found that some children—a distinct minority—appear to thrive despite the adverse effects of poverty. In their study, two children were advanced a grade, and two were placed in classes for the gifted when they reached the sixth grade. Some children excelled in the social arena: as sixth graders, 15 percent of children in the sample were ranked by their teachers above the 90th percentile on measures of peer competence and popularity. Among the protective factors that

made these children more resilient than others in the study, a secure attachment with their caregivers was the most important. In contrast, Sroufe noted that of the 44 children who were considered to be at extreme risk (by virtue of very chaotic homes or abusive caregiving relationships), none managed to thrive socially or academically.

Sroufe and his colleagues have looked beyond poverty and the general high-risk status of the families to examine factors that enabled some of these parents to care well for their children even in the face of poverty. Critical factors included knowledge of child development, social support available to the parents, and especially for parents who had been abused or neglected in their own childhood, therapy to help them resolve abuse issues. An understanding of these factors guided the development of the STEEP preventive intervention program at the University of Minnesota.[59]

5. **Substantial evidence amassed by neuroscientists and child development experts over the last decade points to the wisdom and efficacy of early intervention.** There are, to be sure, some genetic disorders or neurological events (such as a massive stroke) whose consequences are difficult if not impossible to reverse, given current knowledge and methods. But study after study shows that intensive, well designed, timely intervention can improve the prospects—and the quality of life—of many children who are considered to be at risk of cognitive, social, or emotional impairment. In some cases, effective intervention can even ameliorate conditions once thought to be virtually untreatable, such as autism or mental retardation. A number of well documented studies of programs designed to help infants and toddlers and their families, such as the New Mothers Project, the Infant Health and Development Project, and the Syracuse Family Development Project, suggest that well conceived, well implemented programs can brighten children's futures. The programs cited in the following pages were designed, implemented, and/or studied by conference participants. By no means, however, do they represent the full range of initiatives and interventions that have been found to benefit young children and their families.

Children from families with the least formal education derive the greatest cognitive benefits from intervention programs.

Addressing Social Vulnerability

Taking part in a panel discussion, Craig T. Ramey of the University of Alabama at Birmingham reported that intensive early intervention can in fact improve the cognitive developmental trajectories of socially and biologically vulnerable young children. The efficacy of early intervention has been demonstrated and replicated in diverse samples. He observed that children from families with the least formal education derive the greatest cognitive benefits from intervention programs. Moreover, the impact of early intervention appears to be long-lasting: early educational intervention is associated with an almost 50 percent reduction in the likelihood of children being held back in the same grade during the elementary years.

Ramey cited the experience of the Abecedarian Project, which he and his colleagues launched in 1972. The project involved children from 120 poor families, who were assigned to one of four groups:

Prevention and Early Intervention

Numerous efforts to support young children and their families are now underway across the nation. Many are allied with the family support movement, which is committed to the notion that to help children, we have to provide education and support to their parents as well. Many include parent education and home visits. Some of these projects have a strong research component, and have followed children over time to gauge long-term benefits. These early intervention programs take different forms, providing a range of intensive educational and support services such as home visits and high quality child care and early education. None is perfect, but on the whole they have shown significant results. Indeed, programs designed for disadvantaged children have been able to boost IQ by as much as eight points. However, without well-designed follow up services, these benefits are difficult to sustain.

The following programs are among the many initiatives designed to give infants and toddlers a good start in life. Their histories reach back 10 to 25 years, allowing researchers to draw conclusions about their long-term effects.

Carolina Abecedarian Project

From 1972 until 1985, the Carolina Abecedarian Project, an experimental study of early childhood educational intervention, provided sustained services to young children and their low-income families. This project is unique in that it served children from the first months of life through the early elementary school years. Children entered the program from six weeks to three months, and received services for the next five to eight years. Services included high quality, full-day child care for preschoolers, and regular support and education for the parents of school-age children. The infant curriculum designed especially for this program aimed to enhance cognitive, language, perceptual-motor, and social development. In the later preschool years, emphasis was placed on language development and preliteracy skills. Children also received medical treatment on site. Follow-up assessments were conducted at ages 8, 12, and 15.

The study found that:

- Young children's involvement in high quality preschool programs had positive effects on intellectual development and academic achievement.
- At age 12, participating children had IQ scores that averaged 5.3 points higher than a comparison group of non-participants.
- At age 15, compared to the comparison group, participants showed higher achievement test scores and had 50 percent fewer special education placements.

Syracuse University Family Development Project

Between 1969 and 1975, this project provided education, nutrition, health and safety, and human service resources to low-income, primarily African American, families. The services began with prenatal care and continued until children reached elementary school age. Families received home visits on a weekly basis as well as high quality child care five days a week. From 6 to 15 months, children were in half-day care; thereafter they received full-day care. The program followed children into adolescence.

The study found that:

- In grades 7 and 8, girls who had taken part in the program had higher teacher ratings and grades and better attendance records that children in the comparison group. Boys showed no long-term benefits, judging by these measures.
- Program participation decreased the total number, severity, and chronicity of later involvement with the juvenile justice system. In their teen years (ages 13-16), program participants were significantly less likely than a comparison group to have probation records or to be chronic offenders.

The Prenatal/Early Infancy Project

This rigorously evaluated early intervention program has helped young mothers improve their own health and has propelled their children on a path towards success. The Prenatal/Early Infancy Project focused exclusively on the prenatal period and the first two years of life. Beginning in 1977, this project enrolled 400 expectant mothers in Elmira, New York. Eighty-five percent were low-income, unmarried, and teenaged women expecting their first child. The full range of program services included home visits by nurses, screening for health problems, and transportation for health care. Home visits by nurses started during pregnancy and continued monthly until the child reached the age of two. They not only focused on strengthening parental caregiving, but also aimed to help mothers solve problems and plan their own futures.

By helping mothers improve their own skills, this program also helped families become economically self-sufficient. It demonstrated that comprehensive intervention early in a family's life cycle can effectively prevent some of our society's most intractable problems. Researchers who followed these 400 families from pregnancy to four years concluded that the program had more than paid for itself.

The study found that:

- Program participants had an 80 percent reduction in the rate of verified cases of neglect and abuse.
- There was an 83 percent increase in the number of years these mothers participated in the workforce.
- Reduced public assistance expenditures accounted for 80 percent of the cost savings associated with this program.

Follow-up research indicated that the program had a substantial, lifelong impact on participating families—especially for those young families facing the most extreme levels of stress. A 15-year follow-up found that participants continued to show benefits. For example, they were less likely to rely on welfare. For children born into low-income households where mothers were unmarried, there was more than a 50 percent reduction in the rates of abuse and neglect.

Continues on next page

The Infant Health and Development Program

The Infant Health and Development Program (IHDP) provided services to low-birth-weight, premature infants and their families from birth to age three. Established at eight sites serving diverse populations, IHDP began operating in 1984. The program provided home visits over the three-year span, center-based child care with an educational curriculum focused on child development, and group meetings for parents with children between one and three years of age. The children also received regular pediatric care. Compared with low-birth-weight, premature children who received only pediatric care, the IHDP children showed substantial gains.

The study found that:

- At age three, program participants had significantly higher mean IQ scores. Heavier infants scored 13 IQ points higher than infants receiving only pediatric care. Lighter infants scored almost seven IQ points higher than infants receiving less comprehensive services.
- IHDP program participants also had fewer cognitive, behavioral and health problems.
- At age eight, the heavier group continued to register modest gains in their cognitive and academic skills.

the first group received intensive early education in a child care center from about four months of age to age eight; the second group, from four months to age five; the third, from age five to age eight; and the fourth group received no intensive early education services. The early intervention program provided a range of services including early childhood education, family counseling and home visits, health and nutrition services, social work and service coordination services, speech/language services, and transportation. Many of these components were forerunners of those services now specified under Part H (birth to three years) of the Individuals with Disabilities Education Act. Ramey stresses that nothing was done in the Abecedarian program that could not, with sufficient planning and effort, be incorporated into other preschool centers or school systems.

This study showed that the earlier the children received intensive care and education, the greater and more enduring the gains. In fact, children who did not begin receiving the intervention until after the age of five showed no gains in academic performance or IQ. A follow-up study concluded that intellectual and academic gains attributable to the program persisted through seven years in school. In fact, the difference between the intensive early intervention and control groups was more pronounced at age 12 than at age 8.

Ramey also presented findings from two other early educational intervention programs designed to prevent mental retardation and improve school readiness and educational progress. Data from Project CARE (a successor to the Abecedarian Project) show that children who received a full-day, five day per week center-based program supplemented by home visits showed much higher intellectual performance than those who received home visits only or those in a control group who received no services.

The Infant Health and Development Program (IHDP) extended the aims of the first two programs, showing that lower birthweight children benefit less from the same high quality intervention program than other children, probably due to their biological status. It also established a correlation between the level of family participation and the extent to which children benefitted from the program. The more the family participated, the greater the cognitive gains.

Developmental Care for Preterm Infants

All human babies are born with brains that are remarkably unfinished—rough drafts waiting for life's rewrites and edits. The fact that the brain is a work in progress means that from the first days of life, the impact of early experience can be dramatic. This is especially true for preterm infants, who come into the world with brains that have had less time to mature in the protected intrauterine environment, and are therefore even more vulnerable to the environment.

In this vulnerable condition, most preterm babies have been cared for in neonatal intensive care units (ICUs)—settings that have traditionally been designed to meet their medical rather than their developmental needs. In this bright, noisy, rather stark setting, preterm infants have been exposed to severe sensory overload—a dramatic mismatch with the needs and expectations of their nervous systems.[60] Moreover, many preterm babies have been deprived, for sustained time periods, of three environments that have been shown to support healthy development: the protective environment of the uterus, the comfort and tactile stimulation of a parent's embrace; and containment in a family's social group. In her presentation, Linda Gilkerson, reporting on her research and the work of Heidelise Als of Harvard University and others, stated that developmentally appropriate and supportive care for preterm infants—care that is relationship-based and family-centered—can substantially increase preterm infants' chances for physical and mental health, while reducing hospital stays and costs. Glikerson and her colleagues have researched the impact of such care. In a study of 38 randomly selected preterm infants who weighed on average less than two pounds, 20 were able to leave the hospital after an average of 87 days as compared to an average 151 days for the 18 infants in the control group. Hospital costs for the care of these 38 infants dropped by approximately $90,000, compared with average expenditures in a traditional neonatal ICU. Research has also shown that while heavier preterm infants respond most dramatically to enhanced care, those who are at highest risk of poor outcomes—those born with very low birth weights and multiple medical complications—also show improvement in their medical and developmental status when they receive intensive, individualized developmental care.

Preterm infants come into the world with brains that have had less time to mature in the protected intrauterine environment, and are therefore even more vulnerable to the environment.

Gilkerson described the Newborn Individualized Developmental Care and Assessment Program (NIDCAP), a model developed as a framework for providing developmental care to preterm infants. This model trains hospital personnel to observe the behavior of every infant and then develop an individualized caregiving plan based on his or her unique characteristics, particularly the baby's sleep-wake cycles and self-soothing strategies. Parents play a fundamental role in this process and in the delivery of care. The neonatal ICU has been redesigned to provide a greater sense of security, protection, and intimacy through the frequent presence of parents, a great deal of physical contact and containment by parents and caregivers, attention to the pacing of care, and continuity of care providers. They use low lights, reduce noise, and, whenever possible, schedule doctors' rounds to accommodate the babies' sleep cycles. Preterm infants cared for in this setting have shown improved patterns of brain functioning, particularly in the frontal lobe which plays a crucial role in the executive functions of the brain such as attention state regulation and planning.

Researchers can detect auditory processing problems in babies six to nine months old that usually lead to language impairment.

Brain Research and Neurological Impairments

New insights into the brain's early development and functioning have allowed some researchers to design interventions that address neurological impairments with greater precision. The research cited below offers examples.

Stanley Greenspan's work with autistic children poses two key questions: Can the environment be designed to help children overcome central nervous system differences—including both those that are hard-wired at an early age, and those that remain plastic and flexible? To what extent is it possible to help children recover function or learn new functions for the first time? Based on his experience working with children with a range of different developmental delays or impairments, Greenspan has concluded that children's capacity to respond to intervention in the early years is "greater than we thought."

Greenspan presented the case of a boy diagnosed with autistic spectrum disorder who first came to his attention a few months before his third birthday. His behavior was characterized by repetitive actions: he would repeat the alphabet in a mechanical way, and would spend a lot of time lining up objects. At other times he seemed aimless; occasionally, he would produce an appropriate sound, word, or gesture. Greenspan began an intensive program encompassing family support, speech work, occupational therapy, and an interactive play approach called "floor time." This approach is designed to take into account a child's particular central nervous system patterns and expressions, as well as his or her current developmental level. It rests on the concept that not all experiences, however stimulating, will help the central nervous system grow and recover functions. Rather, specifically designed experiences are necessary to help children with impairments develop new capacities. This work has also led to the identi-

fication of specific types of experiences that can facilitate both intellectual and emotional growth in children without impairments as well.

Over time, the boy presented by Greenspan became more interactive, creative, and more socially adept. He began to form gratifying friendships, and his IQ went up to a high range. By age eight, he was highly verbal, fully conversational, warm, engaging, and creative. He enjoyed friendships and was doing well in a challenging academic program in a regular school. In all, Greenspan and his colleagues have worked with about 200 children diagnosed with autistic spectrum disorder, and he reports that about two-thirds of them these children have responded well to his program, challenging the notion that they will inevitably be limited, socially and cognitively, as adults.[61]

To be sure, not every autistic child benefits to the same degree from this kind of program. Citing the research of Michael Rutter, Alan Sroufe notes that children who do not have language and those with tested IQs below 50 do not usually respond well to intervention.[62] Sroufe believes that success stories should be presented carefully, so that they do not inspire false hope in parents with autistic children.

A second example of an intervention that has emerged from recent brain research is the work that April Benasich and her colleagues at Rutgers University are doing with infants and toddlers who have auditory processing problems. They have designed early interventions for children who have a specific language impairment—a developmental speech or language disorder that cannot be traced to any known cause. Benasich reports that from 3 to 10 percent of preschool children have been found to have this type of disorder.[63]

With the aid of brain imaging studies, the Rutgers researchers have concluded that these children's problems can often be traced to a faulty brain mechanism which existed well before language problems became apparent to parents or pediatricians. Benasich and her colleagues can detect auditory processing problems in babies six to nine months old that usually lead to language impairment. The ability to assess these processing problems in the first year of life, in conjunction with a more general assessment of an infant's perceptual-cognitive abilities, is an important step towards early intervention for children at high risk for language-based learning disabilities. Once a problem has been pinpointed, specific, individualized interventions can be introduced at a time when the brain's plasticity is particularly marked. For example, by means of specially designed computer games, children can be taught to speed up the rate at which they process shifts, within words or phrases, from one sound to another.

Information gathered by neuroscientists about the sequence and timing of brain development can be immensely useful to parents, teachers, health providers, policy makers in diverse fields, and other people responsible for the well-being of children and families. What kinds of learning experiences (including toys and games) are appropriate for children of different ages? What is the right age to begin reading instruction? When children appear to have difficulty with a particular cognitive task, what is the best time to intervene? When and how should children be given opportunities to begin learning foreign languages? Insight into developmental prime times can shed light on questions like these. The concluding section of this report addresses the policy questions that new knowledge about the brain most frequently elicits.

Where Do We *Go From Here?*

Nobel Laureate Murray Gell-Mann opened his remarks to participants at the June 1996 brain conference by observing that in most spheres of knowledge, what we don't know far exceeds what we do know. Brain research is no exception. Coming years promise to yield new discoveries about how the brain develops and how children's capacities grow and mature. Neuroscientists are likely to shift their attention from more general questions about how brain circuitry is formed to more specific investigations of the functions of particular regions of the brain. This investigation is also likely to focus on how—and how much—the brain's development and functioning are influenced by the environment.

Where is the Consensus?

There appeared to be substantial agreement among speakers at the conference that the current knowledge base is sufficiently ample to warrant immediate action. A framework for action, speakers agreed, might be designed around key assertions summarized in this report, including the importance of the interplay between nature and nurture; the importance of secure early attachments; the extent and rapidity of early development; the brain's remarkable plasticity; and the wisdom and efficacy of prevention and high-quality well-designed early intervention.

During the discussions, three key principles of societal responsibility emerged that appeared to have resonance for most participants:

- **First, do no harm.** The evidence is clear and compelling: early and developmentally appropriate care and education are vital to the health and well-being of our children. The prenatal period and the first three years of life are particularly crucial. As Edward Zigler of Yale University underscored, new insights into the brain suggest that the principle that guides medical practice should be applied just as rigorously to all policies and practices that affect children: first, do no harm.

This means enabling parents to fulfill their all-important role in providing and arranging for sensitive, predictable, reliable care for their children. Research on the impact of early attachments on brain development confirms that warm, responsive caregiving is a crucial ingredient in the healthy development of children. But unless parents have consistent access to a wide range of services—including (but not limited to) prenatal care and adequate nutrition; competent, responsive care during and following childbirth; affordable parental leave; and high-quality, affordable child care and health care—efforts to improve results for

In most spheres of knowledge, what we don't know far exceeds what we do know. Brain research is no exception.

Who is a Caregiver?

Child Care and Early Education

When reports about young children are written, it is always a struggle to find a word or phrase to describe the grownups who take care of them. Mothers? Yes, but not always. Parents? That takes fathers into account, but what about Grandpa or Aunt Martha? And what about the neighbor who "watches" the twins five days a week while mom and dad are at work? Or Ms. Sanders, the teacher at the Rainbow Child Care Center?

To be sure, a "child care provider" can play an immense role in children's early development. But that term doesn't do justice to parents and other people who have primary responsibility for a child. And so, we have resorted to "caregiver." Often we speak of the "primary caregiver"—the adult who has major responsibility for a child's day-to-day well-being and development. It's a word that can apply to mothers or fathers or Grandma or Ms. Sanders.

Of course, it is awkward to use one word for such different kinds of relationships, but that awkwardness may have an advantage. It points up the important idea that relatives and child care providers do not replace working parents. They may relate to a child differently than a mother or father would, but from a child's perspective, every important caregiver is a potential sources of love and learning, comfort and stimulation. From a neuroscientist's perspective, every important caregiver has the potential to help shape a young child's future.

Child Care/Early Education Demand and Supply

The number of mothers with infants and toddlers who work outside the home has surged in recent decades. In 1965, 21 percent were in the labor force; by 1994 that number reached 59 percent. This dramatic increase has created an unprecedented demand for child care services. The growing number of working mothers is not the only reason for this rise in demand. A third of all families in which the mother does not work outside of the home also use a regular child care arrangement for their youngest preschool-age child.

To meet this demand, the supply of child care has risen sharply. In 1990, there were 80,000 centers in the United States, serving between four and five million children. In addition, it is estimated that there are 118,000 regulated homes serving 700,000 children. There are also approximately 685,000 to 1.2 million family child care homes that are not licensed or registered, serving 3.4 million children.

Despite this increase, there appear to be gaps between supply and demand. This problem is especially acute for infants and toddlers. Moreover, parents are hard pressed to find child care that is affordable and meets their quality standards. In a nationally representative study of the U.S. workforce, 58 percent of parents looking for child care reported that they found no realistic options in their communities.

A Shift in Child Care Settings

Over the past 25 years, the arrangements that families rely on to care for their children have shifted. There has been a sharp drop in the use of care by relatives other than parents, such as grandparents, aunts, and uncles. Among families with employed mothers of infants and toddlers, 36 percent arrange for care in the homes of

friends, neighbors, relatives, or regulated family child care providers; 23 percent use centers. Preschool children average 35 hours in their primary arrangement if their mothers work outside of the home, and 20 if they do not. Infants who are in center-based care spend more hours each week in child care than older children.

Child Care Quality

Mounting concern about the quality of child care across the nation reflects a growing consciousness that for many children, child care is "education before school." A recent report, based on a three-year study known as Quality 2000, asserts that the U.S. is now facing a "quality crisis" in early care and education.

There is ample evidence for this assertion. Three multi-site observational studies of both center care and family child care conducted between 1988 and 1994 reveal a dismal picture of quality. These studies indicate that only 12 to 14 percent of children are in child care arrangements that promote their growth and learning; at the same time, from 12 to 21 percent are in child care arrangements that are unsafe and jeopardize their development. The statistic for infants and toddlers is even more alarming: 35 to 40 percent spend their days in settings that have been deemed detrimental to their health, safety, and development.

The hallmark of quality for non-parental care is not very different from quality by mothers or fathers: warm, responsive, consistent caregiving geared to the needs of individual children. Researchers have identified specific, interrelated characteristics of center-based settings associated with high-quality early care and education and better results for children. These include:

- a sufficient number of adults for each child—that is, high staff-to-child ratios;
- smaller group sizes;
- higher levels of staff education and specialized training;
- low staff turnover and administrative stability; and
- higher levels of staff compensation.

The capacity of providers to offer responsive care on a consistent basis hinges, in part, on what goes on "behind the scenes"—the laws, regulations, funding, licensing and training that create a context for quality. In particular, quality is affected by state regulations. Children who live in states with high regulatory standards have higher quality early care and education than children who live in states with low standards.

Continues on next page

In family child care (care in the home of the provider), children fare better emotionally and cognitively when their caregivers:

- are committed to taking care of children and are doing so from a sense that this work is important and it is what they want to be doing;
- seek out opportunities to learn about children's development and child care, have higher levels of education, and participate in family child care training;
- think ahead about what the children are going to do and plan experiences for them;
- seek out the company of others who are providing care;
- are regulated by the states;
- have slightly larger groups (three to six children) and slightly higher numbers of adults per child; and
- charge higher rates and follow standard business and safety practices.

As in center-based arrangements, studies find that these characteristics of quality go together. Providers who have one of these characteristics are likely to have others. In other words, providers who are intentional in their approach provide more sensitive and responsive education and care.

Improving Quality

There are indications that the quality of care and early education is declining. Although the educational level of staff has improved, ratios and group sizes appear to be getting worse. Furthermore, numerous programs do not meet their own state standards for group size and staff-to-child ratios, especially in programs for infants and toddlers. Compensation remains low, and not surprisingly, staff turnover is high.

Recent studies encourage some optimism about efforts to improve quality. A study of family child care training by the Families and Work Institute revealed that children are more likely to be securely attached to providers who have received effective training, and that the quality of the caregiving environment has improved somewhat. Another study by the Families and Work Institute showed that when the state legislates higher staff-to-child ratios and more rigorous educational requirements for staff, children clearly benefit: they are more securely attached, exhibit better cognitive and social development, are more proficient with language, and have fewer behavior problems.

children will have to keep their focus on after-the-fact intervention rather than on prevention or promotion. Policies or practices that prevent parents from forming secure attachments with their infants in the first months of life require urgent attention and reform. At the same time, parents need more information about how the kind of care they provide affects their children's capacities; they also need reassurance that there are many ways to meet children's needs, and that learning to read their infants' and toddlers' cues is one of the most important ways they can promote healthy brain development.

"First, do no harm" also means mounting intensive efforts to improve the quality of child care and early education, so that parents can be

sure that when they are at work, their young children's learning and emotional development are being fostered. Today, more than half of all mothers with babies under the age of one work outside of the home. Most American children of preschool age attend some type of out-of-home child care. And the vast majority of them spend their days in settings that have been judged by researchers to be of mediocre to poor quality. Infants and toddlers receive lower-quality care, on average, than three- or four-year-olds. Now that neuroscientists have documented the impact of early experience on our youngest children, and now that we know beyond a doubt that adverse conditions can dramatically impair their functioning, it is no longer reasonable to wait until children are five to worry about the quality of their care and education.

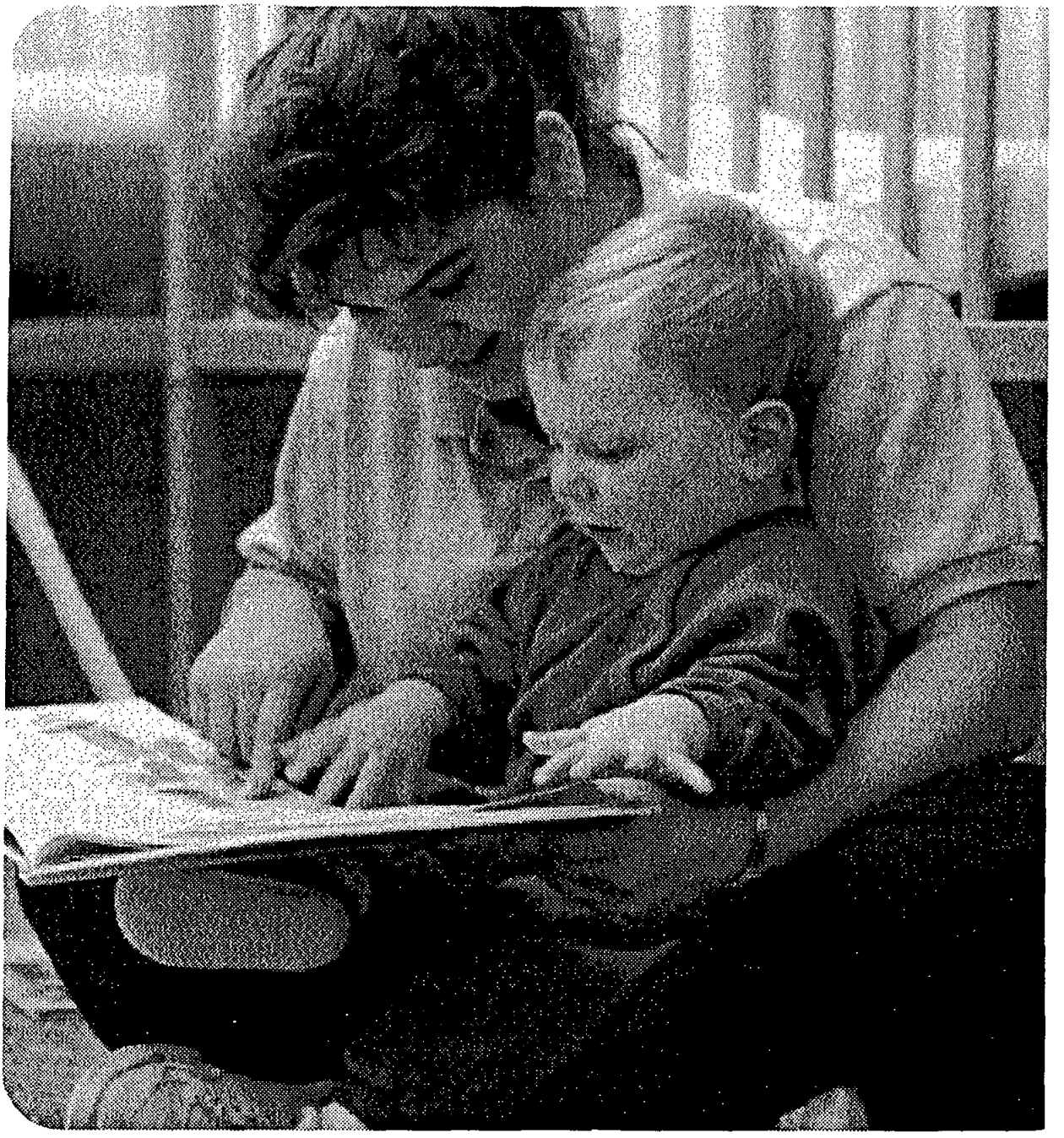
■ **Prevention is most effective, but when a child needs help, intervene quickly and intensively.** Knowing that early experience has such a decisive influence on brain development, parents may worry that every unpleasant sensation or upsetting experience will become a neurological nightmare. They may rest assured that in most cases, a history of consistent and responsive care cushions children from the ups and downs that are inevitable in everyday life; in fact, minor mishaps are among the stimuli that promote healthy development and help children cope with stress later in life. Given timely and intensive help, children can scale a wide range of developmental hurdles; moreover, they can often recover even from serious stress or trauma.

The brain is, after all, a work in progress, designed to be adjusted and fine tuned throughout life. Certainly there are conditions that cannot be significantly remedied or repaired, given today's knowledge. But the list of conditions that can be prevented or improved is growing, as researchers and practitioners learn more about what works (and why) for diverse children with diverse needs.

There is widespread agreement about the value of early intervention, but to have the greatest impact it must be timely and well-designed, and it must be followed up with appropriate, sustained services and support. In coming years, more detailed knowledge about specific aspects of brain development and functioning will allow the design of interventions that more closely match children's needs, and that can be offered at the time when they can do the most good.

Risk is not destiny. The medical, psychological, and educational literatures contain a sufficient number of examples of people who develop or recover significant capacities after critical periods have passed to sustain hope for every individual.

■ **Promote the healthy development and learning of every child.** There was wide agreement among speakers at the conference that children who do not receive appropriate nurturing or stimulation during developmental prime times are at heightened risk for developmental delays or impairments. There was also general agreement that if we miss early opportunities to



promote healthy development, later remediation may be more difficult and costly, as well as less effective, given the knowledge, methods and settings that are currently available.

However, this theme was sounded repeatedly: *risk is not destiny*. Numerous cases were cited of individuals who have thrived despite adverse conditions. The medical, psychological, and educational literatures contain a sufficient number of examples of people who develop or recover significant capacities after critical periods have passed to sustain hope for *every* individual. Ongoing efforts to enhance cognitive, emotional, and social development must be supported in every phase of the life cycle.

Where Is the Debate?

Presentations and discussions at the conference not only revealed new insights into early brain development; they also highlighted issues that have sparked controversy. Disagreements—about substance or emphasis—clustered about three related questions. Each points to possible directions for future research.

- **Which plays a greater role in early brain development—nature or nurture?** Today, most experts on early development, whether neurobiologists or psychologists, tend to view brain development as a dynamic process, described by Stanley Greenspan as "an elaborate dance between biology and the environment."[64] But which partner leads and when? Is it the genetic endowment that most severely limits an individual's capacities? Or is it the environment? These questions continue to spark controversy wherever brain development is discussed.

- **Is the brain flexible throughout the early years, or only at certain times?** This debate focuses on the question: just how critical are critical periods? Neuroscientists have established that there are time spans when different parts or systems of the brain are more or less vulnerable to environmental influence. But how long are these critical periods? And when they draw to an end, do windows of opportunity (and risk) slam shut? Or are they merely lowered?

Some neuroscientists acknowledge the brain's unique plasticity, but emphasize that the developing brain—particularly the cortex—requires specific stimuli on a fairly rigid schedule. For example, Bruce Perry has written that during critical periods, "specific sensory experience is required for optimal organization and development of any brain area... Absent such experience and development, dysfunction is inevitable...."[65] Writing about the development of sensorimotor systems in primates, Gary Kraemer describes "neural patterns that will not exist unless the organism has certain experiences and makes certain responses to them....[S]ensory mechanisms can be tuned, but at some point their functional characteristics must be 'locked.'" Kraemer adds that the "locking process itself may occur even if expected stimuli have not arrived. Thereafter, sensorimotor systems cannot be tuned to the environment the way they would have been at an earlier developmental stage."[66]

Others argue that in most areas of early development, "prime times" stretch for rather extended periods. For example, Harry Chugani notes that until about age 12, the human brain can, with relative ease, master many cognitive functions that adolescents and adults learn with more difficulty, such as acquiring languages or learning to play a musical instrument.

This debate also touches on the brain's capacity to repair itself. Is this capacity limited to very brief periods? Studies of spontaneous recovery by individuals who have suffered brain damage tend to support the notion of rather brief prime times during which neuroplasticity allows the brain to repair itself. However, other neuroscientists stress that we do not yet understand the brain mechanisms responsible for spontaneous recovery. New research on spinal cord injuries suggests that, to a greater extent than scientists previously thought, regional reorganization can occur in adulthood.[67]

- **Given what we know about the impact of early experience on brain development, should we broaden our understanding of "resilience"?** It is often assumed that in all but extreme cases, children can bounce back from the hurts and disappointments that life inevitably brings. Indeed,

Tough Questions

New insights into early development point to this conclusion: the experiences children have and the attachments they form in the first three years of life have a decisive, irrefutable impact on their later development and learning. As more and more evidence emerges supporting this finding, parents, teachers, and policy makers are beginning to pose tough questions. A full discussion of these issues is beyond the scope of this report; the following paragraphs merely frame four key questions, and suggest directions that the search for solutions might take.

■ Should new mothers stay home?

Since warm, responsive care is so crucial in the first years of life, shouldn't mothers or fathers put off employment and devote themselves to caring for their infants and toddlers? This longstanding debate may be rekindled as the relationship between secure attachment and healthy brain development is better understood. It is a reasonable question, so long as the decision remains a personal, family matter, and so long as working parents are not blamed for any and every developmental hurdle their children encounter. Given the economic realities of their lives, millions of women do not have the option of staying home, even in their child's first year. Today, most working women (55 percent) are indispensable providers, contributing half or more of family income. New welfare requirements compel many others to work or attend training programs. Moreover, research shows that deep-seated guilt and anxiety about balancing work and family can harm not only mothers, but also children; when mothers believe that they are doing the wrong thing, either by working or by staying at home, children may be adversely affected. Ultimately, what is best for families is to have real choices, and that requires policies and societal attitudes that support parents whether or not they work outside the home. In particular, families need access to affordable, high quality child care and early education.

■ What should be done when parents do not provide their children with the kind of care and setting that promote healthy development?

This wrenching issue has been the subject of heated debate in recent years, and promises to stir more controversy in the future. Americans appear to be particularly concerned about young children being raised by teenaged parents. Some have proposed placing young children from chaotic, neglectful, or abusive homes in orphanages, but this approach makes no sense in view of research showing the adverse impact of institutionalization on brain development. Others have suggested foster care for young mothers *and* their children. How can parents be helped and, when appropriate, supervised effectively, so that families can stay together? How can existing parent education efforts and family support programs be strengthened or extended? The challenge in coming years will be to search for answers that support both families and young children.

■ Can we realistically hold out hope for children whose early development is compromised?

This is not an academic question. How it is answered affects the expectations parents and teachers convey to children; the placements and tracking decisions made by school administrators and teachers; and the kinds of decisions judges and juries hand down when juvenile offenders stand before them. As a society, we should never

give up on any child. To be sure, as children move into the second decade of life, it appears to be more difficult to bring about change, but it is not impossible. As researchers learn more about brain plasticity, new ways to promote the development of people of all ages are likely to emerge. Moreover, brain development is not just a matter of intellectual development, but also physical, emotional, and social well-bring. Children whose development is delayed in one area may have extraordinary capacities in other spheres that are less apparent and less likely to be measured.

■ Should we withdraw resources from older children and give them to young children?

How should we, as a nation, invest in the next generation, given the importance of early development? Should public education begin sooner and end earlier? If so, which agencies or organizations should provide that early education? Should we fund high schools at lower levels, in order to devote adequate resources to child care and early education? The relationship between budgets and policies is always complex, and there is no simple solution. But ensuring children's healthy development is not a zero-sum game. To be sure, good nutrition is vital in the prenatal period and the first years of life, but the needs of young children cannot justify skimping on the nourishment provided to older children and youth. By the same token, the early years are certainly crucial for healthy development, but there must also be strong support for school-age children and adolescents, as well as for adults who want to continue their education and strengthen their skills. Optimal development and learning for Americans of all ages must be a top national priority, so that a good start in life for our youngest children is not purchased at the expense of their older brothers and sisters.

scholars have produced numerous studies of resilience, showing that it resides not solely in the child, but also in the context in which he or she lives. This research reports that children who grow up in deprived or disadvantaged settings can adjust well to the demands of school and become successful learners if they have access to a supportive community and a strong bond with at least one adult whom they can count on in their extended family or neighborhood.[68]

But given new findings about how early experiences—both positive and negative—affect brain development, our current understanding of resilience may not be sufficiently broad or complex. Reliable support from a coach or an aunt may certainly help to buoy children's self-esteem and strengthen their survival skills. And a supportive community network certainly can make a difference. But we need to know much more about a wide range of protective factors—biological, psychological, social, and ecological—that affect an individual's ability throughout life to withstand stress and to thrive despite all odds.

Implications for Policy and Practice

New insights into early development confront policy makers and practitioners in many fields with thorny questions and difficult choices. Some of these questions deal with communicating new findings and engaging the public in efforts to pro-

mote healthy development. How can we convey to parents, caregivers, and teachers the opportunities and risks of the early years of life without creating paralyzing anxiety, or without setting off a frenzy of inappropriate or ill-considered enrichment efforts? How can we emphasize the opportunities of the early years without dimming hope or shrinking resources for adolescents and adults?

Mothers and fathers are not—and must not be made to feel—solely responsible for every hurdle their children may encounter.

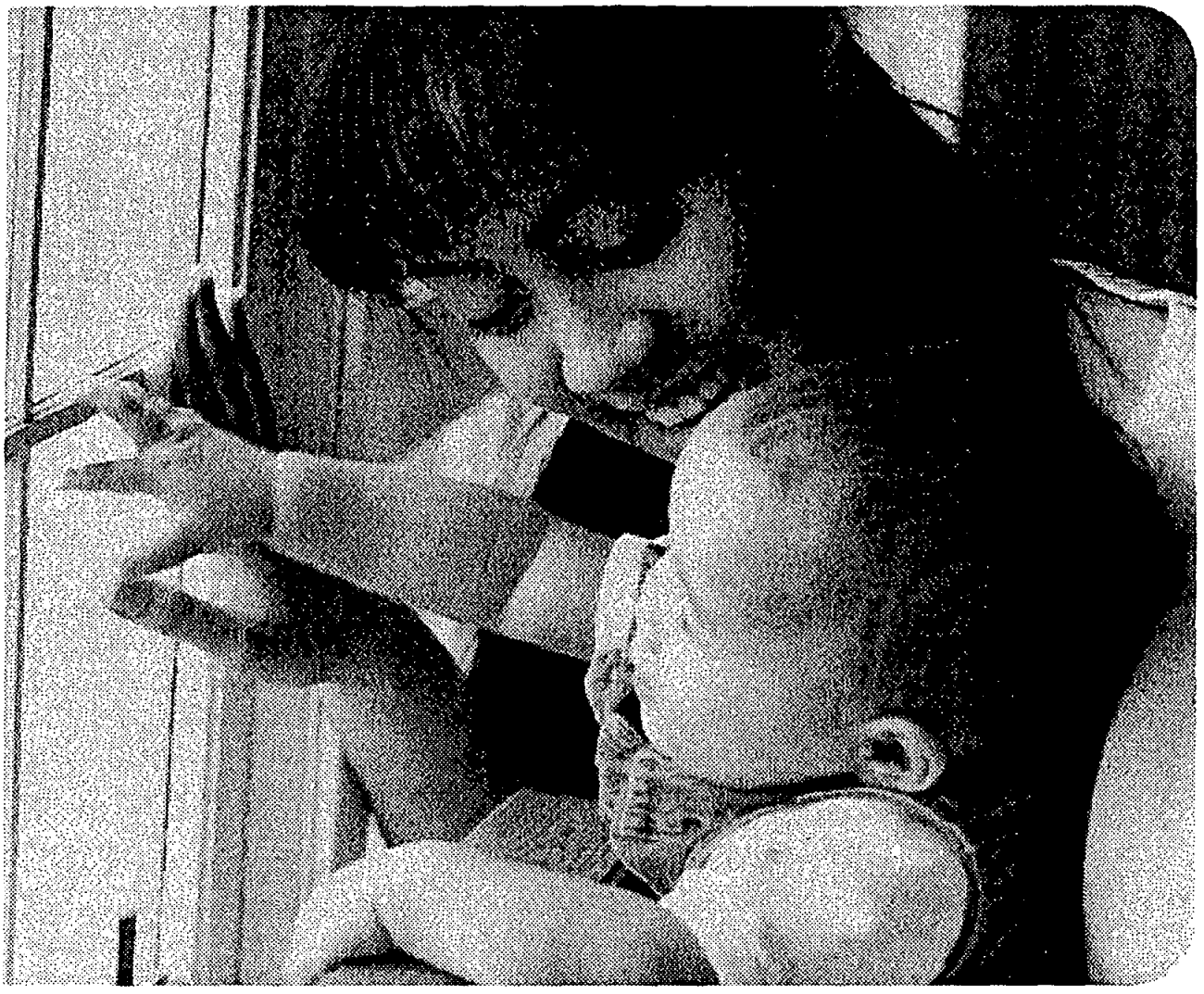
Other questions reflect the dilemmas that confront policy makers in every sphere of human services. How do we balance support for universal policies and programs, designed to achieve optimal development for all children, with support for initiatives that focus on those children who live in settings or conditions most likely to jeopardize healthy brain development? How can we scale up national initiatives that address the needs of our youngest children, such as Early Head Start, while allowing for flexibility and initiative at the state and local levels? What can we learn from other countries that have launched promising efforts to reduce risks to early brain development?

There needs to be a lively, sustained national debate about the health and well-being of America's children. As we move into the next century, our children need and deserve policies that reflect the importance of the early years, and that reflect the principles that emerged from the brain conference. In particular, new knowledge about early development adds weight and urgency to the following policy goals identified in several major reports.[69]

- **Improve health and protection by providing preventive and primary health care coverage for expectant and new parents and their young children.** Expectant mothers and fathers must have access to the care, knowledge, and tools they need to protect their babies. The prenatal period is a time of active brain development. And yet, one in five pregnant women receives little or no prenatal care in the crucial first trimester; for African American, Latina, and American Indian women, the number is one in three. In addition to prenatal care, pregnant women need safe homes, adequate nutrition, and buffering from extreme stress. With adequate health care and parenting supports, there is a great deal that expectant mothers and fathers can do to promote the healthy development of their children, and to avoid serious risks.

The first three years of life are also filled with important health and safety risks, but millions of children in this age span are uninsured or underinsured. Basic medical care should focus on young children's physical and emotional health and well-being. It should include preventive health screening, well-baby care, timely immunization, and information and supports for parents. This kind of care is cost-effective and provides a sturdy foundation for a lifetime of good health.

- **Promote responsible parenthood by expanding proven approaches.** All parents can benefit from solid information and support as they raise their children; some need more intensive assistance. There is solid evidence that effective parent education/family support pro-



grams promote the healthy development of children, improve the well-being of parents, and are cost-effective.

■ **Safeguard children in child care from harm and promote their learning and development.** Researchers have found that most child care settings are of mediocre to inadequate quality, and the nation's youngest children are the most likely to be in unsafe, poor quality child care. More than one-third are in situations that are detrimental to their development. Most of the rest are in settings where very little learning is taking place. In effect, we are warehousing millions of children during their most formative years. The "first, do no harm" principle applies powerfully to early care and education. Studies show that it is possible to improve quality, creating settings in which children can thrive and learn. This is a large task, but even modest changes can make a difference: for example, a national study of family child care found that after providers received 18 to 36 hours of training, children were more likely to be securely attached to them and the quality of caregiving environments improved.[70]

- **Enable communities to have the flexibility and the resources they need to mobilize on behalf of young children and their families.**

Piecemeal programs appear to be less effective than programs embedded in comprehensive efforts to rebuild communities. A grassroots effort is now underway across the nation to mobilize on behalf of young children and their families—to bring together decision makers, to create a vision of the kind of community they want to be part of, to develop goals and sustainable strategies for achieving that vision, to determine how to finance their efforts, and to make provisions for gauging results.[71] These efforts should be carefully studied and further developed. They need and deserve support from national, state, and local leaders, as well as from leaders of business, the media, community organizations, and religious institutions.

Conveying New Knowledge about the Brain

Finally, new knowledge about the brain must be communicated to families and the public at large with immense care. While parents have a powerful impact on their children's development and learning, many factors play a role; mothers and fathers

are not—and must not be made to feel—solely responsible for every hurdle their children may encounter. While warm, responsive care does indeed help to promote healthy development, some neurological conditions remain fairly resistant to change. And while the neuroscientist's lens may appear to magnify or isolate such neurological problems, they are in fact only one facet of these children's rich and complex lives. The notion of critical periods also needs to be carefully qualified. To be sure, nature provides prime times for development and learning, but parents and other caregivers can take advantage of these times in many ways, drawing upon their own varied resources and beliefs. Moreover, it is never too late to improve the quality of a child's life.

In short, new insights into early brain development suggest that as we care for children in the first years of life, and as we institute policies or practices that affect their day-to-day experience, the stakes are very high. The research tells us that the "quiet crisis" of America's youngest children may have even more serious, lasting consequences for children and families, and for the nation as a whole, than we previously realized. But we can draw strength from the knowledge that there are many ways that we as parents, as caregivers, as citizens, and as policy makers can address this crisis. We can take comfort in the recognition that there are many ways to raise healthy, happy, smart children. We can take heart in the knowledge that there are many things that we as a nation can do, starting now, to brighten their future and ours.

Glossary

AMYGDALA. An almond-shaped mass of gray matter located in each half of the cerebrum near the hippocampus. Part of the limbic system, the amygdala is concerned with the expression and regulation of emotion and motivation.

ATTENTION-DEFICIT DISORDER. See ATTENTION-DEFICIT HYPERACTIVITY DISORDER.

ATTENTION-DEFICIT HYPERACTIVITY DISORDER (ADHD). A syndrome of learning and behavioral problems that is characterized by difficulty in sustaining attention, by impulsive behavior, and often by excessive activity.

AUTISM. A disorder originating in infancy that is characterized by a limited ability to interact socially, stereotyped ritualistic behavior, and language dysfunction.

AXON. The part of a neuron (brain cell) that carries outgoing signals to another neuron. A neuron usually has only one axon.

BRAIN SCAN. A computerized image of the brain produced by brain imaging technologies. See MAGNETIC RESONANCE TECHNOLOGY (MRI) AND POSITRON EMISSION TOMOGRAPHY (PET).

CELL MIGRATION. The movement of a cortical neuron during development to its proper position on the cortical wall.

CEREBELLUM. A large component of the brain situated between the brainstem and the back of the cerebrum. It is concerned with maintaining the body's equilibrium and coordinating movement. The cerebellum relays signals to the muscles from higher brain regions where decisions are made. Recent studies indicate that it also plays an important role in cognitive functions.

CEREBRAL CORTEX. The neuron-rich, furrowed, outer portion of the cerebrum. The cortex controls higher mental functions, such as thinking, planning, remembering, and analyzing.

CEREBRUM. The large, rounded structure of the brain that includes the cortex. The cerebrum controls and integrates motor, sensory, and higher mental functions including thought, reason, emotion, and memory. It is divided into two hemispheres that are joined by the corpus callosum.

CORTEX. See CEREBRAL CORTEX.

CORTICAL LADDERS. A phrase often used to describe long glial cells in the cortex. For normal development to occur, neurons must climb these cortical ladders at the right time, and must reach the right destinations.

CORTICAL NEURON. A brain cell that is located in the cerebral cortex.

CRITICAL PERIOD. A time span when a particular part of the brain is most apt to change and most vulnerable to environmental influences.

DENDRITE. A hairlike structure within a neuron that receives incoming signals from another neuron. Each neuron has many dendrites.

DENDRITIC TREE. A network that forms as the number of dendrites in a neuron multiplies. The growth of dendritic trees explains, in part, why individual neurons get bigger and heavier as the brain develops.

ELECTROENCEPHALOGRAPH (EEG). An instrument that detects and graphs the brain's electrical activity in the form of waves.

GLIAL CELLS. The brain contains two main kinds of cells—neurons and glial cells. Glial cells support and complement the various functions of neurons. In the cerebral cortex, long glial cells form "cortical ladders" that neurons must climb to reach their proper positions during brain development. This process is known as neuronal migration or cortical cell migration.

HEMISPHERE, RIGHT AND LEFT. The two halves of the cerebrum.

HIPPOCAMPUS. A curved elongated ridge that is an important part of the limbic system. It has been shown to play an important role in organizing memories.

HYPERACTIVITY. A state of being excessively active.

HYPOTHALAMUS. The part of the brain that lies below the thalamus. Its functions include regulating body temperature, certain metabolic processes, and other autonomic activities.

LIMBIC SYSTEM. A group of cortical and subcortical structures (including the cingulate cortex, the hypothalamus, the hippocampus, and the amygdala) that are especially concerned with emotion and motivation.

MAGNETIC RESONANCE IMAGING (MRI). A medical technology that produces computerized images of tissues and organs using magnetic energy.

NEURAL PATHWAY. A series of synapses that forms a network in the brain. These pathways can be activated by a particular experience.

NEURON. A cell that is part of the brain or central nervous system. Each neuron contains an axon, a cell body, and numerous dendrites.

NEURONAL MIGRATION. See CELL MIGRATION.

NEUROPLASTICITY. The capacity of the brain to change or adapt in response either to experience or to damage.

NEUROTRANSMITTERS. Chemical substances, such as serotonin or dopamine, that enable electrical impulses to pass across a synapse from one neuron to another.

PLASTICITY. See NEUROPLASTICITY.

POSITRON EMISSION TOMOGRAPHY (PET). A brain imaging technology that generates a computerized image not only of the brain's structure, but also of activity levels in various parts of the brain.

PRUNING. A term often used to describe an important feature of brain development—the selective elimination of synapses.

SYNAPSE. A connection between two brain cells, formed when the axon of one neuron hooks up with the dendrite of another neuron.

THALAMUS. The thalamus is the brain's "relay station" because it receives input from the body's sensory, motor, and other systems and dispatches them to the appropriate region of the cerebral cortex.

ULTRASOUND. The use of ultrasonic waves for diagnostic or therapeutic purposes, usually to visualize an internal body structure or monitor a developing fetus.

VESICLE. A small sac, usually containing fluid. In a neuron, vesicles are containers for neurotransmitters.

Appendix A

Conference Speakers, Respondents and Moderators

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Appendix B

Examples of Early Intervention Programs

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
High/Scope Perry Preschool Project Ypsilanti, MI Source: Schweinhart, L.J., H.V. Barnes, and D.P. Weikart. 1993 *Significant benefits: The High/Scope Perry Preschool Study Through Age 27.* Monographs of the High/Scope Educational Research Foundation, No. 10. Ypsilanti, MI: High/Scope Press.	Three- and four-year-old children attended a preschool program 5 days per week, for 2.5 hours per day. The preschool program was comprehensive, including education, health and family support services.	A total of 133 children were randomly assigned to either a program group or a comparison group. Since the study's inception in 1963, researchers have been tracking a variety of indicators, including: utilization of special education services, juvenile delinquency and arrests, teen pregnancy, employment history, and post-secondary education. The latest report followed both the program group and comparison group through 27 years of age. Two years of the program cost $14,400 per child. It was funded by the state of Michigan.	By the time participants reached age 27, every $1 invested in the program had yielded savings of $7.16 in costs that might have been incurred if the program had not existed. The program savings to taxpayers (in constant 1992 dollars discounted annually at 3 percent) is estimated to be $88,433 per child from the following sources: ■ savings in schooling, due primarily to reduced need for special education services. ■ higher taxes paid by preschool program participants because they had higher earnings once they entered the work force. ■ savings in welfare assistance ■ savings of the criminal justice system and to potential victims of crimes. **Bottom Line:** The economic return from the Perry Preschool program outperformed the stock market from 1963-1993.	The follow-up study of participants at age 27 showed that program group members were more likely than the comparison group to: ■ report monthly earnings of $2,000 or more (29% versus 7%). ■ Own their own homes (36% versus 13%). ■ Own second cars (30% versus 13%). Other key findings included: ■ Program group members were less likely than comparison group members to receive welfare assistance or other social services (59% versus 80%).

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
Carolina Abecedarian Project Chapel Hill, NC	Children between the ages of 6 weeks and 5 years received early childhood education 5 days a week, year round. The parents of children between the ages of 5 and 8 were in a parent involvement program.	A total of 111 children were randomly assigned to either a comparison or program group. There were 3 different program groups — educational services, preschool program only and primary school program only. Services cost approximately $10,000 per student per year. Funding was from public education dollars from federal, state and local governments.	An investment of $10,000 per year for one child can yield an estimated minimum savings to society of approximately $100,000 per child. (This number may understate actual savings realized.) The savings reflect reduced spending on special education, welfare and juvenile crime.	Services begun during children's preschool years had positive impacts on their intellectual development and academic achievement At age 12: ■ children in the program group had IQ scores that measured 5.3 points higher than those in the comparison groups. At age 15: ■ children who participated in the preschool years earned significantly higher scores in both reading and math. ■ overall 31.2% of members in the program group were retained in grades compared to 54.5% of members in the comparison group. ■ 24% of the children in the program group utilized special education services, contrasted with 48% of the children in the comparison group.
Sources: Campbell, F.A. C.T. Ramey. 1994. *Effects of Early Intervention on Intellectual and Academic Achievement: A Follow-Up Study of Children from Low-Income Families.* Child Development. 65:684-698. Campbell, F.A., and C.T. Ramey. 1995. *Cognitive and School Outcomes for High-Risk African-American Students at Middle Adolescence: Positive Effects of Early Intervention.* American Educational Research Journal. 32(4):743-772.				

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
Parents as Teachers (PAT) St. Louis, Missouri	Parents with children from birth to age five received information on child development through home visits, parent groups, and referrals for needed services that the program could not offer. Their children received periodic health screenings.	This evaluation studied a sample of 400 families in 37 diverse school districts across the state of Missouri. These families were randomly assigned to a program group or a comparison group. The evaluation looked at intellectual and language abilities of children at age 3 and improvements in parents' knowledge of child development and childrearing practices. Funding sources: Local, state, and federal funding streams and private sources including foundations, hospitals, churches, and businesses. Average annual cost per family to provide Parent as Teachers Service: $646.	Cost savings data are not available for the study of the Missouri program. In some Parents as Teachers programs, where cost savings have been calculated, special education costs have been drastically reduced for developmentally delayed children who participated in the program. For example, one small study of a Texas Parents as Teachers program showed that 45 percent of children were delayed in some area of development upon entry into the program. However, upon completion, researchers found that 75% of the developmentally delayed children no longer needed special services and were able to participate in a regular classroom setting. The average cost for a child to attend a regular classroom in this Texas community is nearly $5,000 per year, compared to $12,500 per year for special education. This reveals a $7,500 cost savings when special education is averted.	In the Missouri study: ■ At age 3, Parents as Teachers children performed significantly higher than national norms on measures of intellectual and language abilities. ■ Most children from minority families did better than average on performance measures of achievement and language abilities. ■ A follow-up study which re-evaluated the children when they were in first grade, found that compared with other first-graders, 55% of PAT children were rated "above average" by their teachers. Teachers also reported that 74% of PAT parents *always* assisted with homework.
Sources: Pfannenstiel, J., T. Lambson, V. Yarnell. 1991. *Second Wave Study of the Parents as Teachers Program.* St. Louis: Parents as Teachers National Center, Inc. Pfannenstiel, J., T. Lambson, V. Yarnell. 1996. *The Parents as Teachers Program: Longitudinal Follow-Up to the Second Wave Study.* Oakland Pk, KS: Research and Training Associates, Inc.				

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
Prenatal/ Early Infancy Project Elmira, NY Source: Olds, D.1997 The Prenatal/Early Infancy Project. In George W. Albee & Thomas. Gullotta, *Editors. Primary Prevention Works,* Vol. VI of Issues in Children and Families' Lives. Thousand Oaks, CA:Sage Publications, pp.41-67.	Home visits by nurses started during pregnancy and continued on a monthly basis until the child was 2 years old. This home visitation program aimed to improve: ■ outcomes of pregnancy (i.e. reduction in low-birthweight and preterm babies). ■ qualities of parental caregiving (including reducing associated child health and development problems). ■ maternal life course development (helping women return to school, find work and plan future pregnancies).	The study sample included 400 program participants in a semi-rural community in Elmira, NY. Of these participants, 85% were low-income, unmarried and teenaged young women who were pregnant with their first child. Participants were randomly assigned to one of three groups: the first received home visits by nurses; the second received home visits plus transportation for health care and screening for health problems; the third received only transportation and screening. In 1980, the program cost $3,173 per family for 2.5 years of intervention. (In 1996 dollars, the program costs were estimated to be $7,800 per family.) Funding sources: federal, state and local government dollars.	The initial investment in this program ($3,173) was recovered with an added dividend of about $180 (1980 dollars) per family within two years after the program ended. Additional studies on the long-term benefits of this program are now underway in Elmira, New York, Memphis, Tennessee; and Denver, Colorado. The savings reflect decreased spending on welfare and food stamps; increased tax revenues because of a higher labor force participation rate; and a reduction in costs related to child abuse and neglect. Specifically, research shows that reduced Medicaid, welfare and food stamp expenditures accounted for 80% of cost savings.	Results demonstrated: ■ Among women who smoked, those who were visited by nurses had 75% fewer preterm deliveries. ■ Among young adolescents (aged 14 -16 year), those who were visited by nurses had babies who were nearly 400 grams heavier that those in the comparison group. During the first two years after delivery: ■ Program participants had a 15% lower incidence of reported neglect or abuse. ■ Program participants paid 87% fewer visits to the physicians for injuries and poisoning after the program ended. ■ Program participants lived in homes with fewer safety hazards; and their homes were more conducive to a child's intellectual and emotional development. ■ Four years after the birth of their first children participants had 42% fewer second pregnancies and 83% of mothers had jobs. 15 years later: ■ Program participants used welfare 2.5 years less ■ They had fewer subsequent children. ■ For children born into households where mothers were unmarried and low-income, there was more than a 50% reduction in the rates of abuse and neglect. ■ There were 67% fewer arrests for these mothers.

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
The Infant Health and Development Program	Infants at eight sites received pediatric follow-up, a developmentally-focused early care and education program, and family support. Major goals: reducing developmental and health problems among low-birth-weight, premature infants.	The evaluation was designed to assess the efficacy of combining early child development and family support services with pediatric follow-up. A total of 985 infants, stratified by site and weight, were randomly assigned to one of two groups. The first group received, through age three, pediatric follow-up as well as an early care and education program focused on child development, and family support. The comparison group received only pediatric follow-up.	A formal cost/benefit analysis has not been a part of this study.	■ At age three, the program group had significantly higher mean IQ scores than the comparison group. ■ Heavier infants in the program group scored 13.2 IQ points higher than the lighter infants in the comparison group. ■ Lighter infants in the program group scored 6.6 IQ points higher than lighter infants in the the comparison group. ■ Children in the program group exhibited fewer behavioral problems than children in the comparison group.
Source: Brooks-Gunn, J., F. Liaw, and P. Klebanov. 1992. *Effects of Early Intervention on Cognitive Function of Low Birth Weight Preterm Infants.* Journal of Pediatrics: 120:350-9.				

Program Name	Program Description	Study Description Program Costs Program Funding	Cost Savings	Other Impacts
Avance Parent Child Education Program San Antonio, Texas	Children from birth through age two received educational child care (3 hours per week) while parents attended three-hour classes for the first year of the program. Parents could also participate in adult literacy programs and English as a second language (ESL) classes. Participants were high-risk, low-income families. Most were Mexican American. The major goal: to help the families develop strong parenting skills.	At each of two sites, mothers were divided into two groups: a program group and a comparison group. Mothers in the comparison groups did not receive any services during the course of the evaluation. All groups were followed for two years from the time they enrolled. Mothers were evaluated at the end of the first year and again one year later to assess changes in parenting knowledge and interactions with their children. Services cost approximately $1,616 per family per year. Funding sources: federal, state and local governments as well as private sources including foundation and corporate giving.	Although a cost/benefit analysis has not been performed for this initiative, the results in the next column demonstrate that the program has had a positive impact on mothers' behaviors.	Compared with mothers in the comparison groups, mothers in the program: ■ Provided a richer, more educationally stimulating environment for their children —a factor that has been linked to later academic success. ■ Were more active in verbally communicating with and teaching their children. ■ Talked more to their children and initiated more playful interaction with them.
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Your Child
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A LETTER FROM THE EDITOR-IN-CHIEF

IS THERE ANYTHING MORE PRECIOUS—AND MORE vulnerable—than a newborn? Or more deserving of a family's love and a society's care? With this special bonus magazine, NEWSWEEK takes an in-depth look at the exhilarating, exhausting and absolutely critical first three years of life. In the pages that follow, we chart the explosion of scientific information about how infants learn to speak and move, the breakthroughs in brain research and the new thinking on how parents, grandparents—indeed, all of us—can help our youngest citizens get off to a strong and healthy start.

This magazine reflects NEWSWEEK'S longstanding commitment to continuing coverage of family and children's issues. Since we became the first news magazine to introduce a regular section on the family more than a decade ago, NEWSWEEK has produced countless stories and four special issues on this most beloved and sometimes beleaguered institution. These days, of course, we're delighted to have plenty of company. Politicians from the White House on down are professing new interest in early-childhood development. Hollywood's Rob Reiner shared his enthusiasm about the subject with us, and almost singlehandedly mobilized the production of an ABC television special called "I Am Your Child," to air on April 28. And the corporate world has responded as well. We are very pleased, for example, by Johnson & Johnson's immediate and enthusiastic decision to become the exclusive advertiser in this issue.

Assistant Managing Editor Alexis Gelber directed this special project with help from Senior Editors Sharon Begley and Aric Press. Senior Art Director Amid Capeci designed the issue, Lisa Burroughs supervised the photography and Bonnie Scranton was in charge of the graphics. We are immensely proud of the magazine they have produced, but then, the subject deserves our very best.

Richard M. Smith

RICHARD M. SMITH, *Editor-in-Chief and President*

COVER PHOTO: James White—The Agency

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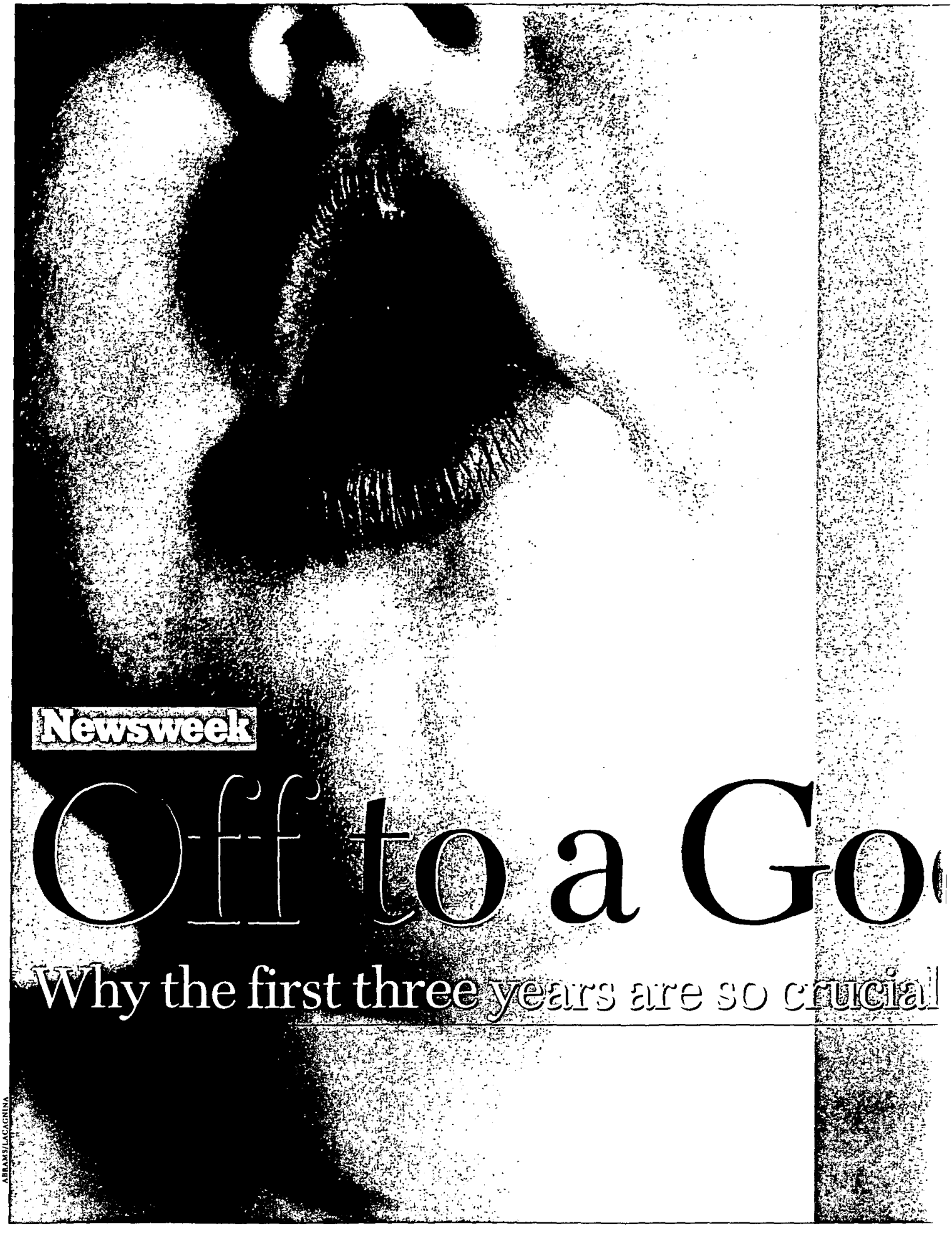

Newsweek
Off to a Go
Why the first three years are so crucial
ABRAMS/LACAGNINA

od Start

o a child's development

By Barbara Kantrowitz

IT IS A MOMENT YOU never forget—the first time you hold your baby in your arms. Who is this mysterious new person? Before long, you will know the difference between a cry of hunger and a cry for comfort, a genuine grin and the grimace produced by an upset stomach. But here's the amazing part: as much as you are learning (and at times it seems like more than any human could handle), your baby is learning a thousandfold more. Every lullaby, every giggle and peek-a-boo, triggers a crackling along his neural pathways, laying the groundwork for what could someday be a love of art or a talent for soccer or a gift for making and keeping friends.

Cutting-edge science is confirming what wise parents have always known instinctively: young children need lots of time and attention from the significant adults in their lives. This does *not* mean that parents have to go out and spend a small fortune on specially designed infant-stimulation toys or flashcards for babies or any of the other dubious developmental aids that prey

Science confirms what wise parents have lor

on parental insecurities. What it *does* mean is that parents should take advantage of their child's natural curiosity. Babies are learning machines; everything is interesting to them. Shadows on the sidewalk, the distant barking of a dog, a voice on the telephone: these are miracles to an infant. If parents share a baby's wonder and laughter, children will grow up feeling that their observations and responses are valid and that people listen to them.

Researchers looking for new answers to old questions about the importance of heredity and environment have discovered that much of what makes a person unique is the result of experiences in the first three years of life. New technology, such as positron emission tomography (PET) imaging of the brain, has provided hard data on the importance of these years. Simple activities, like cuddling and rocking a baby, stimulate growth. The long-term effects of inadequate nurturing can be devastating. In profoundly deprived children—for example, orphans left to languish in an institutional nursery—critical areas of the brain remain undeveloped. Psychologists say that language development begins early, as well.

Even at 9 months, babies are learning machines

The building blocks are games like peek-a-boo, which teach babies about face-to-face communication, and the seemingly incomprehensible babble known as parentese, the beginning of verbal interaction. The first years also shape a child's personality. Although some characteristics, such as a tendency toward shyness, may be genetically determined, studies have shown that babies who are hugged often and feel loved and cared for are much more likely to grow up confident and optimistic. In other words, genetics provides the raw material; life molds the spirit and the soul.

Studies have also shown that family connections are at the core of a child's social development. Despite widespread reports about the demise of the extended family, a new NEWSWEEK Poll of parents of children under 4 showed that grandparents and in-laws still play a huge role in child rearing. The vast majority of parents surveyed said they turned to their own parents or other family members when they needed advice rather than books, videos or classes. Fifty-nine percent said that grandparents were "very" involved in their child's life. Traditional values also seem to be alive and

What Matters Most: A NEWSWEEK Poll

In our poll on this and the following pages, we asked parents of kids under 4 about their goals and worries for the future, how they discipline their kids and how they view their own families.

Which of the following is your most important goal as a parent?

48% Making sure he/she grows up to be a moral person

38% Making sure he/she is happy

9% Making sure he/she does well in school

4% Making sure he/she makes friends and gets along well with others

1% Making sure he/she is good at sports

Do you worry about the following when you think about your child's future?

54% He/she will be kidnapped or the victim of a violent crime

52% You won't be able to afford his/her college costs

51% He/she will have a serious accident or illness

41% He/she will be a victim of sexual abuse

36% You won't have enough money to buy him/her the things he/she needs

35% You won't be able to find or afford good health care for him/her

29% He/she won't grow up to share your values

22% He/she will develop a learning disability

22% You won't be able to find or afford good day care

14% He/she will have trouble making friends at school

Where do you turn for advice and guidance about how to raise your child?

87% Your child's father/mother

69% Your mother or mother-in-law

66% Doctors, nurses and other health professionals

52% Other family members or relatives

PHOTOS: ANNA PALMA. STYLING: JAMES MASSENBURG. GROOMING: KRISTINA FOREMAN FOR MARK EDWARD INC.

known: kids need lots of time and attention

healthy. Nearly half (48 percent) of the parents said that making sure that their child grew up to be a moral person was their most important goal.

New attention to the early years presents a challenge for parents, educators and policymakers. According to the landmark 1994 Carnegie Corporation study "Starting Points," only half of infants and toddlers are routinely read to by their parents. The effects are serious: teachers report that more than a third of kindergartners are not ready to learn when they arrive at school. Day care is another pressing issue. Fifty-six percent of mothers of children under 4 are in the work force, yet there are no national child-care standards. As a result, too many children spend their days in unsafe facilities under the supervision of inadequately trained caregivers. Nearly a quarter of families with children under 3 live in poverty. Most of these are families headed by single parents (usually the mother) without access to regular health care or other social services.

Toddlers who feel loved grow up confident and optimistic

According to the NEWSWEEK Poll, more than half of the parents surveyed said they did not believe that the policies of government and business were supportive of families with very young children. But can leaders and legislators break out of their old ways of thinking and be as innovative as the scientists? There are some hopeful signs. In the absence of a clear national mandate, states and municipalities have started their own initiatives. Generally, the goal is to help children by reaching out to the whole family, including parents and often grandparents. Some states target specific groups—at-risk children or teen parents, for example—and offer such services as home visits by nurses, or parenting classes. Schools can also take advantage of the research. In the last few years, many districts have cut art and music classes even though studying these subjects can help children learn in other areas. Art and music are not just luxuries, as financially strapped school administrators sometimes claim.

There are more than 15 million American children under the age of 4. A child born this year will graduate from high school in 2015 and college in 2019. Think of these infants and toddlers as the architects of the 21st century. They are heading toward that future now, one baby step at a time. ■

47% Books about parenting
41% Magazines about parenting
36% Religious leaders like priests, ministers or rabbis
34% Friends or neighbors
23% Babysitters or other child-care workers
19% Television shows or videos

Asked of parents with children 1 to 3 years old: How often do you use the following disciplinary methods when your child misbehaves?

Explaining why behavior is not appropriate:
73% often
16% sometimes
4% hardly ever
7% never

Giving a timeout—that is, making child take a break from whatever activity he/she is involved in:
35% often
36% sometimes
12% hardly ever
17% never

Taking away a toy or treat:
27% often
42% sometimes
16% hardly ever
15% never

Yelling at child:
10% often
31% sometimes
38% hardly ever
21% never

Spanking child:
7% often
24% sometimes
36% hardly ever
32% never

Compared with your own father/mother, how do you think you rate as a parent?
46% the same
27% better
21% much better
4% worse

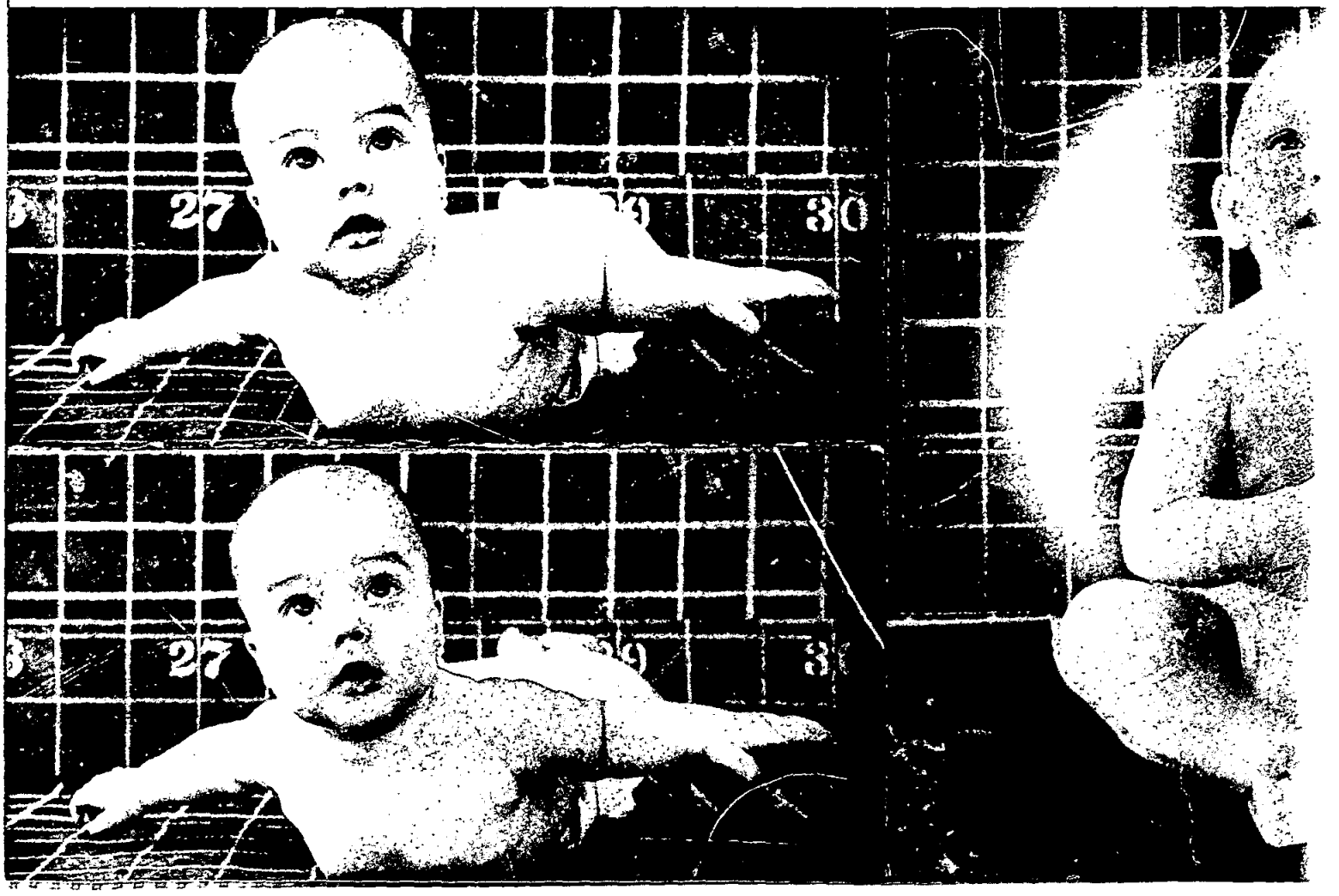
Are the policies of government and businesses generally supportive of families with very young children?
55% Not supportive
39% Supportive

FOR THIS NEWSWEEK POLL, PRINCETON SURVEY RESEARCH ASSOCIATES INTERVIEWED 506 PARENTS BETWEEN THE AGES OF 18 AND 44 WITH CHILDREN 0–3 YEARS OLD (322 MOTHERS AND 184 FATHERS) BY TELEPHONE FEB. 25–MARCH 2, 1997. THE MARGIN OF ERROR IS +/– 5 PERCENTAGE POINTS. THE NEWSWEEK POLL © 1997 BY NEWSWEEK, INC.

FIRST STEPS

Scientists now understand in greater detail than ever before the various anatomical and neurological changes that allow children to develop motor and sensory abilities. The new research findings are calling into question the very idea of developmental milestones.

Hey–Look World, Here I

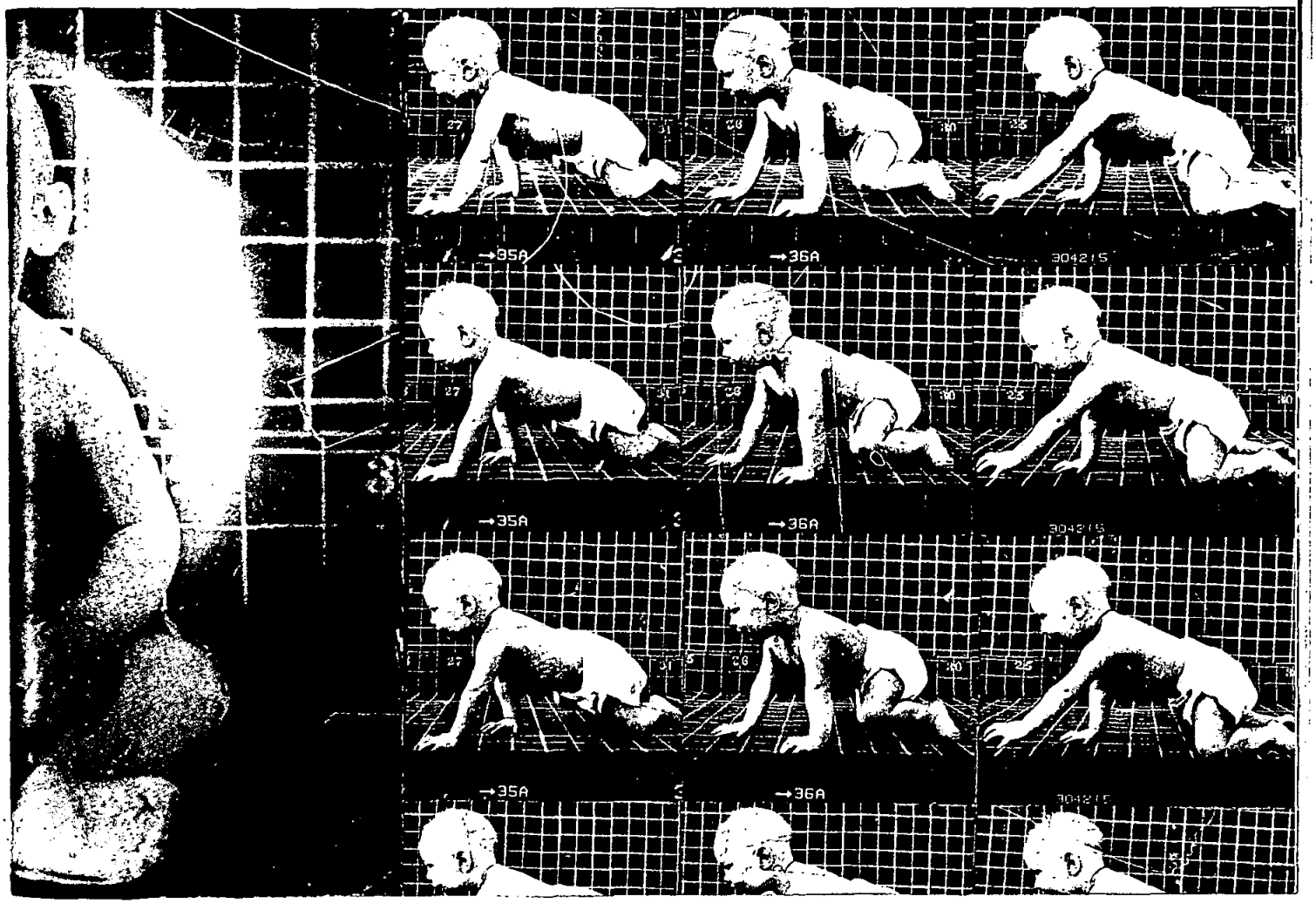


Out, Come

ELIANA, 14 MONTHS OLD, REFUSES TO WALK. SHE has never attempted to stand alone, much less take a step. The other four children in her play group, however, have all earned the right to be called toddler: they started staggering on two feet right around their first birthdays. Even Eliana's friend Rachel, not yet 10 months old, has taken a few precarious steps. But Eliana is seemingly oblivious to her playmates' advanced locomotion. A demon crawler, she is still perfectly content to navigate her Washington, D.C., house on hands and knees. Her parents, of course, are certain that they have the first healthy kid in human history who will never learn to walk.

They shouldn't worry. And not only because the annals of child development are replete with stories of "late walkers" or "delayed talkers." For generations, anxious new parents have sat up nights comparing their child's accomplishments with the all-important "milestones" mapped out by pediatricians and development researchers. Babies sit up at 6 months, for instance; they blurt out "ma-ma" and "da-da" by 9 months, and start walking at a year. But scientists now understand in more detail than ever before how motor and sensory skills develop. The new findings call into question the very idea of developmental milestones and suggest that it is not meaningful to

By Pat Wingert & Anne Underwood



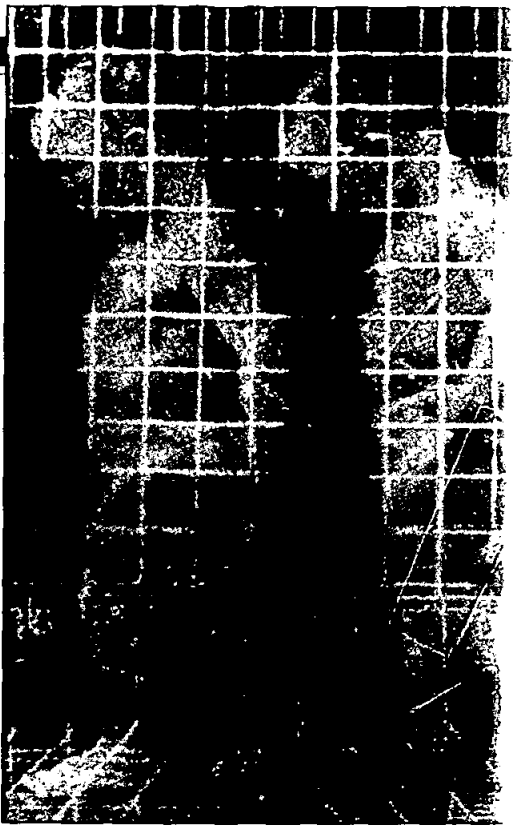
use the labels "early" and "late" when it comes to a baby's accomplishments. That isn't to say broad guidelines are useless. Parents should be concerned if, say, their 10-month-old can't sit up by himself. But the best evidence now shows that each young brain forms the neuronal and muscular connections required for sitting and crawling, walking and talking, at its own pace. There is no prize for finishing first—and, in most cases, no need to panic just because your tot isn't keeping up with the junior Joneses.

Considering how cruelly uncoordinated humans are at birth, it's a wonder babies learn to walk at all. A newborn has virtually no control over his limbs. Except for the most primitive reflexes, like sucking and grasping, he cannot will his arms or legs in any direction. These reflexes originate in the brain stem, the only part of the brain that is fully functional at birth. But between the fourth and seventh months, as the cortex of the brain develops, these reflexes become inhibited. After a while, the primitive reflexes seem to disappear altogether, allowing an increasingly sophisticated progression of motor skills to take their place.

Before that can happen, the brain must learn to deliver precise commands to the muscles. And for that, neurons must be myelinated. A white, fatty substance that coats nerve cells like the plastic insulation on telephone wires, myelin keeps electrical signals traveling along a neuron rather than leaking out and dissipating. Myelin also prevents "cross talk," in which the electrical signal in one neuron interferes with that of a nearby one: thanks to myelin, a nerve impulse telling the right hand to reach up and scratch the nose doesn't accidentally move the left foot instead. At the same time that nerves are being myelinated, the rapidly maturing brain is forming and pruning synapses (junctions between neurons), creating well-organized networks out of a chaotic jumble of billions of nerve cells. It will be two years before all of a child's nerves are fully myelinated.

Sensory skills at birth are just as rudimentary. Newborns can usually distinguish between faces and other objects—and they can recognize their parents' voices even in the womb. A newborn can focus on objects no farther than 13 inches away, about the distance to his mother's face when he's bottle- or breast-feeding. He can track slow-moving objects, but loses them if they are more than 18 inches away. For the first few weeks, this is all the vision he needs—and about all his brain can handle. From there, vision improves gradually. By the seventh month, he has developed binocular vision, the ability to see in three dimensions. But it will take seven to nine years before he can score 20-20 on an eye chart.

As her neuromuscular and sensory systems mature, a baby at last gains some control over her wayward body by the age of 1 or 2 months. Placed on her stomach, she'll struggle to hoist her bowling ball of a head from the floor. Not long after that she will bring her chest off the ground. It makes intuitive sense that children develop control over their heads first. Without a steady visual field, they cannot develop hand-eye coordination and balance, both of which are prerequisites for crawling and walking. At 3 or so months, the baby will prop herself up on her forearms. She'll get control of her upper arms before her lower arms, her wrists before her fingers, her legs before her feet.



Papa, don't push: Violin prodigy Yeou-Cheng Ma (left) 'traded my childhood'

Little Artists and Athletes

Fine and gross motor skills may not forecast the future

CRADLING A NEWBORN, said playwright Sebastian Barry in "The Steward of Christendom," is like "holding a three-pound bag of loose corn": the baby has about as much motor control as the sack of kernels and is equally incapable of any intentional movement. Yet to many parents it seems like only an instant between this period of almost comic uncoordination and the moment their teenage violinist masters the precise fingering required for rapid arpeggios, or their adolescent jock musters all the coordination in her quadriceps to nail the triple jump. How much do these later feats owe to early-childhood practice and precocity?

The development of fine and gross motor skills proceeds independently. Although they require the same physical foundations—formation of brain synapses, myelination of nerves (main story)—the two skills proceed in fits and starts. If a baby is putting lots of effort into gross motor skills one week, he won't be working much on fine motor skills. And every new move has to be repeated over and over to strengthen neural circuits that wind from the brain's thinking areas into the motor cortex and out to nerves that move muscles. But how quickly a child acquires motor skills is hardly a harbinger of achievement. "How early a baby walks has little to do with future athletic ability," says Laurie Walther Nathanson, author of "The Portable Pediatrician for Parents."

Yet stories abound of how athletic greatness was foreshadowed by childhood flair. Olympic soccer gold medalist Mia Hamm says she "began kicking a ball at the age of 2." She lived in Italy and copied the older kids in the park. And the story of how Tiger Woods swung his first golf club at 10 months has taken on the status of legend. Whether such preco-

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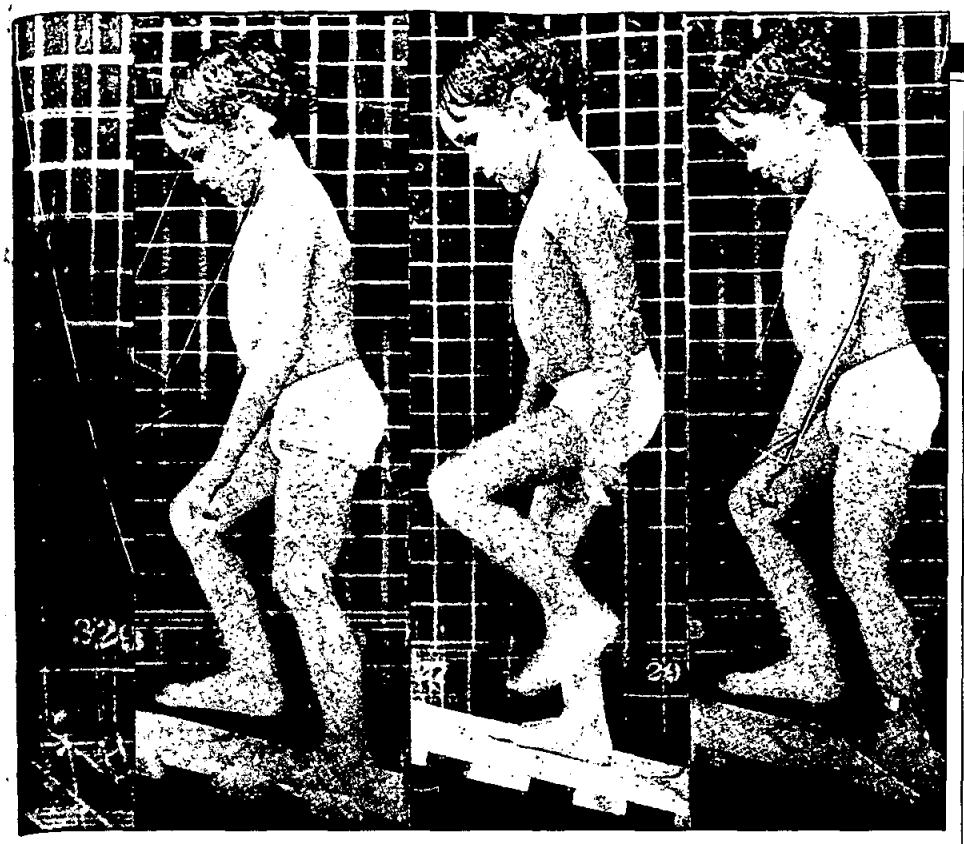


Overriding reflexes, a baby's nerves and muscles master sophisticated moves

All of this is good practice for the next big step: rolling over, which a baby usually masters at anywhere from 2 to 6 months. To get it right, she must develop the ability to rotate her spine, something she's prepared herself to do with all the kicking and flopping over she's been doing since her earliest days. Eventually she shifts her weight so far to one side that momentum takes her completely over. The first few rolls are usually accidents. But by now she has enough control to repeat actions she likes. Much to her delight—and her parents'—she can soon flip at will. Using muscles repeatedly gives them the strength and elasticity known as "muscle tone," which is as important as the development of the nervous system in producing intentional movement.

With muscles and coordination working in concert, babies can start working up to more demanding skills, like sitting up and crawling. This requires much more strength and balance than the relatively simple movements they've done up until now. Once they get the hang of it, typically by 7 or 8 months, it's usually not long before they're tipping forward on all fours for a little crawling practice. Most kids start out by rocking back and forth on their arms and legs. Eventually, they learn to put enough weight on one side that they free up one arm, then the other. Some never quite master the traditional crawl. They scoot along on their bottoms or drag their bellies across the floor using only their arms. "It's all part of baby problem solving," says Esther Thelen, professor of psychology at Indiana University. The point isn't to crawl for its own sake, "but to get someplace." About 15 percent of kids skip crawling altogether and move right on to walking. "Rather than go through gross motor development in some specific sequence," says Johns Hopkins neurodevelopmental researcher Bruce Shapiro, toddlers often "reach for their functional threshold"—even if that means skipping milestones. In the case of early walkers, he says, "by the time the muscle tone comes in, they're ready to stand up."

THE PHYSICAL AND CONCEPTual leap to walking can happen anywhere from 10 to 17 months. Why such a long span? It's a feat of balance and coordination that the brains and bodies of some children simply need longer to master. "It takes everything, including the big toe," says John Hopkins pediatrician Paul Lipkin. To prepare for the big step, most kids spend a few months "cruising" from one piece of furniture to the next, before shoving off from the coffee table and taking those first drunken steps.

What makes this elegant succession of skills all the more impressive is that otherwise helpless babies do so much of it completely on their own. "Blind children learn to walk," says Harold Klawans, a neurologist at Chicago's Rush Medical College. "They're not imitating anyone. The nervous system acquires that skill all by itself, as the body develops the anatomical and physiological sophistication to perform these tasks." Children are motivated by an irrepressible desire to reach beyond themselves. Sure, some get there a little quicker than others; but five years down the road you won't be able to tell which ones they were. ■

ous moments set Hamm and Woods on the road to stardom debatable, but there is no nestion that down the road ere is a "too late." No world-hampion skater or golfer took the sport after 12. And in his 96 book "Why Michael uldn't Hit," neurologist arold Klawans of Rush Medal College in Chicago deribes how, at 31, basketball egastar Jordan couldn't retool visual-motor synapses ough to whack a curve ball. he brain has to learn how to cognize the spin and speed d direction of the [pitched] ll," explains Klawans, "and n to swing the bat at just the ht speed and in precisely the per location." If the brain's ual and motor neurons are not trained between the ages of 2 and 11 to do that, by adulthood the neurons are simply not "plastic" enough to be rewired for the job.

If parents want to raise a prodigy, the best they can do is make experiences available to the child. Kids who get to handle paintbrushes and Prince racquets early on figure out that art and tennis are considered cool in the household, for instance. But sometimes it is not the obvious experiences that sculpt excellence: Walter Payton, one of the NFL's greatest running backs, took ballet as a child. Still, physical skill is only one ingredient in artistic or athletic achievement; the rest is mental. Olympic swimmer Amy van Dyken says, "You can't teach mental toughness. You can teach concentration, but the child won't be happy if that's not what the kid wants to do."

Ambitious parents might heed the case of Yeou-Cheng Ma. She started the violin at 2½ and, tutored by her father, won youth-competitions galore. Then younger brother Yo-Yo, who took up the cello at 4½, eclipsed her. Yeou-Cheng suffered a breakdown at 15 over the loss of a solo career. Now a pediatrician, she doesn't hate music—she also runs New York's Children's Orchestra. But Ma has little patience with parents who push their children. "The job of a child is to play," she says. "I traded my childhood for my left hand."

ANNE UNDERWOOD *and* PETER PLAGENS

The Langua

By Geoffrey Cowley

Barry is a pixie-faced 3-year-old who can't yet draw a circle or stack his blocks in a simple pattern. There is little chance he will ever live independently. He may never learn to tie his own shoes. Yet Barry is as chatty and engaging a person as you could ever hope to meet. He knows his preschool classmates—and their parents—by name. When he wakes his mom in the morning, he strokes her cheek and tells her how beautiful she is. Then he asks her how she slept. Barry has Williams syndrome, a rare congenital disorder caused by abnormalities on chromosome 7. Children with the condition share an array of distinctive traits, including weak hearts, elfin faces and extremely low IQs. But they're unusually sociable, and often display an extraordinary feeling for language. Ask a Williams child to name an animal, says Dr. Ursula Bellugi of the Salk Institute's Laboratory for Cognitive Neuroscience, and you may get a fanciful discourse on yaks, koalas or unicorns.

If we learned language in the same way that we learn to add, subtract or play cards, children like Barry would not get much beyond hello and goodbye. Nor, for that matter, would normal toddlers.

Whether they emerge speaking English, Spanish, Czech or Hindi, children all travel the same road as they learn to speak and understand words

As anyone who has struggled through college French can attest, picking up a new language as an adult is as simple as picking up a truck. Yet virtually every kid in the world succeeds at it—and without conscious effort. Children attach meanings to sounds long before they shed their diapers. They launch into grammatical analysis before they can tie their shoes. And by the age of 3, most produce sentences as readily as laughter or tears.

Scholars have bickered for centuries over how kids accomplish this feat, but most now agree that their brains are wired for the task. Like finches or sparrows, which learn to sing as hatchlings or not at all, we're designed to acquire certain kinds of knowledge at particular stages of development. Children surrounded by words almost always become fluent by 3, whatever their general intelligence. And people deprived of language as children rarely master it as adults, no matter how smart they are or how intensively they're trained. As MIT linguist Steven Pinker observes in his acclaimed 1994 book "The Lan-

PHOTOS BY NICK CARDILLICCHIO

ge Explosion

guage Instinct," "Language is not a cultural artifact that we learn the way we learn to tell time or how the federal government works. It is a distinct piece of [our] biological makeup." Whether they emerge speaking Spanish, Czech or Hindi, kids all acquire language on the same general schedule. And as a growing body of research makes clear, they all travel the same remarkable path.

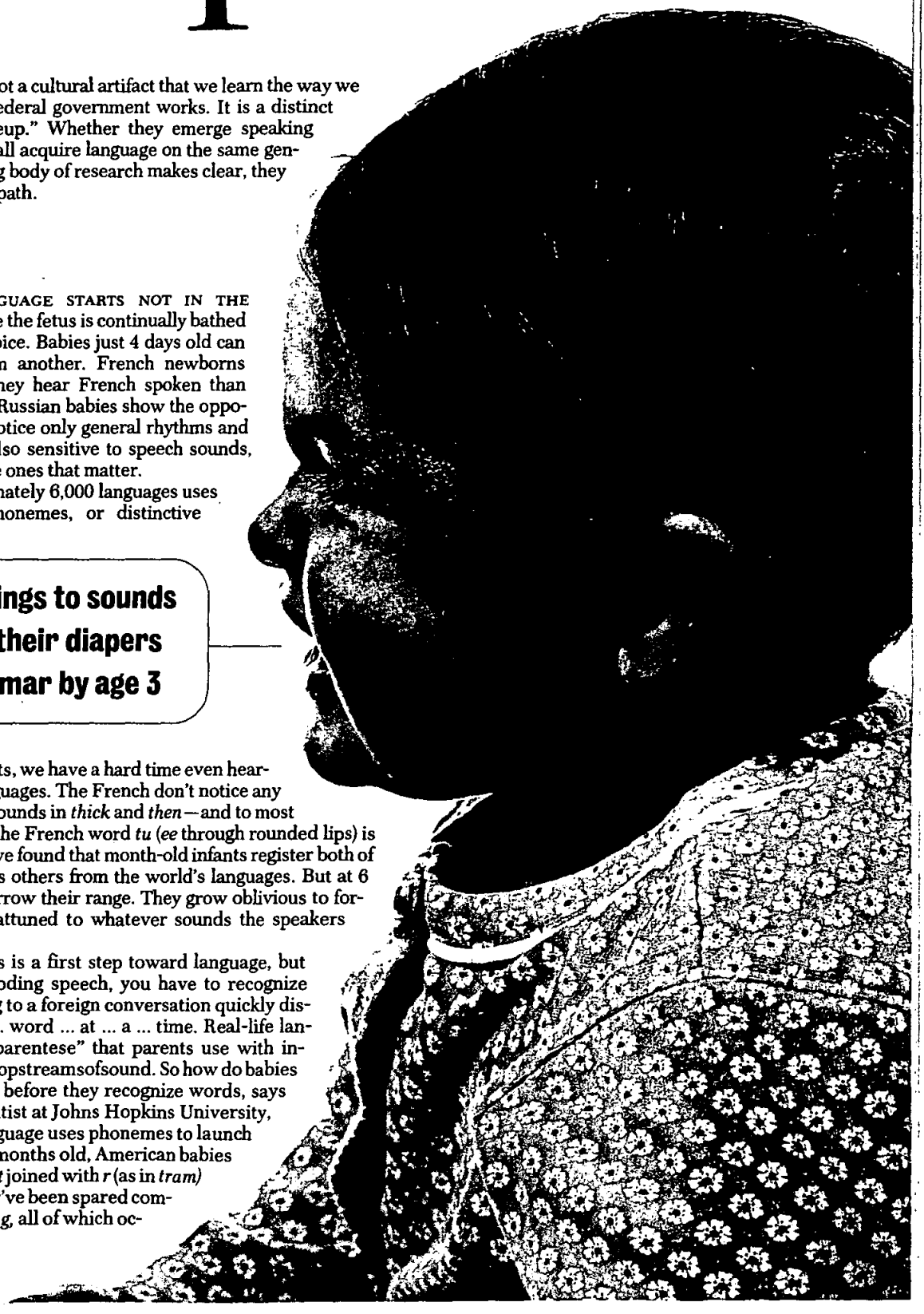
Sound

THE JOURNEY TOWARD LANGUAGE STARTS NOT IN THE nursery but in the womb, where the fetus is continually bathed in the sounds of its mother's voice. Babies just 4 days old can distinguish one language from another. French newborns suck more vigorously when they hear French spoken than when they hear Russian—and Russian babies show the opposite preference. At first, they notice only general rhythms and melodies. But newborns are also sensitive to speech sounds, and they home in quickly on the ones that matter.

Each of the world's approximately 6,000 languages uses a different assortment of phonemes, or distinctive sounds, to build words. As adults, we have a hard time even hearing phonemes from foreign languages. The French don't notice any real difference between the *th* sounds in *thick* and *then*—and to most English speakers, the vowel in the French word *tu* (*ee* through rounded lips) is just another *oo*. Researchers have found that month-old infants register both of those distinctions and countless others from the world's languages. But at 6 and 10 months, they start to narrow their range. They grow oblivious to foreign phonemes while staying attuned to whatever sounds the speakers around them are using.

Kids attach meanings to sounds before they shed their diapers and analyze grammar by age 3

Acquiring a set of phonemes is a first step toward language, but just a baby step. To start decoding speech, you have to recognize words. And as anyone listening to a foreign conversation quickly discovers, people don't talk one ... word ... at ... a ... time. Real-life language—even the melodious "parentese" that parents use with infants—consists mainly of nonstopstreamsofsound. So how do babies suss out the boundaries? Long before they recognize words, says Peter Jusczyk, a cognitive scientist at Johns Hopkins University, they get a feel for how their language uses phonemes to launch syllables. By the time they're 7 months old, American babies are well accustomed to hearing *t* joined with *r* (as in *tram*) and *c* with *l* (as in *clam*), but they've been spared combinations like *db, gd, kt, ts* and *ng*, all of which oc-



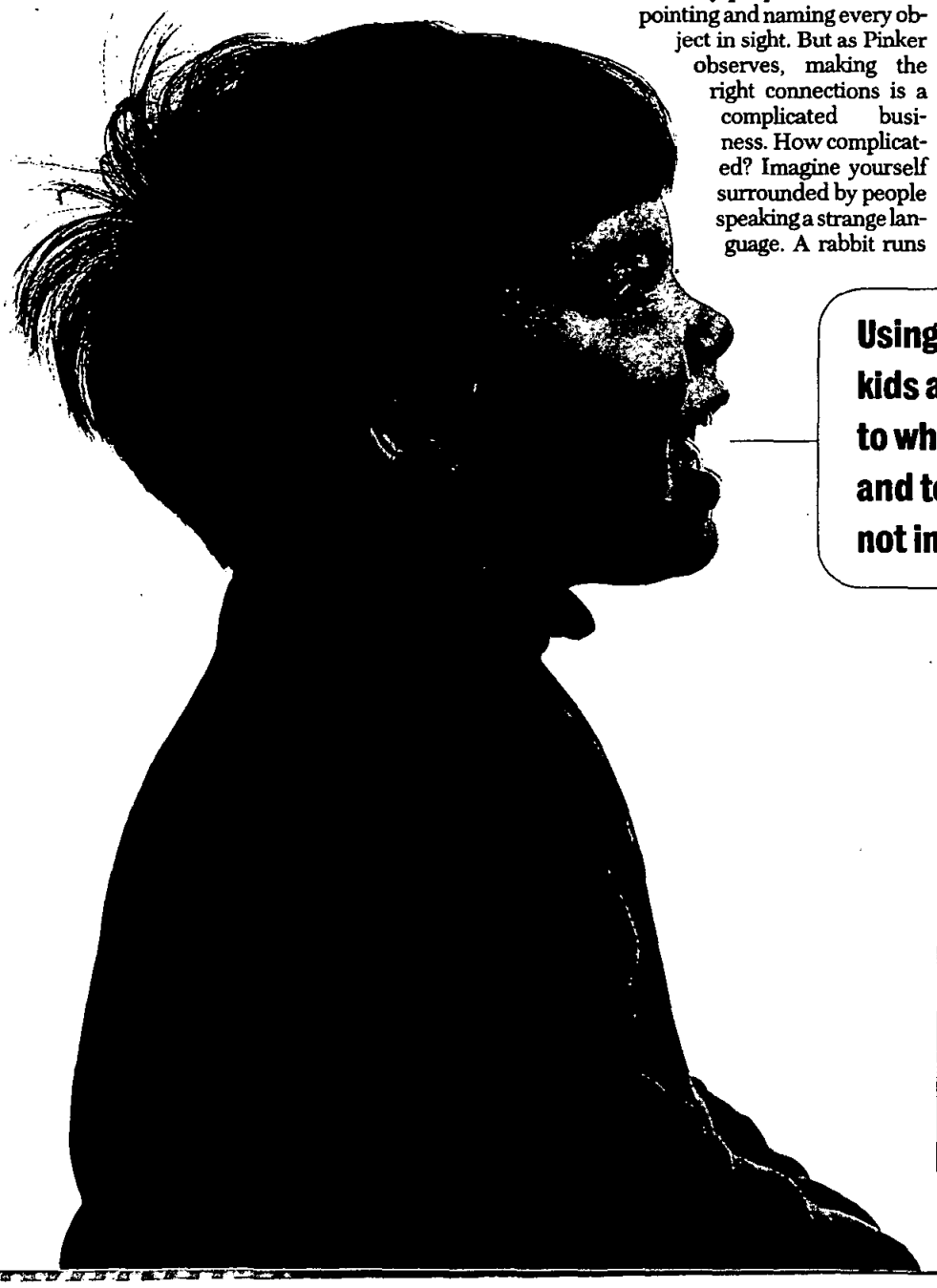
cur in other languages. And once they have an ear for syllables, word boundaries become less mysterious. *Ten / groaning / deadbeats / are / cleaning / a / train on / blacktop* makes acoustic sense in English, even if you don't know the words. *Te / ngroanin / gdea / dbea / tsare / cleani / nga/ traino / nbla / cktop* isn't an option.

As children start to recognize and play with syllables, they also pick up on the metrical patterns among them. French words tend to end with a stressed syllable. The majority of English words—and virtually all of the *mommy-daddy-baby-doggie* diminutives that parents heap on children—have the accented syllable up front. Until they're 6 months old, American babies are no more responsive to words like *bigger* than they are to words like *guitar*. But Jusczyk has found that 6- to 10-month-olds develop a clear bias for words with first-syllable accents. They suck more vigorously when they hear such words, regardless of whether they're read from lists or tucked into streams of normal speech. The implication is that children less than a year old hear speech not as a blur of sound but as a series of distinct but meaningless words.

Meaning

BY THEIR FIRST BIRTHDAY, MOST KIDS start linking words to meanings. Amid their streams of sweet, melodic gibberish, they start to name things—ball, cup, bottle, doggie. And even those who don't speak for a while often gesture to show off their mastery of the nose, eyes, ears and toes. These may seem small steps; after all, most 1-year-olds are surrounded by people who insist on pointing and naming every object in sight. But as Pinker observes, making the right connections is a complicated business. How complicated? Imagine yourself surrounded by people speaking a strange language. A rabbit runs by, and someone shouts, *"Gavagai!"* What does the word mean? "Rabbit" may seem the obvious inference, but it's just one of countless logical alternatives. *Gavagai* could refer to that particular creature, or it could have a range of broader meanings, from "four-legged plant eater" to "furry thing in motion." How do kids get to the right level of generalization? Why don't they spend their lives trying to figure out what words like "rabbit" mean?

Because, says Stanford psychologist Ellen Markman, they come to the game with innate mental biases. Markman has shown that instead of testing endless hypotheses about each word's meaning, kids start from three basic assumptions. First, they figure that labels refer to whole objects, not parts or qualities. Second, they expect labels to denote classes of things (cups, balls, rabbits) rather than individual items. Third, they assume that anything with a name can have only one. These assumptions don't always lead directly to the right inference ("I'm not a noying," Dennis the Menace once told Mr. Wilson, "I'm a cowboy"). But they vastly simplify word learning. In keeping with the "whole object" assumption, a child won't consider a label for "handle" until she has one for "cup." And thanks to the "one label per object" assumption, a child who has mastered the word *cup* never assumes that *handle* is just another way of saying the same thing. "In that situation," says Markman, "the child accepts the possibility that the new word applies to some feature of the object."



Using innate linguistic software, kids assume that labels refer to wholes rather than parts, and to classes (cups, balls), not individual items

Words accrue slowly at first. But around the age of 18 months, children's abilities explode. Most start acquiring new words at the phenomenal rate of one every two hours—and for the first time, they start combining them. Children don't all reach these milestones on exactly the same schedule; their development rates can vary by a year or more, and there's no evidence that late talkers end up less fluent than early talkers. But by their second birthdays, most kids have socked away 1,000 to 2,000 words and started tossing around two-word strings such as "no nap," "all wet" or "bottle juice."

NICK KELSH, NICK CARDILLICCHIO (OPPOSITE PAGE)

How to Talk 'Parentese' to Your Child

Enunciate, repeat new words and don't forget your pronouns

PEOPLE THE WORLD over alter their way of speaking when they address infants and toddlers. The effects of "parentese" (originally called "motherese") continue to be hotly debated, but "a number of [its] features are likely to facilitate language learning," says linguist Naomi Baron of The American University. Among them:

Higher **pitch** captures a child's attention. Speaking more slowly, and with careful enunciation, makes it easier for the baby to distinguish individual words; emphasizing or repeating one word ("Isn't that a *huuuuuge* huge doggie?") also helps.

Short utterances help the child grasp grammar more readily than Faulknerian monologues. Don't abandon complex sentences entirely, though: toddlers whose parents use many dependent clauses ("because ..." and "which ...") learn to do so earlier than the children of parents who do not.

Repeating a child's utterances ("That's right! It's a birdie") assures her she's been understood. Recasting what the child says ("Want cookie?" "Would you like a cookie?") expands her repertoire. The only aspect of parentese that may impede language development: substituting proper nouns for **pronouns** ("Does Billy want to swing?"). These are tricky to master (your "you" is my "I"), and toddlers should be exposed to them.

Red Flags

Even normal children whose ears are filled with parentese may refuse to speak. Some delays can be harmless, but those after the age of 3 may affect how well a child will read, write and even think.

- **0–3 months** Does not turn when you speak or repeat sounds like coos.
- **4–6 months** Does not respond to "no" or changes in tone of voice, look around for sources of sound like a doorbell, or babble in speechlike sounds such as p, b and m.
- **7–12 months** Does not recognize words for common items, turn when you call her name, imitate speech sounds or use sounds other than crying to get your attention.
- **1–2 years** Cannot point to pictures in a book that you name or understand simple questions ("Where is your Teddy?").
- **2–3 years** Can't understand differences in meaning ("up" vs. "down"), follow two requests ("please pick up the bottle and give it to me"), string together two or three words or name common objects.
- **3–4 years** Does not answer simple "who," "what" and "where" questions. Cannot be understood by people outside the family, use four-word sentences or pronounce most phonemes correctly. If delays persist until kindergarten, most pediatricians recommend speech therapy.

Grammar

ONCE KIDS CAN PASTE TWO WORDS TOgether, it's not long before they're generating sentences. Between 24 and 30 months, "no nap" may become "I don't want nap," and "bottle juice" may blossom into "I want juice." When kids hit that stage, their repertoires start expanding exponentially. Between 30 and 36 months, most acquire rules for expressing tense (*walk* versus *walked*) and number (*house* versus *houses*), often overextending them to produce statements like "I bringed home three mouses." They also start using "function words"—the *somes, woulds, whos, hows* and *afters* that enable us to ask either "Do you like milk?" or "Would you like some milk?"

More fundamentally, they discover that words can have radically different meanings depending on how they're strung together. Even before children start combining words on their own, most know the difference between "Big Bird is tickling Cookie Monster" and "Cookie Monster is tickling Big Bird." That awareness marks the zenith of language development. A chimp can learn to label things, and a high-powered computer can process more information in a minute than any person could handle in a lifetime. But neither a chimp nor a mainframe is any match for a runny-nosed 3-year-old when it comes to reporting who did what to whom. When a chimp with a signboard signals "Me banana you banana you," chances are he wants you to give him one, but the utterance could mean almost anything. Three-year-olds don't talk that way. The reason, most linguists agree, is that natural selection has outfitted the human brain with software for grammatical analysis. As MIT linguist Noam Chomsky realized more than 30 years ago, the world's languages all build sentences from noun phrases ("The big dog") and verb phrases ("ate my homework"). And toddlers who have never heard of grammar identify them effortlessly.

To confirm that point, psycholinguists Stephen Crain and Mineharu Nakayama once invited 3-, 4- and 5-year-olds to interview a talking "Star Wars" doll (Jabba the Hutt). With a child at his side, one researcher would pull out a picture and suggest asking Jabba about it. For example: "Ask Jabba if the boy who is unhappy is watching Mickey Mouse." You can't compose the right sentence—"Is the boy who is unhappy watching Mickey Mouse?"—unless you recognize *the-boy-who-is-unhappy* as a single noun phrase. As Chomsky would have predicted, the kids got it right every time.

If children's minds were open to all the possible relationships among words, they would never get very far. No one could memorize 140 million sentences, but a kid who masters 25 common recipes for a noun phrase can produce more than that number from scratch. Too much mental flexibility would confine children, Pinker observes; "innate constraints set them free." Not everyone is blessed with those constraints. Kids with a hereditary condition known as Specific Language Impairment, or SLI, never develop certain aspects of grammar, despite their normal IQs. But those are rare exceptions. Most kids are so primed for grammatical rules that they'll invent them if necessary.

Consider hearing adults who take up American Sign Language so they can share it with their deaf children. They tend to fracture phrases and leave verbs unconjugated. Yet their kids still become fluent,

grammatical signers. "Children don't need good teachers to master language," says Elissa Newport, a cognitive scientist at the University of Rochester. "They pick up whatever rules they can find, and sharpen and extend them." That, according to University of Hawaii linguist Derek Bickerton, is why the crude pidgins that crop up in mixed-language communities quickly evolve into fully grammatical creoles. When language lacks a coherent grammar, children create one.

That's not to say language requires no nurture. Children raised in complete silence grow deaf to grammar. "Chelsea," whose correctable hearing problem went untreated until she was 31, eventually learned enough words to hold a job in a vet's office. Yet her expressive powers have never surpassed those of a chimp with a signboard. She says things like "The woman is bus the going" or "I Wanda be drive come." Fortunately, Chelsea is a rare exception. Given even a few words to play with, most kids quickly take flight. "You don't need to have left the Stone Age," Pinker says. "You don't need to be middle class." All you need to be is young.

With DONNA FOOTE *in Los Angeles*

Advise and Consent

There are baby books galore. A guide to the best of the lot.

ROB KINMONTH

Eisenberg (left) and Murkoff tell parents 'what to expect'

BY WESTON KOSOVA

THE SHELVES OF many homes groan under the weight of parenting books. Some are truly awful—ponderously written and clumsily organized. Others offer little more than what most parents would have figured out without much effort. But the best among them are more than mere owner's manuals. Their authors have wisdom and humor about the inner lives of children, and a near-telepathic ability to anticipate and clearly answer even the most arcane questions. Each gets there by a slightly different way, and none covers everything. But any of the books below will unravel the mystery behind most blooming rashes, teething bouts and crying jags.

Clear-eyed

In the beginning, there was Dr. Benjamin Spock. Fifty years and five editions later, his **Baby and Child Care** *(Pocket Books. $18)* is still one of the most thorough and clear-eyed of the guides. In briskly titled chunks ("Reasons for weaning from the bottle at one year," "Joint and growing pains"), he says what he thinks and why, then moves on. He is against walkers, in favor of two or three hours of fresh air each day and prefers pacifiers over thumbsucking. Skeptical of professional advice givers, he tells new parents, "Don't be overawed by what the experts say. Don't be afraid to trust your own common sense." Ironically, though, he is particularly good on illnesses and other questions where common sense alone won't cut it.

Just as good are the "What to Expect" books, by Arlene Eisenberg, Heidi E. Murkoff and Sandee E. Hathaway *(Workman Publishing. $12.95)*. **What to Expect the First Year** and **What to Expect the Toddler Years** are organized chronologically by month—helpfully letting you in on what the devious little tyke has in store next. There are excellent sections on topics ranging from breast-feeding to special-needs children, and a handy chart detailing common child illnesses (see if yours can get them all!). What makes these books stand out are the long question-and-answer sections. "My baby suddenly turned two colors—reddish blue on the bottom and pale on the top. What's wrong with her?" At one time or another every parent is convinced his kid is breaking new ground in weirdness. It's reassuring to learn that plenty of others have been there before.

Good Q&A

Penelope Leach's classic, **Your Baby & Child** *(Knopf. $19.95)*, is by far the most pleasurable to read. Unlike the others, Leach explains things from the baby's point of view. This leads her to reject some of the advice in other books. Take getting the kid to sleep. Spock advises letting him cry it out. Leach finds that ridiculous. Sending a baby the message that "it's no good crying because I'm not going to come back no matter how sad you are," she writes, "can only make him more sure that it is dangerous to let you go at all." Leach is particularly good on fussy children, and coaxing hunger-strikers to eat.

Kid-centric

T. Berry Brazelton's best seller, **Touchpoints** *(Addison Wesley. $14.95)*, is becoming a night-stand staple. Don't turn to this "map of behavioral and emotional development" when your kid has the mumps. It isn't a medical guide. But if you're going nuts because she won't stop saying "no" or refuses to speak to anyone but her imaginary cat, Brazelton can help. Drawing on his own pediatric practice and research, he elegantly explains how children learn to interact with the people and things around them—and how to tell a potential problem from behavior that may seem odd, but is actually normal.

A staple

When a Child's Silence Isn't Golden

Some toddlers don't say a word. Should their parents simply be patient—or send them to 'speech-language' therapy?

BY CLAUDIA KALB AND TESSA NAMUTH

MALINDA Boyd is increasingly worried about her 18-month-old son, Ryan. At 15 months, Ryan said absolutely nothing. Now he has a handful of words—"mama," "dada," "duck," "ball"—but far fewer than the norm for his age. Ryan's pediatrician has suggested that he be tested for a speech delay, but Boyd has resisted, concerned that her son will be labeled developmentally impaired simply because he's not talking as much as his playmates. "I think he'll talk when he's ready," she says. "You've got to give kids a little room to grow and be themselves."

Not long ago, giving children like Ryan a little room would have been routine. Parents of 2-year-olds who were barely saying single words, let alone simple two-word sentences, were reassured that the child would "outgrow it." Speech therapy was reserved for severely disabled children, such as those with autism or cerebral palsy. But today toddlers who have what developmental specialists call "expressive language delay" are at the center of a heated debate over whether they need speech therapy. Research has shown that early speech and language disorders can lead to later difficulties learning to read, write and spell. As a result, some pediatricians and preschools have abandoned the wait-and-see attitudes and are recommending intervention for children whose language development raises red flags (page 21). "Now if we see a child faltering at all," says Jean Mandelbaum, director of All Souls, a Manhattan nursery school, "we recommend an evaluation." But others see speech-language therapy as unwarranted treatment for a problem that will likely clear up on its own. "It can get them talking a lot faster," says Grover Whitehurst, a specialist in language delays, "but after a couple of years you can't tell the difference between kids who had early intervention and kids who did not."

NINA BERMAN—SIPA

Speech work: Joe Riccardo, 3; New York therapist Sima Gerber

No one knows why children like Ryan (the majority of late talkers are boys) don't speak. "It's often a big mystery," says Patricia Walsh Kaye, a Manhattan speech-language pathologist. Hearing is an obvious suspect: even mild loss from ear infections can slow comprehension and thus the ability to speak. High-risk pregnancies involving drugs or alcohol interfere with normal brain development. Environment may play a role, too: some children do not speak because nobody speaks to them.

For parents, the mystery is less what caused the problem than how to know when it's serious. There can be huge variability in speech and language development. By 18 months most children have a vocabulary of about 20 words. By 2 they're forming two-word sentences ("Mommy juice"). What if the child is nowhere close to passing these milestones? If she shows good comprehension and uses gestures to communicate, she is probably still on target for language development, lack of words notwithstanding. Talking will almost certainly come soon. Doctors' real concern centers on toddlers who do not understand simple questions or instructions.

Proponents of early intervention worry that kids who appear to be just delayed speakers may end up having more severe speech and language problems later. They're also concerned that toddlers who are frustrated at not being able to express themselves could develop behavior problems. Denying treatment, they say, is not the answer. "I'd rather err on the side of putting a kid in therapy who might outgrow it," says Pamela Rollins of the Callier Center for Communication Disorders in Dallas, Texas.

Not all would agree. It is difficult to tell, argue researchers, whether in the long run speech therapy actively helps or simply goes along for the developmental ride. One speech and language specialist, Rhea Paul at Portland State University in Oregon, found that of children under 2 who were not talking, about two thirds showed continued delays at 3. At 4, half did. But by kindergarten 75 percent of the children had caught up with their peers, scoring within the normal range—albeit at the low end—for language expression. "They are making slow progress all along," says Paul. "It's likely they will be able to function more or less OK by the time they get to kindergarten—even without intervention."

The debate is far from over. In the meantime, Malinda Boyd is hoping Ryan will outgrow his problem—and that soon enough he'll be talking her ear off. ■

Turning On the Motor

Babies start their engines at the same time, but some may be crawling while others are tottering across the room. No matter what speed, they all cross the finish line.

Growing Up, Step by Step

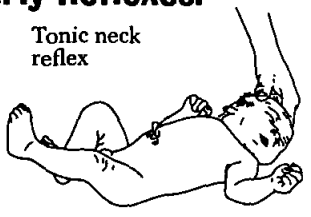
As any parent can attest, children grow at their own pace. Some babies walk at eight months, others start at fifteen months. Some speak at a year, others a few months later. The step-by-step graphics throughout this issue, like the one below, track an average child's development from zero to three. Please consider them a guide, not a dictum.

AGE (IN MOS.) ACHIEVED BY PERCENTAGE OF CHILDREN

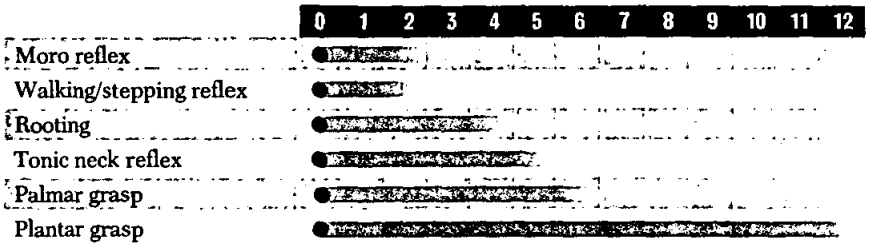
	50%	75%	90%
On back: turns head freely from side to side, head centered most of the time	2	2½	3
On stomach: lifts head strongly, face straight ahead	2	2½	3½
Rolls completely over: any direction	2½	3½	4½
On stomach: raises head and chest, supporting self on forearms or arms	3	3½	4½
Sitting, supported: holds head erect and steady	3	3½	4½
Sits alone for 30 seconds or more	6	7	8
Pulls self to stand by furniture	7	9	10
Prewalking progression: creeping on hands and knees or hands and feet; sit-and-hitch	7	10	11
Gets from lying to sitting without aid	8	9½	11
Stands alone: 10 seconds or more	10½	13	14
Walks well alone	12	13½	14

En Garde! Fencing and Other Early Reflexes.

Primitive reflexes dominate a newborn's movement. Place a nipple in his mouth and he will automatically suck. During the first year, reflexes fade and are replaced with intentional actions:



AGE (IN MONTHS) WHEN REFLEX DISAPPEARS



Moro reflex: When startled, throws arms and legs out and extends neck.
Walking/stepping reflex: When soles touch a flat surface, places one foot in front of the other.
Rooting: When stroked on cheek, turns head toward hand in search of food.
Tonic neck (fencing) reflex: When head is turned to one side, arm on same side straightens while the opposite arm bends.
Palmar grasp: When hand is stroked, immediately grabs finger.
Plantar grasp: When sole of foot is touched, foot flexes and toes curl.

0–2 months old

1 month old
Gross motor Jerky movement smoothens as nervous system and muscle control improve. Most actions are reflexive, like sucking and bringing closed fists up to his mouth. Thrusts arms and legs. Head flops backward if unsupported.

2 months old
Fine motor Opens and closes hands carefully. May hold object for a few moments.
Gross motor Legs start to straighten from inward-curving newborn position. Struggles to raise head. Some reflexes fade near month's end.

3–8 months old

3 months old
Fine motor May swipe at dangling objects. Should move both arms equally well when lying on back.
Gross motor Pushes down on legs when standing on firm surface. Learns to bounce. May raise head and chest when lying on stomach. Kicks gain force, as flexibility in hip and knee joints develop.

4 months old
Fine motor Reaches with arms. Clenches rattle and puts it in mouth.
Gross motor May learn how to shift weight from side to side and flip over. Upper body and arms strengthen; child may sit up with support. Often leans for balance.

5 months old
Fine motor May swap object from hand to hand. May hold bottle.
Gross motor Developing better control of trunk, head and neck. Raises head and holds it up while lying on stomach. May also rock like an airplane. Grabs feet and brings them to mouth when resting on back.

6 months old
Fine motor Reaches out when sitting, often in a raking motion.
Gross motor Rolls over in both directions. Maintains balance while sitting due to stronger abdominal and back muscles. May move forward on stomach, pushing with legs.

7 months old
Fine motor Clasps hands and enjoys banging objects together. May grab for a toy with one hand.
Gross motor Supports entire weight on legs; likes to bounce. Sits with light support from pillows. Pivots when sitting to reach objects. May get into sitting position by pushing up on arms.

8 months old
Fine motor Learns to open fingers at will and drop or throw objects.
Gross motor Coordination improves, and child may start to crawl, often pushing backward at first. Some babies scoot across the room on their bottoms instead of crawling.

A Workout for Little Ones

In between feeding and sleeping, babies need a daily dose of exercise to strengthen their muscles and improve coordination. Workout time should be playful and relaxed; stop immediately if baby seems distressed:

Birth–1 year	1–2 years old	2–3 years old
• Put baby on back, rotate legs as if he were pedaling. • Place child on stomach to encourage him to lift his head. • Lay baby on a blanket on the floor so he can move body and reach for toys. • Hold baby upright, supporting his weight.	• Practice kicking with balls. • Make simple obstacle courses to improve coordination. • Play follow the leader together. • Help child move along monkey bars, climb up slides. • Let child push stroller. • Climb stairs by holding hands.	• Teach child how to pedal and maneuver tricycle. • Throw balls into large basket to improve aim. • Practice balance by walking on tiptoe and standing on one leg. • Play simple game of Simon says.

Learning Motor Lingo

Open a parenting book and you may feel you need a translator to understand what you're reading. A few key motor terms, deciphered:

Combat crawling: Uses only arms to push forward on stomach.
Creeping: Moves on stomach by pushing with feet and steering with outstretched arms.
Cruising: Walks while holding on to furniture.
Pincer grasp: Picks up objects with thumb and index finger.
Raking: Reaches out and grabs many objects.

9–16 months old

9 months old
Fine motor Puts objects in containers then takes them out. May finger holes on a pegboard and enjoy toys with moving parts like wheels or levers.
Gross motor Near the end of the first year, baby may begin to pull up on furniture and stand. Learns how to bend knees and sit down after standing.

10 months old
Fine motor May hold crayon and try to scribble. Intrigued by tiny things.
Gross motor May walk while holding on to furniture. May let go momentarily and stand without support. Sits confidently.

11 months old
Fine motor Likes to turn pages, often not one by one. Fascinated by hinges and may swing door back and forth.

12 months old
Gross motor Children walk at about their first birthday, although some start earlier or later. First steps will be shaky; stumbles, and an occasional bump, are very likely.

13 months old
Fine motor Points with index finger. Accurately picks up small objects with thumb and index finger.
Gross motor May walk with feet wide apart, toes pointing out. Uses arms for balance when walking.

14 months old
Fine motor Holds two or three objects in one hand. Turns containers over to dump contents.
Gross motor May stoop to pick up toy and carry it across the room.

15 months old
Fine motor Builds small towers of blocks and then knocks them down.
Gross motor Climbs stairs on hands and knees; descends by crawling and sliding. Pushes or pulls a toy while walking.

16 months old
Fine motor Puts round peg into correct hole. Tries to fit things inside each other.
Gross motor May try to kick ball but steps on it instead. Walks sideways and backwards. Quickens pace when excited or being chased.

17–24 months old

17 months old
Fine motor May roll ball to others and pick up objects in motion. Throws balls. Drinks regularly from cup.
Gross motor Has more control over stopping and turning when she walks. Likes to push carriage, rather than sit in it.

18 months old
Fine motor Sorts many shapes and drops them in matching holes. Takes toy apart and puts it back together. Unzips zippers.
Gross motor Keeps feet closer together when walking; gait becomes much smoother. May walk up stairs with parents.

19 months old
Fine motor May stack three or four blocks. Loves to inspect new objects and places. Tries to climb out of bed. May take off socks and shoes.
Gross motor Active and adventuresome throughout the day. Walks, climbs, trots and runs whenever possible.

20 months old
Fine motor Throws ball overhand instead of tossing it.
Gross motor May kick ball without falling or tripping. Likes to hang from bars by her hands. May climb onto an adult-size chair, pivot around and sit down. Running may look stiff; child may have trouble stopping and maneuvering corners while running. Tries to jump with both feet, but may not get off the ground.

21 months old
Fine motor May turn pages one at a time. Enjoys finger painting and scribbling with big crayons. Loves to inspect tiny objects, especially bugs. Shows hand preference.
Gross motor Looks down to dodge obstacles while walking. May walk up stairs, holding on to rail, both feet on one step.

22 months old
Fine motor May put on shoes but often on the wrong foot. Tries to buckle car seat belt.
Gross motor Alternates easily between walking and running, sitting and standing. Likes to be pushed on a swing and enjoys other playground activities.

23 months old
Fine motor Likes to play with clay. May draw a crude circle if shown how.
Gross motor Shows greater coordination in movement. Often runs rather than walks. Can seat self at table and climb into car seat on own. May throw ball into a basket.

24 months old
Gross motor Moves with greater efficiency by end of second year. Child is sturdier on feet and less likely to fall. Some toddlers may walk up and down stairs by themselves; others may feel more comfortable crawling on steps. May enjoy dancing to music and learns how to move according to tempo.

2–3 years old

25 – 29 months old
Fine motor Child learns to coordinate movements of his wrist, fingers and palm. May unscrew lids, turn knobs, unwrap paper.
Gross motor Constantly on the move. Loves to be chased. Enjoys going down slides, swinging and running around playgrounds. May pedal small tricycle. Learns to walk on tiptoe and may be able to stand on one foot. May count stairs and jump off the final step. Jumping in place still takes great effort and coordination.

30 – 36 months old
Fine motor Learns how to hold a pencil in writing position. Loves to draw with chalk and crayons. Imitates vertical and horizontal strokes, but may have difficulty making a cross with two lines. May use small scissors with parent supervision. Rotates jigsaw pieces and completes a simple puzzle. By the age of 3, child will have enough muscle coordination to play a simple musical instrument.
Gross motor Walking becomes more adultlike with a heel-to-toe gait. Likes to try out new types of movement like galloping and trotting. May alternate feet when going up stairs. Capable of multiple actions when moving. May throw a ball while running or eat ice cream while walking. Bends over easily without falling. Kicks ball in an intended direction. May hit a baseball if it's placed on a stand. Pedals and steers a tricycle well.

By Jennifer Lach

SOURCES: "THE EARLY CHILDHOOD YEARS: THE 2 TO 6 YEAR OLD," "THE SECOND TWELVE MONTHS OF LIFE" AND "THE FIRST TWELVE MONTHS OF LIFE" BY THERESA AND FRANK CAPLAN; "CARING FOR YOUR BABY AND YOUNG CHILD" BY STEVEN P. SHELOV, M.D.; "YOUR BABY & CHILD" BY PENELOPE LEACH; PARENTS AS TEACHERS NATIONAL CENTER, INC.; GROWING CHILD; INFANT REFLEX ILLUSTRATIONS BASED ON DRAWINGS BY WENDY WRAY

A baby is born with a head on her shoulders and a mind primed for learning. But it takes years of experience—looking, listening, playing, interacting with parents—to wire the billions of complex neural circuits that govern language, math, music, logic and emotions.

How to Build a Baby's Brain

By Sharon Begley

YOU CANNOT SEE WHAT IS GOING ON INSIDE YOUR newborn's brain. You cannot see the electrical activity as her eyes lock onto yours and, almost instantaneously, a neuron in her retina makes a connection to one in her brain's visual cortex that will last all her life. The image of your face has become an enduring memory in her mind. And you cannot see the explosive release of a neurotransmitter—brain chemical—as a neuron from your baby's ear, carrying the electrically encoded sound of "ma," connects to a neuron in her auditory cortex. "Ma" has now commandeered a cluster of cells in the infant's brain that will, as long as the child lives, respond to no other sound.

53% of all parents say that they read to their child every day; 55% of parents say they sing to or play music for their child every day

You cannot see any of this. But Dr. Harry Chugani can come close. With positron-emission tomography (PET), Chugani, a pediatric neurobiologist at Wayne State University in Detroit, watches the regions of a baby's brain turn on, one after another, like city neighborhoods having their electricity restored after a blackout. He can measure activity in the primitive brain stem and sensory cortex from the moment the baby is born. He can observe the visual cortex burn with activity in the second and third months of life. He can see the frontal cortex light up at 6 to 8 months. He can see,

WILLIAM DUKE

NCE
BY DOROTHY KUNHARDT

The native languages a baby hears will crea

in other words, that the brain of a baby is still forming long after the child has left the womb—not merely growing bigger, as toes and livers and arms do, but forming the microscopic connections responsible for feeling, learning and remembering. For doing, in short, everything that a brain is born to do but that it is born without knowing how to do.

Scientists are just now realizing how experiences after birth, rather than something innate, determine the actual wiring of the human brain. "Only 15 years ago," reports the Families and Work Institute in the just-released study "Rethinking the Brain," "neuroscientists assumed that by the time babies are born, the structure of their brains [had been] genetically determined." But by last year researchers knew that was wrong. Instead, early-childhood experiences exert a dramatic and precise impact, physically determining how the intricate neural circuits of the brain are wired (NEWSWEEK, Feb. 19, 1996). Since then they have been learning how those experiences shape the brain's circuits.

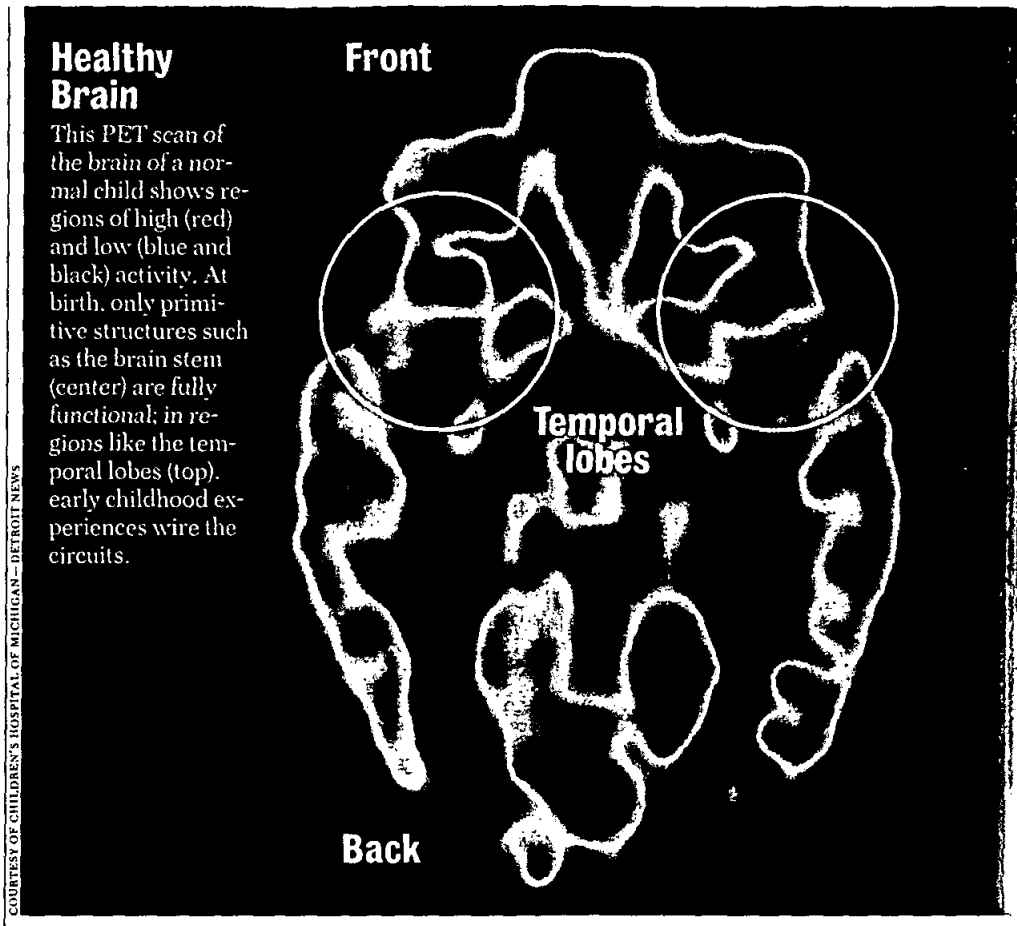
At birth, the brain's 100 billion or so neurons form more than 50 trillion connections (synapses). The genes the baby carries—from the egg and sperm that made him—have already determined his brain's basic wiring. They have formed the connections in the brain stem that will make the heart beat and the lungs respire. But that's all. Of a human's 80,000 different genes, fully half are believed to be involved in forming and running the central nervous system. Yet even that doesn't come close to what the brain needs. In the first months of life, the number of synapses will increase 20-fold—to more than 1,000 trillion. There simply are not enough genes in the human species to specify so many connections.

That leaves experience—all the signals that a baby receives from the world. Experience seems to exert its effects by strengthening synapses. Just as a memory will fade if it is not accessed from time to time, so synapses that are not used will also wither away in a process called pruning. The way to reinforce these wispy connections has come to be known as stimulation. Contrary to the claims of entrepreneurs preying on the anxieties of new parents, stimulation does not mean subjecting a toddler to flashcards (page 34). Rather, it is something much simpler—sorting socks by color or listening to the soothing cadences of a fairy tale. In the most extensive study yet of what makes a difference, Craig Ramey of the University of Alabama found that it was blocks, beads, peekaboo and other old-fashioned measures that enhance cognitive, motor and language development—and, absent traumas, enhance them permanently.

29% of all parents of kids 2 to 3 years old say their child plays with a computer or computer game three or more times in a week

The formation of synapses (synaptogenesis) and their pruning occurs at different times in different parts of the brain. The sequence seems to coincide with the emergence of various skills. Synaptogenesis begins in the motor cortex at about 2 months. Around then, infants lose their "startle" and "rooting" reflexes and begin to master purposeful movements. At 3 months, synapse formation in the visual cortex peaks; the brain is fine-tuning connections allowing the eyes to focus on an object. At 8 or 9 months the hippocampus, which indexes and files memories, becomes fully functional; only now can babies form explicit memories of, say, how to move a mobile. In the second half of the first year, finds Chugani, the prefrontal cortex, the seat of forethought and logic, forms synapses at such a rate that it consumes twice as much energy as an adult brain. That furious pace continues for the child's first decade of life.

Research on language has shown how "neuroplastic" an infant's brain is, and how that plasticity lessens with age. Patricia Kuhl of the University of Washington studies the "auditory maps" that infants' brains construct out of phonemes (the smallest units of sound in a language, such as "ee" or "l"). At first, neurons in the auditory cortex are like laborers to whom jobs have not yet been assigned. But as a newborn hears, say, the patter of English, a different cluster of neurons in the auditory cortex is recruited to respond to each phoneme. Each cluster then fires only when a nerve from the ear carries that particular sound, such as "pa" or "ma." If one sound is clearly distinct from another, as "ra" and "la" are in English, then the neurons whose job it is to hear one will lie far from those whose job it is to hear the other. (Kuhl makes noninvasive electrical measurements, through the ba-

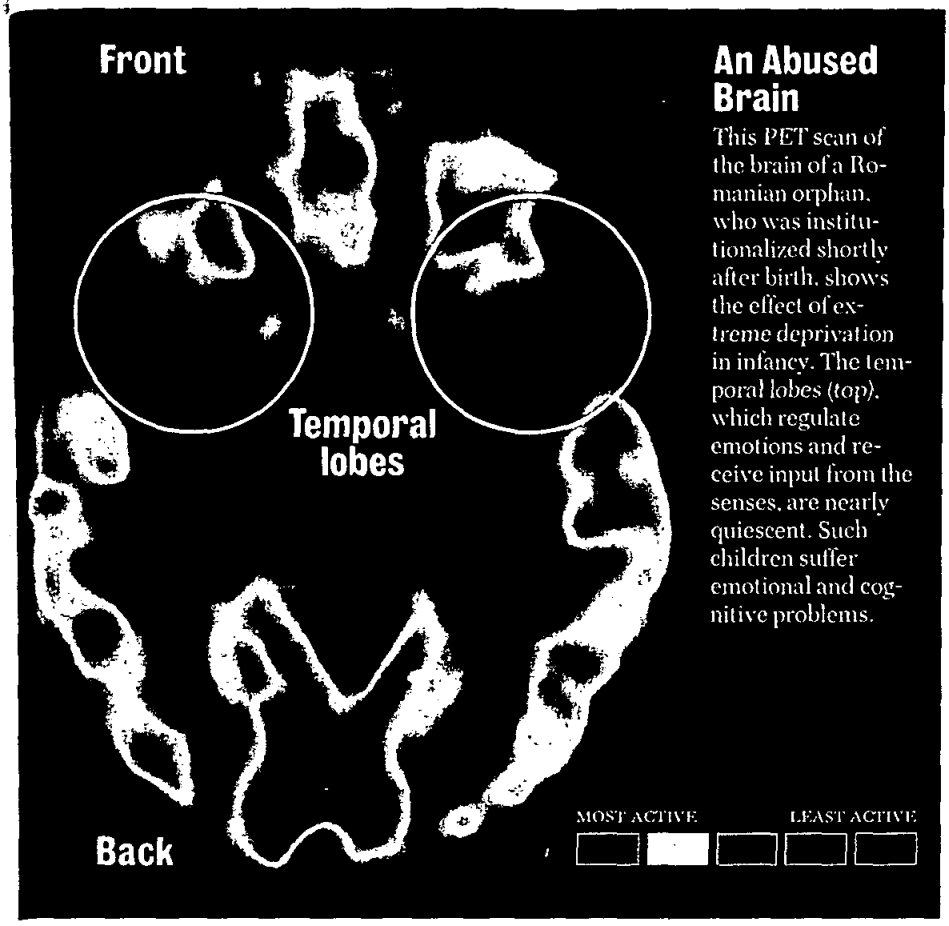


Healthy Brain

This PET scan of the brain of a normal child shows regions of high (red) and low (blue and black) activity. At birth, only primitive structures such as the brain stem (center) are fully functional; in regions like the temporal lobes (top), early childhood experiences wire the circuits.

COURTESY OF CHILDREN'S HOSPITAL OF MICHIGAN—DETROIT NEWS

te a permanent auditory map in his brain



An Abused Brain

This PET scan of the brain of a Romanian orphan, who was institutionalized shortly after birth, shows the effect of extreme deprivation in infancy. The temporal lobes (top), which regulate emotions and receive input from the senses, are nearly quiescent. Such children suffer emotional and cognitive problems.

bies' scalps, to identify which neurons fire in response to a particular sound.) But if the sounds are nearly identical, as "ra" and "la" are in Japanese, then the two sets of neurons are so close that the baby will have trouble distinguishing the two phonemes. By 12 months, an infant's auditory map is formed. He will be unable to pick out phonemes he has not heard thousands of times for the simple reason that no cluster of neurons has been assigned the job of responding to that sound. And the older he gets, the more he will struggle to learn a new language: fewer unassigned neurons are available for the job of hearing new phonemes.

Experience counts in building vocabulary, too, and at a very young age. The size of a toddler's vocabulary is strongly correlated with how much a mother talks to the child, reports Janellen Huttenlocher of the University of Chicago. At 20 months, children of chatty mothers averaged 131 more words than children of less talkative mothers; at 2 years, the gap had more than doubled, to 295 words. "The critical factor is the number of times the child hears different words," says Huttenlocher. The effect holds for the complexity of sentence structure, too, she finds. Mothers who used complex sentences (those with dependent clauses, such as "when ..." or "because ...") 40 percent of the time had toddlers who did so 35 percent of the time; mothers who used such sentences in only 10 percent of their utterances had children who did so only 5 percent of the time.

ONLY "LIVE" LANGUAGE, not television, produced these vocabulary- and syntax-boosting effects. Why doesn't all the gabbing on TV stimulate language development? Huttenlocher suspects that "language has to be used in relation to ongoing events, or it's just noise." That may hold for other sorts of cognition, too. Information embedded in an emotional context seems to stimulate neural circuitry more powerfully than information alone. A child will more readily learn the concept of "more" if it refers to the happy prospect of more cookies, and "later" if it is attached to a frustrating wait for a trip to the playground, than if the word is presented in isolation from things the baby cares about. There is nothing mysterious about this: adults form a memory much more readily if it has emotional content (how did you hear that the space shuttle had exploded?) than if it doesn't (what's the difference between a sine and a cosine?). Causality, a key component of logic, is also best learned through emotion: if I smile, Mommy smiles back. A sense that one thing causes another forms synapses that will eventually support more abstruse concepts of causality. Feelings, concepts and language begin to be linked in this way in the months from 7 through 12.

Another route to brain wiring seems to be tapping into its natural harmonies. In the last year, new studies have nailed down how music affects spatial-temporal reasoning—the ability to see a disassembled picture of, say, a rabbit and mentally piece it back together. Such reasoning underlies math, engineering and chess. In a study published in February in the journal Neurological Research, scientists report how spatial-temporal reasoning in 3- and 4-year-olds was affected by weekly piano lessons. After six months, the budding Horowitzes—all of whom scored at the national average on tests of spatial recognition—scored 34 percent *above* average on this reasoning skill. None of the other children (who had received computer keyboard and mouse lessons, singing lessons or nothing at all) had improved. What explains the effect? Physicist Gordon Shaw of the University of California, Irvine, suspects that in playing the piano, "you are seeing how patterns work in space and time." When sequential finger and key patterns make melodies, neural circuits that connect positions (keys) to sounds in space and time (the melody) are strengthened. "Music training produces long-term modifications in neural circuitry," says Shaw. What scientists do not know is whether the effects of early music training endure—whether the preschoolers will be math wizards in high school.

The downside of the brain's great plasticity is that it is acutely vulnerable to trauma. "Experience may alter the behavior of an adult," says Dr. Bruce Perry of Baylor College of Medicine, but it "literally provides the organizing framework" for the brain of a child. If the brain's organization reflects its experience, and the experience of the traumatized child is fear and stress, then the neurochemical responses to fear and stress become the most powerful architects of the brain. "If you have experiences that are overwhelming, and have them again

and again, it changes the structure of the brain," says Dr. Linda Mayes of the Yale Child Study Center. Here's how:

■ Trauma elevates stress hormones, such as cortisol, that wash over the tender brain like acid. As a result, regions in the cortex and in the limbic system (responsible for emotions, including attachment) are 20 to 30 percent smaller in abused children than in normal kids, finds Perry; these regions also have fewer synapses.

■ In adults who were abused as children, the memory-making hippocampus is smaller than in nonabused adults. This effect, too, is believed to be the result of the toxic effects of cortisol.

■ High cortisol levels during the vulnerable years of zero to 3 increase activity in the brain structure involved in vigilance and arousal. (It's called the locus ceruleus.) As a result the brain is wired to be on hair-trigger alert, explains Perry: regions that were activated by the original trauma are immediately reactivated whenever the child dreams of, thinks about or is reminded of the trauma (as by the mere presence of the abusive person). The slightest stress, the most inchoate fear, unleashes a new surge of stress hormones. This causes hyperactivity, anxiety and impulsive behavior. "The kids with the higher cortisol levels score lowest on inhibitory control," says neuroscientist Megan Gunnar of the University of Minnesota. "Kids from high-stress environments [have] problems in attention regulation and self-control."

Trauma also scrambles neurotransmitter signals, ratcheting up some and depressing others. Since neurotransmitters play key roles in telling growing neurons where to go and what to connect to, children exposed to chronic and unpredictable stress—a mother's boyfriend who lashes out in fury, an alcoholic uncle who is kind one day and abusive the next—will suffer deficits in their ability to learn. "Some percentage of capacity is lost," says Perry. "A piece of the child is lost forever."

That is tragedy enough, of course, but it is made even greater by the loss of what could have been. Babies are born into this world with their brain primed to learn. But they cannot do it alone.

With ANDREW MURR *in Los Angeles*

Rooting for Intelligence

Breast-feeding is good for health and bonding. And mother's milk may have another payoff: boosting a child's IQ scores.

BY DANIEL GLICK

BREAST MILK MAY be Mother Nature's ultimate food. It's potent enough to keep babies alive for the first 16 weeks of life. It contains antibodies to ward off illness; breast-fed babies suffer fewer ear infections, respiratory infections, rashes and allergies than bottle-fed babies. For mothers, nursing lowers the chance of getting breast cancer later in life, accelerates weight loss after pregnancy and may act as a natural (though imperfect) contraceptive.

But can breast-feeding also make a baby smarter?

The answer is still uncertain. But a series of studies shows everything from "small but still detectable" increases in cognitive development to an eight-point IQ difference between breast- and bottle-fed babies. Various measurements, including standard infant testing and even report cards from grade-school children, all give a statistically significant nod to babies who nursed. In one widely publicized 1992 study by Alan Lucas of the Dunn Nutrition Unit in Cambridge, Mass., preterm infants who were tube-fed breast milk scored much higher on developmental tests than babies who were tube-fed formula. "It's hard to come out and say, 'Your baby is going to be stupider or sicker if you don't breast-feed'," says Dr. Lawrence Gartner, chair of the American Academy of Pediatrics' working group on breast-feeding. "But that's what the literature says." (The academy recommends that infants be fed breast milk for the first 6 to 12 months of life, with appropriate solid foods added between the ages of 4 and 6 months.)

HOWARD SCHATZ

Nature has its own formula for success

No one can explain exactly why breast milk may be such good brain food. The precise mix of enzymes, long-chain fatty acids and proteins that make up breast milk is so complex that no human engineer could ever duplicate it. And each ingredient has a purpose. Specific fatty acids found in breast milk have been shown to be critical for neurological development. Certain amino acids are a central component for the development of the retina, which could account for breast-fed babies' increased visual acuity—another way of measuring advanced brain development.

Critics say that trying to quantify the developmental advantages of breast-feeding is an epidemiologist's nightmare. Confounding factors include race, age, socioeconomic status and parental intelligence. But even formula makers acknowledge that their product will always be a pale imitation. Cow's-milk-based formula, even fortified with iron or fatty acids, simply can't match the complexity of nature's own. "Breast milk gives you things we don't even know about," says Dr. William Goldman, medical director of Wyeth Nutritionals International. The U.S. Food and Drug Administration is currently assessing a fierce debate over adding to formula a polyunsaturated fat that has been shown in some studies to stimulate eye and brain development—and in others to stunt growth.

Food for thought: The controversy will likely get louder, as breast-feeding advocates seize on the latest studies to bolster their case. Some researchers, on the other hand, suggest that different factors, like a loving home environment, may ultimately prove to be more important than what a child is fed. In a 1996 commentary in the British journal Lancet, William and Mark Feldman of the Hospital for Sick Children in Toronto wrote: "The best evidence is that intelligent, loving and caring mothers are more likely to have intelligent children, irrespective of how they feed their babies." But wouldn't it be something if mother's milk turns out to be, ahem, the mother's milk of intelligence?

DR. ALVIN F. POUSSAINT & SUSAN LINN

FRAGILE: HANDLE WITH CARE

Shaken-baby syndrome can cause blindness, developmental delays and permanent brain damage

EACH YEAR, THOUSANDS OF YOUNG CHILdren suffer brain injury or die from being violently shaken. Children as old as 5 are vulnerable to shaken-baby syndrome (SBS), but infants between 2 and 4 months are especially at risk. Although inflicting SBS is a crime punishable by imprisonment, rates continue to rise. Since 1980 annual reported incidents of child abuse and neglect have risen threefold, to more than 3 million.

Children under 1 account for one third of reported physical-abuse cases, with head trauma the most frequent cause of disability or death. Clearly, the threat of criminal prosecution is not enough: any plan to prevent this kind of abuse must include public-education and intervention programs.

SBS, first described as a syndrome in 1974, can be lethal: approximately one shaken baby in four dies from the injuries. Those who survive may suffer blindness caused by bleeding around the brain and eyes, or disabling brain damage, including mental retardation, paralysis, seizure disorders, and speech and learning disabilities. SBS is especially tragic because it often stems from ignorance. According to a nationwide study by Dr. Jacy Showers of the SBS Prevention Plus Program, 37 percent of parents and other caregivers are unaware that shaking babies is dangerous. Many people who injure babies in this fashion are not chronic abusers but adults overwhelmed by the demands of child care.

RICHARD SCHULTZ—MATRIX

Nearly one in four shaken babies dies from injuries, say Linn and Poussaint

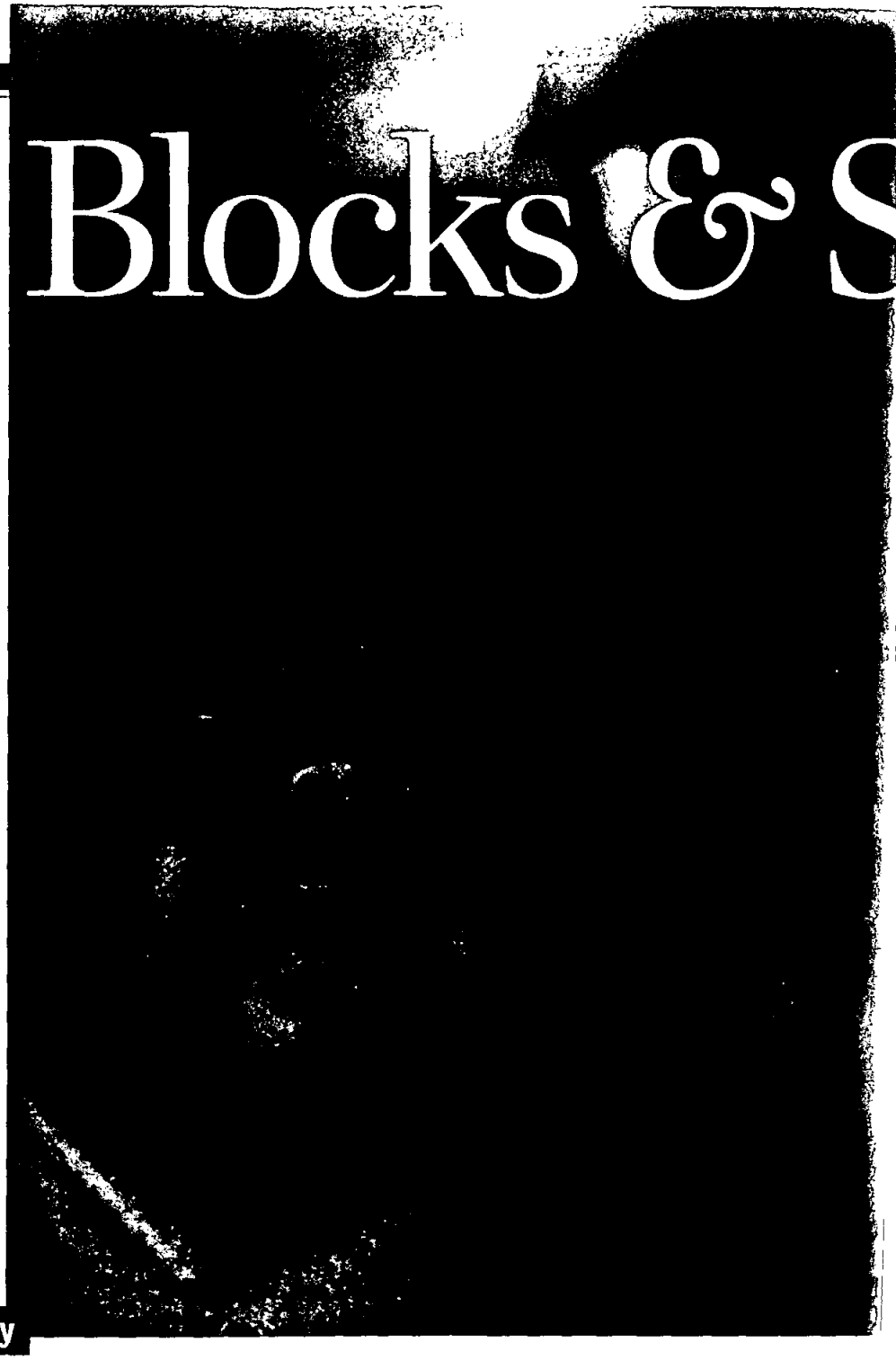
It is no easy task to care for an infant. Newborns cry an average of one to four hours a day. Not surprisingly, the vast majority of SBS incidents occur when an infant is crying: people who violently shake babies cannot tolerate their inability to control the infant's cries, and may even believe that the baby is purposely crying to be annoying or to get attention. Others interpret sustained crying as a sign that the baby is "spoiled," and think that he needs to be physically disciplined. A vicious cycle begins when a caregiver becomes ever more exasperated and angry and shakes the baby in a misguided effort to stop the crying. Anyone can experience transient anger toward a crying baby. But if the impulse to shake or hit is strong and recurrent, call an agency such as CHILDHELP (800-4-ACHILD) or the National Child Abuse Hotline (800-422-4453).

Helping parents and caregivers better understand infant behavior and manage their frustrations could significantly reduce the occurrence of SBS and other abuse. Since a major precursor to SBS is loss of control, caregivers who believe they are "losing it" should avoid touching the child. Instead, after making sure the baby is safe, step back or leave the room briefly to cool down. Consider possible causes for the crying. Is she ill, hungry, soiled, teething, injured or frightened? Try proven soothing techniques, such as patting, holding, talking or singing. Parents who know which calming techniques work for their baby should share the information with others caring for the infant. When a baby's crying sounds unusual or seems excessive, contact the pediatrician.

Of those charged with shaken-baby abuse, 60 percent are either the baby's father or the mother's boyfriend and are mostly young, in their 20s. Clearly, prevention efforts must reach out to men—through prenatal classes, clinics and schools and with information provided in workplace and recreational sites. Home visiting programs by social agencies show an impressive success rate for families at risk for child abuse and neglect. Hawaii's Healthy Start program has reduced abuse to 1 percent in high-risk families, compared with 20 percent in such families nationwide. Shaken Baby Syndrome Prevention Plus (800-858-5222) can provide information about starting local prevention programs. The small start-up cost pales beside the cost of a single case of SBS: up to $1 million in medical care, special-education programs and other public services over the first few years of a child's life. Protecting our most helpless children is the least we can do for them.

POUSSAINT *is director of the media center of the Judge Baker Children's Center and clinical professor of psychiatry at Harvard.* LINN *is associate director of the center.*

Pots, Blocks & S



BY DEBRA ROSENBERG AND LARRY REIBSTEIN

THE BABY IS DUE SOON, SO you're out buying the normal stuff—diapers, receiving blankets, towels, powder, creams. Think you're done? Only if you're immune from guilt. Nowadays you'd be hard pressed to call yourself a conscientious parent unless you've also laid on black-and-white toys, flashcards, "scientifically designed" playthings and at least a dozen Mozart CDs—thereby supposedly guaranteeing a life full of ivy-covered diplomas and other accouterments of success.

Does any of this really make a difference? Can you stimulate your child into becoming another Einstein? Not likely. All of this obsessive parenting is based on the notion that a baby properly stimulated will develop faster, learn languages or music better and all in all be a smarter kid. The key phrase here is "properly stimulated," which is not the same as expensively stimulated or the worse fate, overstimulated.

Most experts advise parents to calm down. Sure, a baby requires certain stimulation to learn basic tasks, whether to speak or to use motor skills to build Lego bridges. But short of being raised in isolation, a baby will encounter enough stimulation in most households to do the trick—anything from banging pots and pans together to speaking to a sibling. There's no evidence that specific kinds of toys or environments will somehow speed up skills or groom a child for the Olympics. "You could stimulate until the

A Century of Bringing Up Baby

PARENTING, EVEN WITH THE BEST ADVICE, has never been easy. The child-raising experts of one generation are often denounced by the children of the next. Here's a look at how much has changed since the beginning of the century.

1920s: Education pioneer Maria Montessori lets a child's own interests set the pace at her new schools; Swiss psychologist Jean Piaget rethinks how children learn.

1930s: The Depression forces kids to grow up fast. Behaviorist John Watson says stoicism builds character; never hug or kiss the child.

1940s: The war ends and a baby boom begins. Dr. Benjamin Spock's best-selling book on child raising advises a new generation of parents to replace schedules and scoldings with humor and hugs.

1950s: Nuclear families colonize the suburbs. Parents seek cues from science and monitor Johnny's progress

NINA BERMAN—SIPA (TOP). LEFT TO RIGHT: FPG (2), PHOTO RESEARCHERS, ROBERT CRUMP—GLOBE PHOTOS, EVERETT COLLECTION, JODI BUREN

ocks

When experts in child development talk about 'stimulation,' they're not suggesting flashcards. Instead, most of them recommend reaching inside your cupboard for educational toys.

cow comes home and it's not going to make any difference," says David Henry Feldman, a developmental psychologist at Tufts University. "Evolution has made sure that the baby's brain is going to develop certain neural pathways."

Researchers also caution parents against expecting that they can make their kids smarter. "The fact is, it's very, very hard to raise anybody's IQ," says Edward Zigler, a Yale psychologist and a founder of Head Start. And even if a child learns to read early, there's no evidence that that accomplishment translates into higher grades, intelligence or later success, according to John Bruer, president of the James S. McDonnell Foundation, which studies cognitive science. Besides, he says, trying to determine a child's right age, or "critical period," to learn a skill is futile—no one agrees on when or even whether such windows occur in the brain.

If any stimulation is effective, it's plain old talking. Language development results from a child's talking to a mother or other caretaker—not from flashcards, says Zigler. Mothers worldwide naturally pick up a way of speaking that Zigler calls "motherese." They pause between words so that babies can concentrate on language sounds. Their voices rise in pitch and their cadence fluctuates almost melodically. There's nothing fancy about this.

To be fair, there are some experts who say kids can be specially stimulated into success. One of the more controversial is Glenn Doman, head of the Institutes for the Achievement of Human Potential, also known as the Better Baby Institute, near Philadelphia. His theory—strongly disputed by most experts—is that babies can learn anything and it's easiest to start at birth. "Every child has the potential to be the next Leonardo," he says. His technique, embodied in the book "How to Teach Your Baby to Read," first published in 1963, exposes babies to flashcards of words and phrases. Doman concedes he's gained little scientific recognition but says he has 20,000 supporting anecdotes. One of them is from Jo Ann Loeliger, a 43-year-old Philadelphian who began teaching her three children to read at the ages of 3 years, 9 months and at birth. She says her older kids were reading difficult books early, and her youngest could read single-word flashcards at 9 months. The older kids also started learning violin at the ages of 4 and 3. "It comes so easily to them," says Loeliger.

Some researchers also think that particular toys are more effective than others in stimulating children. Dr. Richard Chase, founder of Child Development Corp., says his company's age-appropriate toys, like the Rattle Cat, which contains high-contrast colors with a simple face for babies, can heighten kids' development. "We can make most children smarter and more interesting than we make them now," says Chase, an adjunct professor of psychiatry at Johns Hopkins University.

22% of all parents of children 2 to 3 years old say their kids went to a show, a library or a story reading three or more times during one week

But most experts say that more important than a particular toy is that parents be attuned to the kind of stimulation that interests their child. Sue Cima, who lives in Orlando, Fla., found that when her daughter Niki was 3 months, she was fascinated by black-and-white cardboard flashcards. "She just loved them. She was mesmerized," Cima recalls. Pots and pans? Niki hardly looked. Beth Crim, a librarian in Manassas, Va., noticed that as a newborn her son David seemed intrigued by patterns of light. She would place him on his back where he could watch the sunlight making shadows through the trees. "That's about as low-tech as you can get," says Crim. So one kid will grow up to be a great blackjack dealer in Las Vegas and the other the next Claude Monet. But which one? ■

A 6-month-old getting her daily dose of stimulation. Is more really necessary?

inst the development arts of Arnold Gesell, nder of Yale's Child velopment Clinic.

1960s: The anti-establishment generation attempts to revolutionize nearly everything, including family relations.

1970s: Divorce divides a record number of families and the women's movement questions traditional parenting roles for both men and women.

1980s: More moms enter the work force than ever before, pushing some companies to provide day care. Feminists like Carol Gilligan ask why researchers largely ignore girls' development.

1990s: Researchers examining cognitive development tap new technologies to see the exciting world inside a child's brain.

Teaching nursery school is not about formal lessons. It's about listening and guiding, helping little children to make sense of the big world they're entering.

The New Preschool

KATHERINE LAMBERT

BY LYNNELL HANCOCK AND PAT WINGERT

LISTEN TO THE SNAP, crackle, pop of baby neurons. Teacher Martha Rodriguez crouches near the 2-year-old sand diggers at Manhattan's Bank Street Family Center, gently negotiating the rights to a suddenly special yellow rake. As Rodriguez bargains, the toddlers spin new connections to the brain area that controls "gimme now" impulses, connections that could very well later be used to ratchet up their SAT scores or their job-interviewing skills. Head teacher Lisa Farrell explains that the doll in Cammy's hot grip is really Caroline's from home, hence her classmate's avalanche of tears. Cammy's brain is wiring up to read other people's feelings, a skill she'll need to navigate through future relationships. A third teacher leads the diaper-dependent kids, one by one, to the changing table, exchanging coo for coo, babble for babble. Each child's neural circuits are carving highways in the brain where future vocabulary words will later travel with ease.

In the "superbaby" '80s, the preschool debate centered on how soon was too soon for children to be coached in the ABCs or one-two-threes. Now the discussion has become more about nurturing neurons, less about drilling for facts. Brain research underscores what educators have long argued: early social and emotional experiences are the seeds of human intelligence. Time spent flipping flashcards—at the age of 1 or 3—is precious time wasted. Instead, teachers need to tune in to each child's daily experiences and needs, helping them feel safe and loved while encouraging them to explore and experiment. "Children are born hard-wired," says Sue Bredekamp of the National Association for the Education of Young Children. "Experience provides the software."

Is this nation's haphazard collection of nurseries and day-care centers—which accommodate nearly half the 15 million infants and toddlers whose parents are working—up to such a task? According to a 1995 national study conducted by the University of Colorado Economics Department, the answer is clearly no. Many programs are unlicensed. Most are staffed with untrained, poorly paid adults. Ninety-one percent don't have basic toys, books, hygiene or enough adults to respond to each child. A full 40 percent are downright hazardous, both to a child's health and safety as well as to her social and intellectual development.

33% of all parents say that they plan to start sending their child to school by the age of 3; an additional 30% say their child will start by age 4

The formula for preschool success mirrors a child's upbringing in a good home. Whether in pricey private preschools or Head Start-like programs, American educators agree on the simple elements that add up to quality: one trained, well-paid teacher assigned to every three to four infants or half-dozen toddlers; safe, stimulating surroundings and strong ties between staff and families, so children know there is loving continuity in their lives. This is neuroscience, not rocket science. The well-regarded Bank Street Family Center, for children 6 months to 4 years, has been perfecting this family-friendly formula for nearly three decades. There is no Mozart training, no foreign-language tapes, no work sheets to ponder. Instead, its unassuming rooms are filled with big, lumpy armchairs for reading, a kitchen for cooking, tables for drawing, blocks for building forts, stairs for building muscles. Children (about 12 per class) are free to visit other classrooms, as they would go from bedroom to den at home.

Education at this age is not about imparting facts and imposing strict schedules. It's about listening, guiding, helping individual children to make sense of the real world. The "curriculum" is learning to say goodbye to Mom, forming relationships to others, feeling competent exploring their world. With these emotional skills rein-

At the Model Early Learning Center in Washington, kids size up the shapes of things to come

dren under 3 only has 22,000 slots for 2.9 million eligible children. With federal welfare reform pushing more mothers of young children into the work force, demand is expected to reach record levels. More parents will have to patch together a makeshift sitter system. "There is too much freelancing with these kids already," says Ron Lally, director of the Center for Child and Family Studies in San Francisco.

Although some child-development experts believe the best solution would be for more parents to stay home with young kids, that clearly isn't a reality for many families, especially since many women bring home half the family income. Unlike families in Germany or Sweden, American parents do not receive government subsidies to replace one parent's paycheck. Instead, we rely on the kindness of strangers. "We require licenses for beauticians and caterers," says Sharon Lynn Kagan, author of "Reinventing Early Care and Education." "It's ludicrous that we don't require licenses for child-care workers."

Licenses will not rescue Washington, D.C.'s Model Early Learning Center, home away from home to 20 children and their pudgy cat, Coco. The richly outfitted preschool, modeled after the pioneering Reggio Emilia nurseries in northern Italy, has served some of the capital's poorest children for the past four years. But last year local public funding shriveled, and the school may close in June.

Still, the Model Center children go about their projects, oblivious to the school's fate. A small group recently hatched a plan for a "flying machine" for the peripatetic Coco. The cat's contraption would have a magic button to convert it into a submarine, and wings made of dried leaves and feathers. Whether or not this ambitious plan is ever completed, it already has produced enough brainstorming to electrify the minds of its young designers. These tots are wired for ideas, the ultimate head start. ■

forced, says director Margot Hammond, reading, writing and physics will come more easily when kids are ready. And, since children's brains are so malleable at this age, supportive care can even repair neurological damage created by depressed, distracted or abusive parents. Heavy doses of love, attention and proper signaling between caregiver and toddler forge new connections.

Parents are known to scramble for a spot on Bank Street's lengthy waiting list while their children are still in utero. They start saving then, too: tuition is $16,000 a year for an all-day program. The vast majority of families can't afford such sticker prices. The new Early Head Start for chil-

Who's Watching the Kids?

Parents rely on relatives or paid sitters to help mind even their smallest children. With 1-year-olds, 50 percent of families use some nonparental arrangement. By the time they are 5, just 16 percent of children are watched only by their parents.

PERCENTAGE OF CHILDREN IN EACH AGE GROUP*

	less than 1	1 year old	2 years old	3 years old	4 years old	5 years old
Children in relative care	24%	24%	19%	21%	18%	15%
Children in non-relative care	17%	19%	20%	19%	15%	17%
In center-based program	7%	11%	19%	41%	65%	75%

*COLUMNS DO NOT ADD UP TO 100 BECAUSE SOME CHILDREN PARTICIPATED IN MORE THAN ONE TYPE OF DAY CARE. SOURCES: U.S. DEPARTMENT OF EDUCATION, NATIONAL CENTER FOR EDUCATION STATISTICS

Cultivating the Mind

Children come preprogrammed to learn. How can parents help? Be patient, keep talking and soon you will hear those magic words: Dada, can I borrow the car?

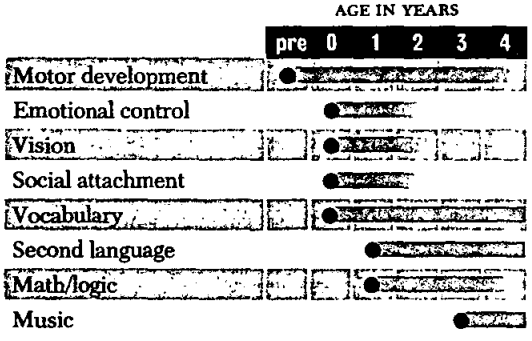
The Baby's Brain ...

When a baby is born, primitive structures in the brain—those controlling respiration, reflexes and heartbeat—are already wired. But in higher regions of the cortex, neural circuits are rudimentary at best; the vast majority of the 1,000 trillion connections (synapses) that the newborn's billions of neurons will eventually make are therefore determined by early experience.

Connections that are reinforced by a baby's exposure to language, images, sounds, facial expressions and even lessons in cause and effect (Baby smiles, Mommy smiles back) become permanent. Tentative connections that are not reinforced by early experience are eliminated. To maintain such a large number of connections requires so much metabolic energy that a child's brain consumes twice the energy of an adult's. And because no two babies have the same experiences, no two brains are wired the same.

The Windows of Opportunity

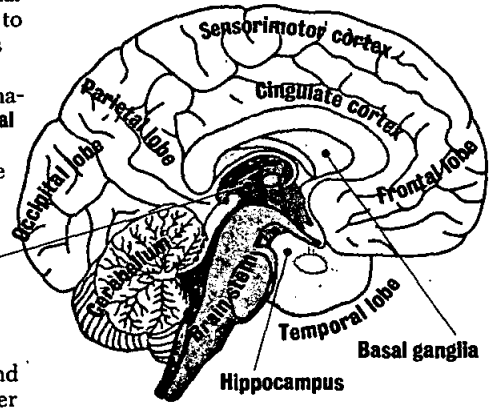
Circuits in different regions of the brain mature at different times. As a result, different circuits are most sensitive to life's experiences at different ages. What a child is best able to learn when:



... Is Greater Than the Sum of Its Parts

Divided into four lobes, the **cerebrum** represents 70 percent of the central nervous system. A person's ability to remember, feel and think depends on this region.

Active from the second or third month, the **parietal lobe** allows child to recognize objects and have better eye-hand coordination. The **temporal lobe** assists with hearing, language and smell.



Along with the **sensorimotor cortex,** the **thalamus** regulates a newborn's basic movement and is already wired at birth. The **cingulate cortex, hippocampus** and **basal ganglia** are also just about fully formed and control basic functions.

The **cerebellum** controls a newborn's balance and muscle tone. Later this large region of the brain coordinates motor, sensory and other functions.

The **brain stem** controls the necessary functions of the body, such as breathing, circulation, heartbeat and reflexes. It is one of four regions of the brain already completely wired at birth.

The **frontal lobe** develops gradually at the end of the first year. It coincides with the arrival of higher cognitive abilities such as reasoning and speech.

0–2 months old

1 month old
Language Small throaty sounds may turn into cooing by end of first month. Responds to voices.
Memory Some babies may start to expect feedings at regular intervals.
Tips Use simple, lively phrases and address baby by name.

2 months old
Awareness Begins to make simple associations—if he cries, he gets picked up. Awareness of outside stimuli increases.
Language Communicates mainly by crying. Grunting noises sound more vowel-like, such as "ooh-ooh" and "ahh-ahh."

3–8 months old

3 months old
Awareness May respond to mirror image by smiling. Stops sucking to listen to parent's voice.
Language Whimpers, squeals, chuckles, gurgles at back of throat. Stimulated to make sounds by hearing others talk.

4 months old
Awareness May sense strange places or people.
Language May babble routinely to himself or to others. May raise voice as if asking a question.
Memory Distinguishes who's who in his life. May recognize mother in a group of people.
Tips Engage child in face-to-face talk. Mimic his sounds to show interest.

5 months old
Awareness May drop object just to watch parent pick it up. Looks at where object falls from and where it lands on the floor.
Language Watches mouths intently and tries to imitate inflections. May start to utter consonant sounds like "m" and "b."
Memory May anticipate a whole object after seeing only part of it.

6 months old
Awareness May perceive cause and effect: wave the rattle and it makes a noise.
Language Learns to make new sounds by changing shape of mouth.
Tips Try to phase out baby talk and use more adult language around child.

7 months old
Awareness May sort toys like blocks by size.
Language May make several sounds in one breath. Recognizes different tones and inflections.
Memory Improves memory by playing hiding games and by observing the comings and goings of others. Remembers that a jack-in-the-box pops up at the end of a song.

8 months old
Language Starts to imitate a broader range of sounds. Responds to familiar noises by turning head and torso.
Tips Remembers how to respond to specific phrases: raises his arms when he hears "so big."

One Word at a Time

Babies understand more than they can say at first, so don't be discouraged if your child's first words take time. Speak to your child constantly. During the second year, a toddler discovers that everything has a name, and vocabulary explodes:

Age	Average number of words
12 months	3
18 months	22
2 years	272
3 years	896

Age	Sounds mastered
4–7 months	First language-like sounds: "eee-eee," "ooo-ooo"
7–9 months	First well-formed syllables: "ma-ma," "da-da"
9–12 months	Melodic babbling
Around 12 months	First words
18–20 months	First word combinations
Around 2 years	First sentences

9–16 months old

9 months old
Language May respond to his name and other words, like "no." Listens intently to conversations. May say "ma-ma" and "da-da." Likes to imitate coughs.
Memory Notices when someone leaves room and anticipates their return.

10 months old
Awareness May be able to determine heights and edges of objects.
Language Adds gestures to words: waves when saying "bye-bye" or shakes his head while saying "no."

11 months old
Language Imitates word sounds as well as actions. Learns the meaning of words by hearing them used in different situations.
Tips Games like peekaboo and pat-a-cake stimulate baby's memory skills.

12 months old
Language May babble short sentences that only he understands. Shows more control over intonation and inflection. May say two to eight words like "bow-wow" or "hi."

13 months old
Awareness By imitating adult actions, she learns that objects have functions. Uses toy telephone like a real phone.
Language May not say full words yet but gestures to complete idea. Says "ba" and points to ball.

14 months old
Awareness Understands that she can make things happen by her actions.
Language Enjoys rhymes and jingles. Expresses needs mainly through gestures: brings books to parent to read.

15 months old
Language May follow simple commands like "come here." Points to familiar objects when requested. Recognizes names of major body parts.
Tips Develop associations by giving word labels to everyday objects and activities.

16 months old
Language May say six or seven words clearly. Enjoys word games and singing songs like "Pop Goes the Weasel."

Stimulating Solutions

Holding a child's interest for more than two minutes can be a challenge, but there's no need to dash to the toy store for a cure. Some of the best learning tools are right in your house:

Socks: Teach colors by sorting socks with child.
Fabrics/materials: Stimulate baby's touch with materials like fur, tissue, felt and sandpaper.
Old magazines: Test memory by asking baby to point out familiar objects like animals and food.
Stairs: Practice counting when climbing with child.

17–24 months old

17 months old
Language May start to use words to express needs: says "up" to be held. Enjoys pointing at pictures in books. May understand more words than can say.
Tips Speak slowly and give child time to respond.

18 months old
Awareness May grasp the idea of "now."
Language Vocabulary explodes. Child starts learning as many as 12 words a day. "No" is chief word. Points to own body parts or to pieces of clothing when asked. May refer to self by name.
Tips Asking child simple questions stimulates decision-making process.

19 months old
Awareness May be aware of cause and effect but not of potential dangers. Realizes doors open and shut, but may not know to keep hands from getting caught.
Language Focuses on words and objects that are central to her life.

20 months old
Language Near end of second year, she learns that everything has a name and constantly asks, "What's that?" May combine two words like "all gone."
Memory May be able to recall a familiar object or person without seeing or touching it.
Tips Do not pressure a child to speak. Acknowledge her body language but let child hear the words that complement the gesture.

21 months old
Awareness Improving memory skills may allow child to make right associations. Matches shoes with the correct family member.
Tips Explain safety in simple terms. Feeling the heat from a stove teaches the meaning and danger of "hot" objects.

22 months old
Awareness Recognizes when a picture book is upside down. Learns to turn pages one at a time.
Language Enjoys listening to simple stories. May take the lead in conversations and use words to express feelings or ideas.

23 months old
Language May use words to express frustration or anger. At times, still relies on facial expressions or an occasional scream to communicate feelings.
Memory May follow simple directions, but attention span is fleeting.
Tips Have genuine two-way conversations with child. Try not to respond with "uh-huh." A child will recognize when you are not listening.

24 months old
Language By end of second year, some children may have a vocabulary of more than 200 words. Mimics adult inflections and actions.
Memory May grasp meaning of "soon" and "after dinner..." but has limited knowledge of days and time.

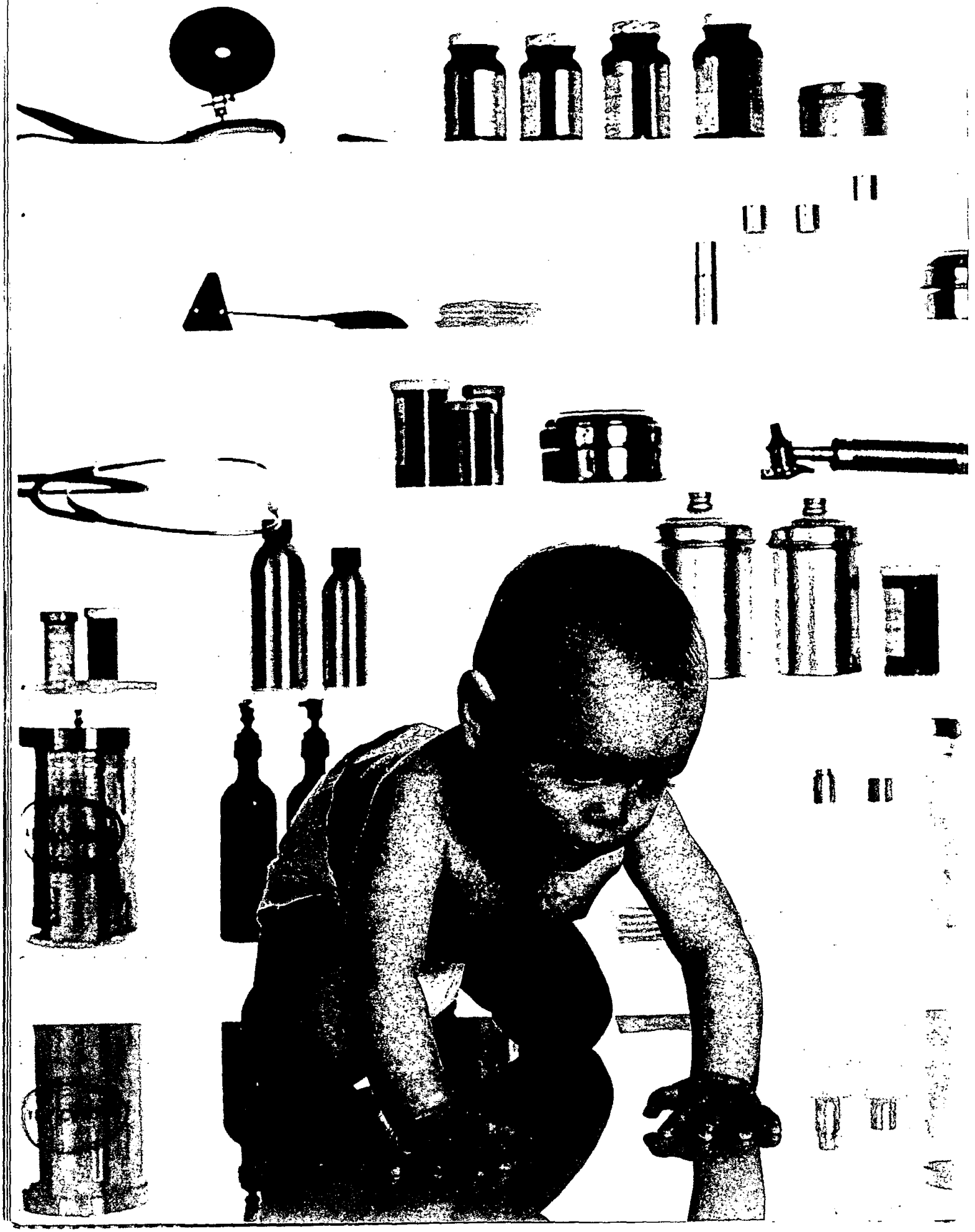
2–3 years old

25 - 29 months old
Awareness Starts to solve problems in his head. May understand number concepts like ordination (one dog, two dogs) and the process of classification (a cat is an animal).
Language Vocabulary grows rapidly and child starts combining nouns with verbs to form three- to four-word sentences. Begins to use pronouns, such as "I" and "me," and other parts of speech. May begin to ask "why" questions. Pays attention to what others say, whether to him or to someone else.
Tips To keep his attention, choose books that encourage touching and pointing to objects.

30 - 36 months old
Awareness Understands relationship between objects. May sort out toys by shapes and colors. By the age of 3, has very one-sided reasoning and still cannot see an issue from two angles.
Language May grasp two- or three-part command. Can follow story line and remembers many ideas presented in books. May correctly name colors.
Memory Becomes more focused on activities like reading and drawing. May tell people his age but has no sense of the length of a year.
Tips Do not expect child to use perfect diction. If he stutters, set an example by talking calmly and correctly. Slow down speech and try not to draw attention to his difficulties. Help child use words to describe emotions.

By Jennifer Lach

SOURCES: "THE EARLY CHILDHOOD YEARS: THE 2 TO 6 YEAR OLD," "THE SECOND TWELVE MONTHS OF LIFE" AND "THE FIRST TWELVE MONTHS OF LIFE" BY THERESA AND FRANK CAPLAN; "CARING FOR YOUR BABY AND YOUNG CHILD" BY STEVEN P. SHELOV, M.D.; "YOUR BABY & CHILD" BY PENELOPE LEACH; "THE BABY BOOK" BY WILLIAM SEARS, M.D., AND MARTHA SEARS, R.N.; PARENTS AS TEACHERS NATIONAL CENTER, INC.; HARRY T. CHUGANI, M.D., WAYNE STATE UNIVERSITY'S CHILDREN'S HOSPITAL; DORLING KINDERSLEY'S "ULTIMATE VISUAL DICTIONARY"



Few areas of medicine have changed as dramatically as pediatrics. Just a couple of generations ago, parents of young children worried about polio, measles, rubella and whooping cough. Today's concerns are different: asthma, antibiotics and new vaccines.

You've Come a Long Way, Baby

By Russell Watson and Brad Stone

VICKI AND ARTHUR WOHLFEILER OF BEACHwood, Ohio, had two children, the younger one 11, when their daughter Carly was born in the spring of 1994. Carly turns 3 this June, and already she has given the Wohlfeilers a broader perspective on child rearing; they have now done it in the 1970s, '80s and '90s. A lot has changed. There are new medicines—the Wohlfeilers are particularly grateful for over-the-counter ibuprofen—and toys are generally safer. It's much easier now to raise a healthy baby, they say. Some changes have made the job more difficult; health insurance, for one, is maddeningly more complicated. "It's a trade-off," says Vicki, 46. "But it's generally easier, especially since, this time, we know what to expect."

Everyone goes into child rearing with a medicine chest full of folk wisdom: Feed a cold, starve a fever. Don't give your baby a bath when she has a cold. Teething can cause a high fever; aspirin is a

JIM COOPER—AKA REPS

The ideal pediatric practice is a medical ho

JOHN GRIFFIN—MEDICHROME

good way to bring it down. Today pediatricians would quarrel with those bromides—and even with some of the advice they themselves may have dispensed a decade ago, for few areas of medicine have changed as drastically as pediatrics. Here is a look at some of the new thinking that affects the health of every child.

The immunization push: The most important thing parents can do is make sure their children are properly vaccinated. But getting the right shots, in the right sequence, at the right time isn't always easy, because the immunization cookbook keeps changing. Currently, the American Academy of Pediatrics (AAP) recommends that, in the first 18 months of life, children receive 10 vaccines, some in multiple doses, some in combination with others. Many are familiar: measles, mumps, rubella, polio, diphtheria, tetanus and hepatitis. Among the newer vaccines is *Haemophilus influenzae* b, known as "Hib," which immunizes against bacteria that can cause several dangerous ailments, including meningitis; it was approved for infants under 1 year of age only in 1990. And just last year, the Food and Drug Administration approved a new toxoid against pertussis (whooping cough) that has fewer side effects than the previous one.

51% of all parents worry that their child will have a serious accident or illness; 35% worry about finding good health care for their kids

One of the more controversial immunizations is the two-year-old vaccine for chickenpox. Some parents argue that because the disease is a normal and relatively harmless affliction of childhood, their kids should be spared this particular needle. But the AAP recommends the vaccine for all children between 12 and 18 months who have not already had chickenpox. The disease is more severe if it occurs after puberty, often turning into pneumonia. And at any age a poxy child is trouble for parents. "It's more of an economic issue," says Dr. Harry R. Lubell, a pediatrician in Sleepy Hollow, N.Y. "With two parents working, they're going to lose a week of work for each child who gets chickenpox."

Overall, American children are better protected by vaccines than ever. According to the federal Centers for Disease Control and Prevention (CDC), 75 percent of children between 19 and 35 months are up to date on their shots, compared with only 55 percent five years ago. And new vaccines are on the way. "I fully expect we'll have vaccines for all common ailments in 10 years' time," says Lubell.

The age of asthma: But for now, kids still get sick. The leading chronic illness among American children is asthma. It affects about 4.8 million youngsters under the age of 18, and the number of cases has risen nearly 80 percent in the last 15 years, calculates the American Lung Association. The reason isn't entirely clear. The cause may be envi-

The Top 10 Health Worries

Babies don't break, but some symptoms are cause for real alarm

YOU'VE JUST BEEN HANDED your seven-pound bundle of joy and your first reaction is: Help! How do I keep from breaking it? Take heart. Babies may not bounce, but neither do they get a fatal infection if they suck a dirty thumb. Here are the top 10 conditions that parents of 0-to-3s should look out for:

1. It isn't called **the common cold** for nothing. In their first two years, most children will have eight to 10 colds, complete with runny nose, sneezing, decreased appetite, cough and sore throat. Most toddler colds aren't serious. But in infants under 6 months, colds can develop into bronchiolitis (see worry No. 2), croup (a distinctive barky cough) or pneumonia. If the baby is irritable, feverish, coughing, breathing rapidly or uninterested in eating, her cold could be developing into something worse. Parents should call the pediatrician.

JOHN GRIFFIN—MEDICHROME

A little boy shows the telltale spots of itchy chickenpox

2. "All that wheezes is not asthma," says Dr. Joseph Zanga of the American Academy of Pediatrics. In infants, **wheezing,** accompanied by rapid breathing, is more often a symptom of bronchiolitis, a viral infection of the lungs' small breathing passages. Treatment includes saline drops in the nose and a nasal aspirator. Parents should keep the home free of cigarette smoke and use clean humidifiers (dry air aggravates nasal passages and sore throats). Severe cases, where babies turn blue around the lips and fingertips from lack of oxygen, may require hospitalization.

3. Two thirds of all children will have at least one **ear infection** ("acute otitis media") by their second birthday. Most pediatricians prescribe antibiotics; left untreated, infections can lead to scarring and hearing loss. But recently, questions have been raised about whether antibiotics fight ear infections any better than the body's natural immune system does (page 44).

4. High temperatures make kids miserable and parents nervous. But **fevers** are the body's natural defense against infection, so some pediatricians let them run their course. Others prescribe acetaminophen. (Aspirin is out because of its link to Reye's syndrome—a rare but serious illness that can damage the brain and liver.) Because newborns' immature immune systems make them more suscepti-

e' that offers parents round-the-clock help

Vaccines work wonders, but they don't stop ear infections

ronmental—air pollution, tobacco smoke, allergens in poorly ventilated homes, even cockroach droppings—or it may be that more kids are in day care, where they are exposed to other kids' germs.

Asthma restricts breathing by clogging the airways; an attack can be treated with inhalers that dilate the bronchial passages. Asthma cannot be prevented entirely, but its effects can be diminished in several ways. Cleaning up children's surroundings—rugs vacuumed, bedding laundered—and the air they breathe (no tobacco smoke) is an obvious step. As long as they manage the disease properly, parents don't have to treat asthmatic children like babies all their lives. "People should realize that asthma is common, and children don't have to live sedentary lives because of it," says Dr. Richard Evans of Children's Memorial Hospital in Chicago.

Fighting crib death: Sudden infant death syndrome (SIDS), the dreaded "crib death," kills about 3,000 babies a year, 95 percent in the first six months of life. The cause of SIDS isn't known. Some kids have a slightly higher risk than others. They include premature babies and those with breathing problems arising from the way their brains regulate respiration. Researchers also think some crib deaths may be caused by placing babies face down on blankets or other soft bedding.

Several methods have been suggested for reducing the risk of SIDS. The most promising is to lay babies on their sides or backs. The AAP began to recommend that five years ago, and between 1993 and 1995 the number of crib deaths dropped 30 percent. Researchers also recommend breast-feeding, which helps fight respiratory ailments and allergies. Parents also should keep their babies away from tobacco smoke, which can clog breathing passages.

Other precautions are more controversial. Electronic monitors can warn of changes in breathing and heart rate, but they also produce frequent false alarms. Some researchers suggest that mothers should sleep with their babies, arguing that the mother will be more alert to any crisis, while her presence alone may help to rouse a child who has stopped breathing. Other researchers oppose the practice, citing the danger of rolling over on the baby.

Heading off trouble: Doctors are more aware than ever of the need for preventive measures. That's partly because of the move to cost-conscious managed care. But in addition to saving money, prevention produces healthier babies. Parents still

le to unusual infections, their evers should be monitored losely: temperatures above 00.3 need immediate medical ttention. "We hop on it very uickly," says Dr. Alan Woolf of hildren's Hospital in Boston. n toddlers, fevers that reach 03 or linger for more than a ay or two also concern docs.

5. The most common cause of **vomiting** in young children is a stomach or ntestinal infection. But vomitng can also be a symptom of a ore serious illness like pneuonia, meningitis or appendicis. Danger signs include severe bdominal pain, repeated voming that lasts more than 24 ours and blood or bile. Most omiting will cease on its own, ut doctors recommend extra uids to prevent dehydration.

6. Symptoms of **dehydration** include a parched, dry mouth, less urination, irritability and listlessness. Children should be given small amounts of "rehydrating" liquids—electrolyte solutions that contain a balance of salt, sugar and minerals. Liquids should be administered slowly—first teaspoons, gradually tablespoons. Dehydration is dangerous because it can lead to kidney failure, shock and even death: severe cases may require hospitalization for intravenous rehydration.

7. **Diarrhea** generally goes away by itself within a few days. "Except for a somewhat sore bottom, the infant will be fine," says the AAP's Zanga. Sweet liquids like juices and Jell-O should be avoided: sugar aggravates diarrhea. Give small amounts of liquid to prevent dehydration.

8. Diaper **rash,** usually caused by wet diapers that stay on too long, is easy to identify because of where it appears. Impetigo, a **skin infection** characterized by pimply, crusty, itchy sores, is common in 2- and 3-year-olds. Rashes and skin irritations are seldom dangerous unless accompanied by other symptoms, especially a high fever. "That's a child I want to see immediately," says Woolf, because it can indicate a more serious bacterial infection.

NINA BERMAN—SIPA PRESS

A cold aggravates a 3-year-old's asthma

9. When a baby or toddler **falls** from a height much greater than a bed, watch for repeated vomiting, clumsiness or dizziness. Any could indicate a brain injury and require immediate medical attention.

10. Parents often worry that their child is growing too fast or too slow or taking too long to walk or talk. But many delays simply reflect a child's unique developmental schedule. "There isn't a single age that a child has to develop a particular trait," says Dr. Ron Kleinman of Massachusetts General Hospital. "There's a range for all of us."

CLAUDIA KALB *in Boston*

have a lot to learn. Though most know good hygiene is essential, few wash hands—their own or their children's—as often as they should. Many germs spread more readily by hand than through the air.

The best thing parents can do to ensure preventive care is to maintain a strong relationship with a pediatrician—which isn't easy in underserved poor areas or when health-insurance or managed-care arrangements mandate a change of doctors. The AAP calls the ideal pediatric practice a "medical home," a 24-hour-a-day service to which parents can comfortably turn, by telephone if not in person, whenever they need help. "The closer the relationship parents have with a pediatrician, the more potential there is for children to stay healthy," says the AAP's Dr. Thomas Tonniges.

Early diagnosis is one benefit. "If hearing loss is detected in a child between the ages of 4 and 6 months, the outcome is significantly improved," says Tonniges. "A dislocated hip can be identified in a newborn and treated conservatively with a sling. But wait until the child is walking, and he may need surgery." Without a primary physician, parents of sick kids all too often end up in hospital emergency rooms, where they generally encounter long waits, high costs—and a doctor who has never seen their child before. With all the recent advances in medical science and those still to come, today's toddlers have unequaled prospects for long-term health. But their parents have to know how to make the system work for them. ■

To Dose or Not to Dose?

New studies suggest that antibiotics may be no more effective than the body's immune system in battling ear infections

THE INTRODUCTION of antibiotics during World War II represented perhaps the greatest medical advance since the discovery that drinking water should not be taken from a dirty well. So what better to sic these miracle drugs on than middle-ear infections, that scourge of childhood? Otitis media accounts for more visits to pediatricians than any other illness (24.4 million in 1990, up almost 150 percent since 1975). Sure enough, the usual treatment for otitis media these days is a 10-day course of the antibiotic amoxicillin. Yet it remains such a confusing illness that doctors continue to argue about how to treat it, and even about whether antibiotics make any difference.

Otitis media may be a consequence of children's anatomy (diagram). Most of the time, the eustachian tube allows air to flow into the middle ear. In infants and toddlers the tube's geometry allows it to be blocked by, say, a cold. Bacteria in the nose can then ride a river of mucus upward to infect the middle ear. The outward symptoms of pain and fever mark this as acute otitis media (AOM).

In 1994 a group of researchers at George Washington University and the University of Minnesota looked into just how good antibiotics are at curing AOM. Using a statistical technique called meta-analysis, they combined the results of 33 earlier studies evaluating the efficacy of various antibiotics. It turned out that the drugs have only about a 14 percent advantage over the body's own immune system. In other words, for every child who needs antibiotics to clear the infection, six can recover without them.

How can this be? Cells lining the middle ear produce proteins called immunoglobulins that interfere with the bacteria's ability to infect; enzymes and killer cells destroy bacteria outright. "You're overtreating six patients to capture the seventh who's going to get in trouble," says Dr. Charles Bluestone, the director of pediatric otolaryngology at Children's Hospital in Pittsburgh. "The problem is, we don't know which is which."

So doctors treat them all. That avoids complications like meningitis, an infection of the lining of the brain, and mastoiditis, an infection of the bony space next to the middle ear. Both virtually vanished with the use of antimicrobials. Today all the common AOM bugs are becoming more and more resistant, but few doctors—and fewer parents—will leave a child's ear infection up to her immune system.

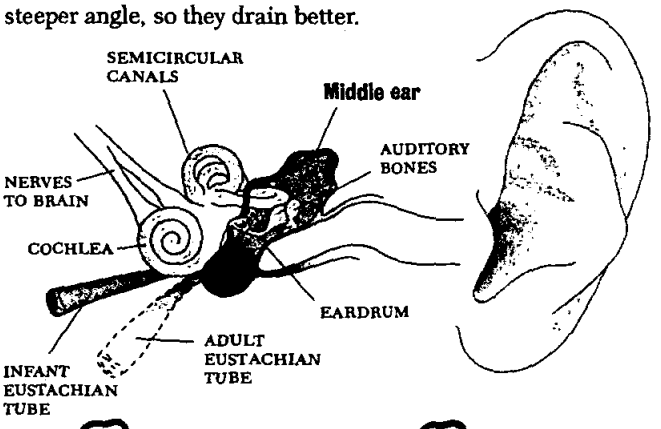
The confusion extends to otitis media with effusion (OME), a painless condition in which the eustachian tubes are blocked and the middle ear fills up with fluid. It almost inevitably follows AOM, and can result in mild hearing loss. In 90 percent of cases hearing is back to normal in three months or less—antibiotics neither help nor hinder. Whether that loss affects a child's language development is hotly debated, as are possible complications of surgery to implant drainage tubes.

At least OME has government guidelines for treatment, like waiting three months before surgery. No such guidance exists for AOM. "We're still at a point where the risks of not treating outweigh the risks of treating," says Jack Paradise, a pediatrician at the University of Pittsburgh. "That's a delicate balance that could change." Meanwhile, parents watch and wait.

ADAM ROGERS

Listening to the Middle Ear

The shape and position of their eustachian tubes make infants vulnerable to ear infections. Adult tubes are narrower and at a steeper angle, so they drain better.



Acute otitis media: The middle ear fills with gunk; it may get better on its own, but doctors generally prescribe the antibiotic amoxicillin.

Otitis media with effusion: Clear fluid fills the ear and can impair hearing. After three months, doctors may implant tubes to drain the blockage.

DIAGRAM BY CHRISTOPH BLUMRICH—NEWSWEEK

Giving Infants a Helping Hand

Of course kids need hugs. But physical contact may also help preemies gain weight faster and healthy babies digest food better.

BY SARAH VAN BOVEN

IN BETWEEN CRUSADES AND IDEOlogical battles with the pope, the Holy Roman Emperor Frederick II had time to conduct a little 13th-century-style child-development research. He removed a group of babies from their families and handed them over to nurses who attended only to their most basic needs—feeding but not holding them, bathing but not hugging them. Frederick wanted to learn what language the infants would speak if they never heard adults talk or sing a lullaby. He learned something else instead: the children all died. As one 13th-century historian explained, Frederick "laboured in vain ... For they could not live without the petting."

Fortunately, scientists now do more compassionate research. But their work with fragile neonates and classrooms full of romping preschoolers points toward much the same conclusion: touch is vitally important to the development of healthy, happy children. Whether bolstering the immune system or simply increasing communication between parents and children, an extra dose of cuddling and massage appears to have many positive effects.

At the University of Miami's Touch Research Institute, director Tiffany Field can rattle off study after study on the effects of touch. Premature babies given daily massage gain 47 percent more weight and are discharged from hospitals six days earlier—at a savings of $10,000 each in medical costs. Cocaine-addicted and HIV-infected newborns show lower levels of stress as well as better weight gain and motor skills with touch therapy. From colic to sleep disorders to hyperactivity, therapeutic touch seems beneficial. Says Field, "Most of us think touch only has psychological benefits, but it's actually an important stimulus to the central nervous system."

91% of all parents say that they hug and cuddle their young child every day; 88% say that they play with their child every day

This stimulus works in several ways. Biological psychologist Saul Schanberg of Duke University found that newborn rat pups failed to grow when taken away from their mothers. Without regular maternal licking, pups showed decreased levels of important growth hormones. But when a lab assistant imitated the tongue strokes with a wet paintbrush, hormone levels rose and the pups resumed growing. Similarly, studies have shown that touch therapy can also lead to weight gain in human babies. "The pressure stimulates a branch of a cranial nerve called the vegetative vagus," says Field. "It activates the gastrointestinal tract, releasing hormones like insulin." The higher insulin levels make food absorption more efficient—and babies can grow faster. According to Field, touch also decreases stress. Infants who receive massage show lower levels of the stress hormone cortisol in their urine—a hormone that kills important immune cells at high levels.

HOWARD SCHATZ

Feel the power: In case parents need another excuse to cuddle a baby, science shows it's therapeutic, too

Little 3-month-old Alexandra Reynolds doesn't know anything about cortisol levels. She just knows that she likes the strokes her mother, Tracy Reynolds, is practicing on her chubby arms and torso during an infant-massage class at New York City's 92nd Street Y. "At home I massage her after her bath, or when she's a little crabby, and she calms right down," says Reynolds as Alexandra coos and waves her fists, never taking her eyes off her mother. An estimated 10,000 parents learned baby massage last year, says Mindy Zlotnick of the International Association of Infant Massage. The association considers massage a way for parents to get to know their babies' nonverbal cues, and for both to relax together. "I'm glad brain research is documenting the power of touch," says Zlotnick. "But for parents who take my classes, the baby's reaction is all the proof they need."

While Alexandra and her mother easily grasp the power of touch, the medical establishment isn't always quite as enthusiastic. Many doctors who heartily endorse the idea of extra hugs and back rubs stop short of prescribing regular massage for the purpose of helping babies to grow or reducing their stress. After all, touch research is still a relatively new field. Cautions Dr. Neena Modi, a pediatrician at London's Hammersmith Hospital, "It is very correct for the medical establishment to be skeptical. We're only at the beginning stage of addressing basic research questions." Still, more and more neonatal ICUs like those at Presbyterian Hospital in Dallas and the University of New Mexico Hospital in Albuquerque are beginning to utilize touch therapy, and the popularity of parental infant massage continues to grow. And if it doesn't accomplish anything else, touch research certainly gives parents a good justification for extra hugs and kisses.

Schanberg still laughs when he recalls his elderly grandmother's reaction to his discovery of a link between touch and growth. "She said, 'You went to Yale to get a Ph.D. and to get an M.D., and that's what you've learned? To touch a baby is good?' I told her, 'Grandma, sometimes science is slow'." But after seven centuries, at least science is catching up with Frederick II. ■

'Your Baby Has a Problem'

Three out of 100 newborns suffer birth defects. But more and more of them can now hope to lead normal lives.

BY ROBINA RICCITIELLO AND JERRY ADLER

"THERE IS A PROBLEM," THE doctors say. But even before the words are out you've seen it in their eyes, sensed it in the way they peered at the baby as it struggled into life, bearing the mark of a moment when, in the twining dance of chromosomes that we call conception, something microscopic stuck or came undone. A problem. Two soft folds of tissue, groping toward one another in the darkness of the womb, failed to meet, somewhere in the three-dimensional complexities of the embryonic heart. Or the skein of nerves, spreading intricately from the bulb of the brain, left an unaccountable gap where no sensations flow, no muscles feel the impulse to move. And of all the things you might have wished for your child—wisdom or beauty or simple happiness—you are left forever after with one simple desire, a word that now embodies all your hope and longing: normal.

But these problems are a part of the human condition, exactly as prevalent now as they were when the United States began keeping detailed statistics in the 1960s, or for that matter in studies that go back to the 1890s: out of 100 babies, on average three are born with anomalies that will seriously affect their health. In one sense, this should be reassuring for expectant mothers who get nervous driving under electrical-power lines: while there is no doubt that drugs, radiation or industrial chemicals are capable of causing birth defects, these events are so rare as to be statistically negligible. (To the degree that birth defects are caused by environmental toxins, says Dr. Godfrey Oakley, head of the division of birth defects and developmental disabilities at the federal Centers for Disease Control, danger is more likely to be found in molds, vegetables or something else that has been with humanity for much longer than Alar or saccharin.) On the other hand, the great advances of the last 25 years in genetic science and embryology haven't done much to bring the rate of birth defects down, either. Surprisingly little research has been done on birth defects specifically, as distinct from human genetics; it was just last year that the CDC committed a modest $3 million to set up five centers to study the estimated 75 percent of birth defects whose causes remain a mystery.

NINA BERMAN—SIPA

Benjamin Ford Krifka (above and right), a Down syndrome child, attends preschool with normal kids

Some problems are very well understood and can be prevented, although the prevention in some cases takes the form of an abortion. Abolishing fetal alcohol syndrome, which afflicts one baby in 1,000 with developmental problems, is as easy, and as difficult, as getting pregnant women to control their drinking. Four hundred micrograms daily of folic acid, taken before and during pregnancy, cuts by two thirds the risk of having a baby with neural-tube defects such as spina bifida, a crippling failure of the spinal cord to close. Yet "the best evidence we have is that only one out of four women is actually following that advice," Oakley says. One problem: the vitamin must be taken in the very first weeks after conception; starting only after a preg-

NINA BERMAN—SIPA

When Things Go Wrong: Birth Defects

Birth defects can arise from inherited genetic abnormalities as is the case with sickle cell anemia, from viruses such as those responsible for rubella, from poor prenatal care—or from reasons so mysterious they can only be labeled fate:

Most common birth defects*	Occurrence
Congenital heart defects	1/110
Narrow stomach/intestine junction	1/250
Congenital hip dislocation	1/400
Sickle cell anemia	1/400†
Cerebral palsy	1/500
Cleft lip/cleft palate	1/730
Clubfoot	1/735
Down syndrome	1/900
Fetal alcohol syndrome	1/1,000
Hearing impairment	1/1,000

Other birth defects	Occurrence
Spina bifida	1/2,000
Cystic fibrosis	1/2,000**
Fragile X syndrome	1/2,000††
Congenital HIV infection	1/2,400
Missing/underdeveloped limbs	1/2,500
Duchenne muscular dystrophy	1/3,500***
Anencephaly	1/8,000†††
Congenital rubella syndrome	1/100,000

*LIVE BIRTHS, IN THE U.S. †BLACK BABIES. **WHITE BABIES. ††MOSTLY BOYS. ***BOYS. †††OCCURS IN 1/2,000 TOTAL PREGNANCIES, BUT BABIES ARE OFTEN STILLBORN OR ABORTED.
SOURCES: THE MARCH OF DIMES, CENTERS FOR DISEASE CONTROL

nancy is confirmed may be too late. In the last four years, Oakley adds, there were more preventable birth defects resulting from folic-acid deficiency in the United States than in the infamous epidemic of thalidomide poisoning in Europe 40 years ago, when a drug prescribed to ease morning sickness turned out to cause babies to be born with flippers for arms and legs.

A more complicated case is that of cerebral palsy, a nerve disorder that can affect voluntary movements including walking, writing and speech. Many cases result from maternal infections during pregnancy, and when doctors began controlling these a generation ago they expected cerebral palsy to eventually disappear. Instead, the rate has increased by 20 percent in 20 years, to approximately two in 1,000 births. This is because doctors are now keeping alive many more very premature and low-weight babies, who are prone to brain damage from lack of oxygen at birth. Yet a recent study showed a virtual elimination of cerebral palsy in at-risk babies whose mothers received the drug magnesium sulfate, which appears to protect the brain against the toxic effects of oxygen deprivation. Thus the partial conquest of this crippling condition may yet be at hand, allowing for the fact that it can also be caused by lead poisoning, head injuries, encephalitis and probably several other things that we don't even know about yet.

But cerebral palsy is far from the worst problem a baby can be born with. The very worst things that can go wrong with an embryo are never encountered, because they are lethal long before birth, in some cases before the woman even knows she has conceived. By definition, a fetus born alive is a survivor, although sometimes the parents have no choice but to start mourning there and then. Babies born without brains (anencephaly) or with extra copies of chromosomes (trisomy) rarely live for more than a few days or weeks, except in some special cases, of which the best known is Down syndrome.

These conditions are rare, however. The most common lethal defects, although still accounting for only a fraction of 1 percent of all births, are malformations of the heart. Fortunately, these are problems that surgeons have learned to treat (chart). Few conditions are more devastating than hypoplastic left-heart syndrome, in which the main pumping chamber fails to develop, and as recently as 15 years ago it was invariably fatal. But a three-stage operation developed by Dr. William I. Norwood, in which the right ventricle is made to do the job of its undeveloped partner, now keeps some of these children alive, at least until they can receive a transplant. Transposition of the aorta and pulmonary artery, which results in the heart's recirculating unoxygenated blood out to the body, used to be fatal about 90 percent of the time, but now has a 90 percent survival rate after surgery. Advances such as these, plus better neonatal intensive care generally, have contributed to what Dr. Richard B. Johnston, medical

director of the March of Dimes, says is a 50 percent drop in deaths from birth defects since the 1960s.

Down syndrome in theory is completely preventable, in the sense that there is a reliable test for the extra chromosome known to be its cause, after which the pregnancy can be terminated. Of course, that's not a solution to everyone's taste, and around 10 percent of women who know their babies will be born with Down syndrome go on to have them anyway, says Dr. Barbara K. Burton, director of the genetics center at Columbia Michael Reese Hospital in Chicago. But even though the other 90 percent do have abortions, the number of Down syndrome babies born each year is not declining, because more women are becoming pregnant later in life, when the chance of having a Down syndrome child rises dramatically. Burton estimates that only 6 to 8 percent of pregnant mothers get the tests—amniocentesis or chorionic villus sampling—that can detect the extra chromosome. Some of them may be put off by the slight risk of miscarriage, but a new test that may be available as early as next year promises to end that danger, according to Dr. Allen Horwitz of the University of Illinois College of Medicine. The procedure involves locating the infinitesimal quantity of fetal cells that cross the placenta into the mother's bloodstream, so only a sample of her blood would be required. "It's a way of finding samples of genes or chromosomes of the fetus without invading the uterus," says Horwitz.

And what of the mothers who have their babies anyway? A generation ago they would have been told that their child might never learn to speak, was certainly ineducable and probably should be sent to an institution—where, says David Patterson, president of the Eleanor Roosevelt Institute (which promotes genetic research), life expectancy was around 9 years. Unnumbered thousands of children perished in neglect that way, before an astounding paradigm shift that began in the 1970s, with parents who insisted on taking their Down syndrome babies home with them. With adequate care, it turned out, Down syndrome children didn't have to die before the age of 10; life expectancy now is 58 and rising, according to Patterson. With someone willing to teach them, most could learn to read, and some, says Lori Atkins of the National Down Syndrome Society, even have driver's licenses. It is possible, in short, for a Down syndrome child to hold a job and live at least a version of the sort of life that every parent dreams of from the moment he or she hears the fateful news that a child has "a problem."

A normal life. ■

Finding a Web of Support

Online sites offer information and a sense of community

BY CARLA KOEHL

PARK BENCHES will always be great places to pick up parenting tips. So will back fences, doctors' offices and boardrooms. But for families of children with disabilities, all the chats in the world can't begin to provide the depth of information—and, often, the level of understanding and sympathy—that's available online. Which is why, for every major disorder and disease, it seems there's a Web site or online support group. It's also why some of the best Internet resources are created and maintained by the very parents who need them most.

Case in point: Portia Iversen. When her son, Dov, was diagnosed with autism at 21 months, Iversen feverishly hunted for information about the disease. "I would just spend all night going on different neuroscience Web sites," she says. A relief? Sort of. Like so many mothers before her, she found it wasn't enough, especially for narrowing down the best research studies and finding the most plugged-in parents. So in November 1995, when Dov was 3½, the Los Angeles sitcom writer put her career on hold to cofound **Cure Autism Now** with her husband, movie producer Jonathan Shestack. From CAN's Web site (http://www.canfoundation.org/), users can now get updates on research studies and grant proposals, and hyperlink to autism newsgroups.

ILLUSTRATION BY PAUL THEISSEN

Double strand of hope: 'A Child's DNA Helix' marks a home page

Dozens of other top parent-created sites on everything from **Down syndrome** (http://www.epix.net/~mcross/down-syn.html), **Sturge-Weber syndrome** (http://www.centex.net/~huntjul/index.html) and **Infantile Refsum's disease** (http://www.pacifier.com/~mstephe/) are connecting families to one another, going far beyond the fare offered in health sections of online services or even online parenting magazines. Along with **Parents Helping Parents** (http://www.php.com/) and the Usenet's hundreds of special-interest bulletin boards, they're creating a sense of community among families who—either because they live in remote areas or because they're coping with such rare diseases—would otherwise feel nothing but isolated.

Also keep in mind: some of the best sites are those whose sole purpose is to link users to as many different childhood-disability and disease pages as possible. **Internet Resources for Special Children** (http://www.irsc.org/) was created by Julio G. Ciamarra, whose son was born with cerebral palsy, epilepsy and moderate retardation. **Rare Genetic Diseases in Children** (http://mcrcr4.med.nyu.edu/~murphp01/homenew/htm) is maintained by staffers at the New York University Medical Center. **WellnessWeb** (http://wellweb.com/index.htm) pays such close attention to issues like treatment options, drug dosages and physician selection that it won a 1996 Best Site of the Year award from Net Magazine. Its **sickle cell anemia** link (http://wellweb.com/index/qsickle.htm) goes a lot further than other sickle cell sites to focus on the disease in African-American children. Another excellent site is the **National Institutes of Health** home page (http://www.nih. gov), where just typing "childhood" into the search engine field pulls up dozens of links to highly specialized research studies, including papers on acute lymphocytic leukemia. Try finding those on a park bench.

With JEANNE GORDON *in Los Angeles*

DR. C. EVERETT KOOP

THE TINIEST PATIENTS

Fetal and pediatric surgery can save babies who once didn't have a chance

WHEN I BEGAN MY SURGICAL CAREER 55 years ago, there was no such thing as "pediatric surgery." Back in the 1940s there were only a handful of us who were devoted to what was then called child surgery, and we had to fight the medical establishment for many years before pediatric surgery was recognized as a surgical specialty. Now pediatric surgery is not only a vital specialty but it has also given birth to a host of subspecialties including pediatric orthopedics, pediatric cardiovascular surgery, pediatric urology and pediatric plastic surgery—a list that indicates the range of conditions that can now be treated before a child is 3.

In the beginning we learned, from innovative surgeons like Robert Gross and William Ladd, the basic principles: that pediatric tissues are extremely delicate and easily traumatized, that children are not small adults and that you cannot control their physiology and pharmacology by just using fractions of adult measures. One of the most important lessons was on pediatric anesthesiology. Back in the beginning doctors knew they could put children to sleep, but they were not sure they could wake them up. Once we mastered that, a new world of possibilities opened up.

KATHERINE LAMBERT

C. Everett Koop: Witness to miraculous advances and everyday triumphs

The first major accomplishment of pediatric surgery was convincing pediatricians and parents that some of the most deadly congenital problems could be corrected. When I entered the field the mortality rate for many of these birth defects was 95 to 100 percent. When I left pediatric surgery 35 years later, the former mortality rate of 95 percent had become the *survival* rate. Once, a pregnant woman sought my advice about the child she was carrying. She had already lost three children to a form of congenital bowel obstruction. We brought her to live with our family toward the end of her pregnancy and operated on the baby a few hours after birth, with great success. I can't think of anything in medicine that brings more joy than intervening surgically in the life of an otherwise doomed newborn, and changing a congenital death sentence into the prospect of more than 70 years of life.

Our ability to do this for youngsters under 3 has grown dramatically in the 1990s. Perhaps the most striking recent innovation is fetal surgery, operating on babies even before they are born. Fetal surgical repair of diaphragmatic hernias and lung cysts makes it possible for mothers to deliver healthy babies who otherwise would have been born in acute and possibly fatal respiratory distress. Recently Dr. Scott Adzick of Children's Hospital in Philadelphia removed a diseased lobe of the lung of a 22-week-old fetus, making it possible for the baby to be born at 35 weeks without heart failure and what would have been fatal lung problems. And pediatric-transplant surgeons, who only a few years ago were frustrated by the shortage of pediatric donor livers, have learned how to transplant only a portion of an adult liver into a baby and get it to grow along with the child, restoring full organ function.

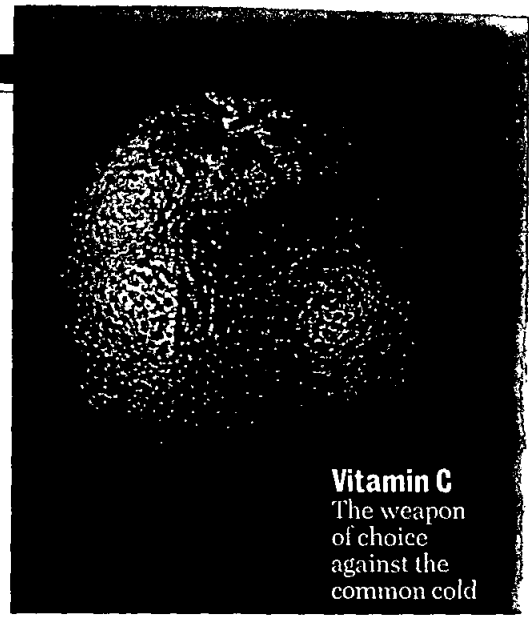
As in all medicine, technology offers new possibilities, such as laparoscopic surgery: using a flexible scope and other instruments inserted through an infant's navel, rather than traditional scalpel surgery. Advances in ventilation and oxygenation make it possible to turn blue babies pink in minutes. Lasers can remove birthmarks that traditional surgery never could. And advances in pain management have been extended to newborn surgery. Years ago, people never paid much heed to the effect of pain on newborns; some doctors believed that newborns did not even feel pain. Now aggressive pain management in babies, including epidural and local anesthesia in addition to general anesthesia, lessens their pain and thereby quickens their postoperative recovery.

Just in my lifetime pediatric surgery has witnessed almost miraculous advances. And while the press often pays attention to the high-drama surgery of newborns, there are thousands of daily triumphs of pediatric surgery. We can repair simple hernias, correct deformed limbs and treat hydrocephalus. We can close spina bifida and repair cleft lips and palates. The women and men of pediatric surgery have made life not only longer but better for children and their families.

KOOP *was surgeon general from 1981 to 1989 and is now senior scholar at the C. Everett Koop Institute at Dartmouth College.*

Don't fret if your toddler throws broccoli. When children choose their own menus, they do surprisingly well.

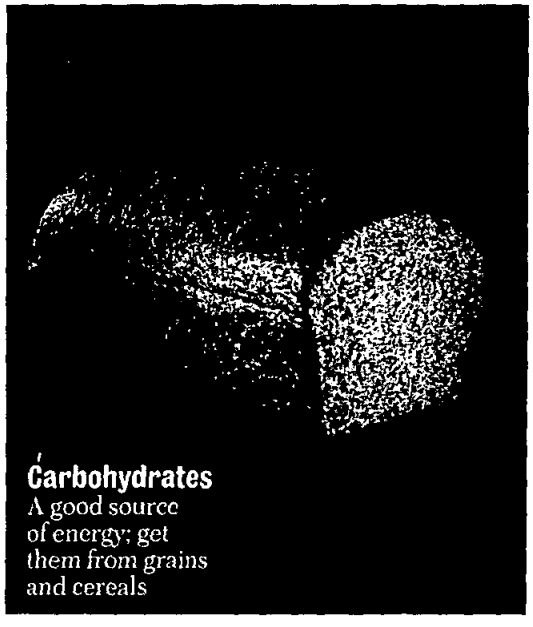
Beyond an Apple a Day



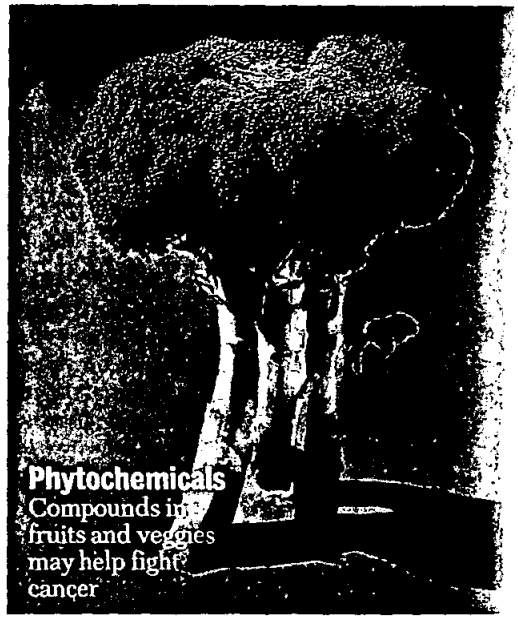
Vitamin C
The weapon of choice against the common cold

BY LAURA SHAPIRO

ELLYN SATTER, A dietitian and family therapist in Madison, Wis., likes to remember the small boy whose mother brought him into Satter's office because he was overweight. He sat miserably scrunched in a chair while Satter and his mother discussed his eating habits. Finally his mother groaned and said, "I've got another one at home who's too skinny. How am I supposed to get her to eat more, and him to eat less?" Satter's answer was blunt. "That's not your job," she said. "Deciding what they want to eat, and how much, is *their* job." At that, the little boy sat up straight in his chair for the first time and gave a huge smile.



Carbohydrates
A good source of energy; get them from grains and cereals



Phytochemicals
Compounds in fruits and veggies may help fight cancer

The notion that children can and should take charge of their own hunger still makes parents uneasy. After all, who else is going to keep a toddler from eating nothing but Marshmallow Fluff sandwiches all day? But many experts now believe that we've badly underestimated kids' capacities for regulating wisely what and how much they eat. Satter, author of the influential guide "How to Get Your Kid to Eat ... But Not Too Much," advises parents to be gatekeepers, not food police. "Parents are responsible for choosing what foods to have in the house, and what to put on the table," she says. "Kids are responsible for what they eat."

Excruciating though it may be to sit calmly through dinner while your toddler ignores the chicken and carrots in favor of two bread sticks and a cookie, research bears out Satter's dictum. "We've done studies over 10 years that show most little kids are pretty good at being responsive to the energy content of the diet," says Leann Birch, professor of family studies and nutrition at Pennsylvania State University. In one study, children selected their own lunch, but it was preceded by either a low-calorie or a high-calorie yogurt. Sure enough, over a period of days they tended to balance the two courses so that they got roughly the same number of calories every time. "If parents impose too much control over what kids eat, it impedes this ability to self-regulate," says Birch.

Unfortunately, children's marvelous regulatory mechanism does not appear to recognize the importance of cauliflower or leafy greens. On the contrary, under-3s have a finely honed "yuck" response that is readily activated by a single bite of any new food, particularly bitter-tasting ones. "We're omnivores, so we're programmed to eat lots of different things but to be very suspicious of anything new," says Linda Bartoshuk of the Yale University School of

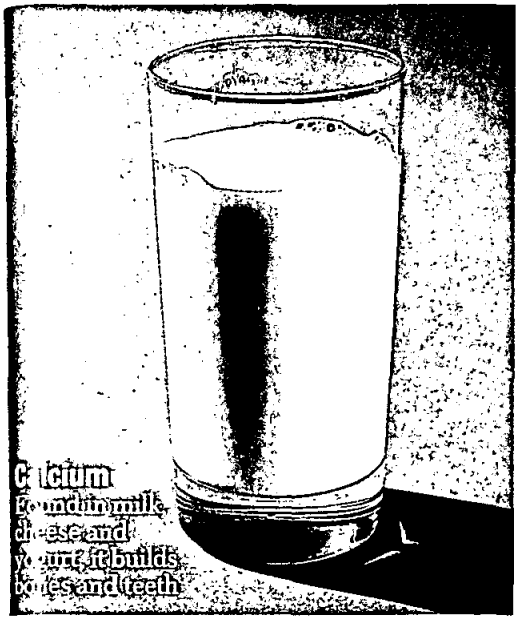
Fiber
It can prevent later disease; kids don't get nearly enough

PHOTOS BY SKIP CAPLAN

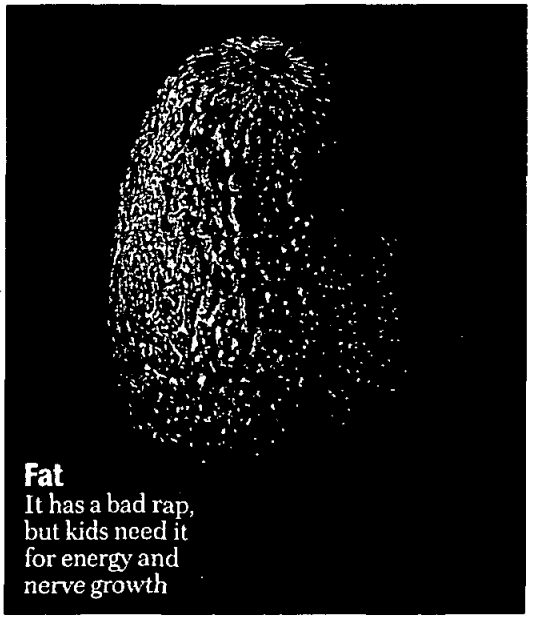
Medicine. That suspicion, which probably saved many a prehistoric tot from poisoning, now serves merely to drive parents crazy. Nutritionists agree that offering a new food up to a dozen times will usually wear down a child's resistance. There's also evidence that breast-fed babies may be a bit more open-minded than formula-fed babies, since the flavor of formula never changes. "We know from animal research that the more varied the mother's diet during nursing, the more likely a young animal would accept novel foods during weaning," says Julie Mennella of the Monell Chemical Senses Center in Philadelphia. A strongly flavored diet, of course, is just what many experts tell nursing mothers to avoid, for fear the babies won't like the milk. But Mennella found that when mothers consumed garlic, for example, their babies liked the novelty and stayed longer on the breast. "When a new food is introduced in mother's milk, you don't see aversions develop," says Mennella. "Mother's milk is a flavor bridge to the foods of the culture."

The most important reason to help kids learn to enjoy new tastes is that a varied diet of foods eaten for pleasure is likely to be a healthful diet. "Children love sweet tastes, and they like salty tastes. That's all hard-wired," says Yale's Bartoshuk. So kids need no encouragement to make fast food and junk food their favorites. Our national addiction to those foods contributes heavily to our rates of chronic disease. "Cancers form over 20 to 30 years, and heart disease builds up over time, too," says Tara Liskov, a registered dietitian at Yale–New Haven Hospital. "That's the reason you want to start early with good habits."

Pediatricians have argued for years about whether to recommend low-fat diets for small children. It's clear that infants and toddlers grow so fast they need every calorie they can pack in. But a recent Finnish study showed that babies as young as 13 months did fine on a diet slightly restricted in fat. (In their first year, children need fat for neuronal and brain development, so dietary fat intake in the form of breast milk, formula or, later, cow's milk should not be restricted.) In addition, we know that heart disease can get started at an early age. Researchers at the Bogalusa Heart Study in Louisiana, where more than 17,000 young people have been examined in the past 23 years, conduct autopsies on children killed in accidents. They have found aortic fatty streaks—early precursors of atherosclerosis—in children as young as 3. "And there's new data that children with high levels of bad cholesterol in their blood have stiffer carotid [neck] arteries," says Christine Williams of the American Health Foundation in Valhalla, N.Y., where a three-year project is underway to reduce cardiovascular risk among children at nine Head Start centers. Cutting the saturated fat in their diets is a key goal. For children under 2, the American Academy of Pediatrics still recommends no restrictions. After that the AAP encourages a gradual reduction in fat over the next



Calcium
Found in milk, cheese and yogurt, it builds bones and teeth



Fat
It has a bad rap, but kids need it for energy and nerve growth

Eating Well for Two

PAYING ATTENTION TO the nutrients a baby receives should begin well before conception. Smart prenatal care now means "preconceptual care": because embryonic organ development begins about 17 days after sperm and egg unite—before many women realize they're pregnant—it is vital to eat the right things and avoid the bad things even before conceiving.

Women should get into shape before becoming pregnant, losing **weight** if necessary and developing a moderate **exercise** routine. They need a well-balanced **diet** with sufficient protein and calcium, and should replace any **prescription drugs** that could harm a fetus with safer ones. High on the danger list is Accutane (for acne and wrinkles), plus certain medications for high blood pressure, diabetes, epilepsy and manic depression.

The B vitamin **folic acid** is essential for the developing spinal column. A maternal deficiency can dramatically increase the risk of devastating "neural tube" defects such as spina bifida (the failure of the spinal column to close completely, with resulting paralysis or even death) and anencephaly (a fatal absence of brain growth). There's also evidence that folic acid and other **vitamins** may help reduce the risk of heart defects and cleft lip and palate. Very few women get enough folic acid in their normal diet to prevent such problems. The U.S. Public Health Service therefore recommends that women take an extra 400 micrograms of folic acid daily, either as a supplement or in fortified cereal, starting a month before attempted conception and continuing through the first trimester. (The FDA has approved adding folic acid to baking flour as of 1998, but women will not get enough of the vitamin through bread alone.)

There is no evidence that low intake of **alcohol** harms a fetus, though heavy drinking is associated with severe problems of growth and brain development. Obstetricians don't know what a "safe" level of alcohol is, so the easy fallback is to say don't drink at all. Smoking **cigarettes** during pregnancy unquestionably increases the risk of prematurity and low birth weight. And it's never too early to kick the habit.

few years, until the child is getting about 30 percent of calories from fat—the level recommended for adults. "With younger children, often all you have to do is change to 1 percent milk and lighter cheeses," says Williams.

Scientists have long believed that a diet high in fruits and vegetables can help prevent many cancers, and both adults and kids are supposed to be eating at least five servings a day. It's not hard to do. A serving is only half a cup of cooked anything, or a whole fruit. But according to a recent study by Susan Krebs-Smith of the National Cancer Institute, most kids from 2 to 18 are falling short. Only one in five children under 5 gets the recommended five servings, and nearly half eat less than a single serving of fruit a day. "And we counted *everything*," says Krebs-Smith. "We counted the raisins in the raisin bread." More than a third of children eat less than a single serving of vegetables a day, and that includes french fries, which account for nearly a quarter of the total vegetables consumed by kids. These paltry levels of consumption also indicate that children are not getting enough fiber. "We have a new formula—the child's age, plus five grams, per day," says Williams. "That's about double what most kids are taking in." A 3-year-old could get eight grams of fiber by eating an apple, a slice of whole-wheat bread, a serving of broccoli and a carrot.

Fruit juice, which many kids seem to swig all day, is a poor substitute for whole fruit, water or milk. "Juice is really no different in calories from soda, and some kinds don't have much more nutrition than soda," says Liskov. "Apple juice has very few nutrients. I wouldn't give a child juice until 12 or 18 months, and little kids don't need more than about four ounces a day."

But let's face it, the federal guideline that could persuade a resistant toddler to give the time of day to a lima bean hasn't been written. Can little kids thrive if they never eat anything green? "I think they can—mine did," says William Tamborlane, chief of pediatric endocrinology at Yale-New Haven's Children's Hospital and editor of "The Yale Guide to Children's Nutrition." "Look what's in vegetables: they're good sources of fiber, vitamins and minerals. But kids can get all that in a balanced diet from other foods. The main thing is not to make it an issue. Don't force-feed."

So, yes, it's important for little kids to eat right. But it's even more important for them to like food, enjoy being at the table, know when they're hungry and quit when they're full. Parents may not be able to exert much control over the consumption of squash, but they have lots of influence over kids' emotional and psychological associations with food. That's where healthy patterns starting in childhood will last a lifetime. ■

Preventing a

Should babies be left to cry themselves to sleep? Should they sleep with you? Not even experts agree on the best bedtime formula.

BY DAVID GORDON

EVER WISH YOUR INFANT or toddler would learn to sleep like a baby? You're not the only one. Sheryl and Steve Hersch, of Wilton, Conn., tried a little of everything to help their daughter Melissa, now almost 2, settle into a good sleep schedule. They tried having her sleep in their bed. Wrong move: "Melissa's a noisy sleeper. She laughs and cries in her sleep. It's cute, but it also kept us up all night," says Sheryl. They tried Dr. Richard Ferber's best-selling techniques, in which parents let the child cry and wait for ever longer intervals before comforting her. "It was hard to wait before going in," says Sheryl. "Then when we did, she'd cry even more. After three days we gave up on it." In the end, the couple inadvertently ended up where most parents of the last 50 years have begun: with Dr. Spock. "We found it was better to just let her cry it out. One night she just started sleeping well, and we haven't had a problem since." So Spock's the answer? Not so fast. "I think every child is different," says Sheryl. "You can't really learn it in a book. There's no magic formula."

How to get a child to go to sleep—and sleep through the night—can be an exasperating riddle. It's certainly one of the most important to solve. Good sleep is crucial to good health: most growth occurs during sleep. Children who don't get enough sleep are less alert during the day and therefore more prone to accidents. And a sleep-deprived child is going to be crabby and impatient. Half of all children under 6 have, at one time or another, some kind of sleep difficulty, according to the nonprofit National Sleep Foundation, an informational clearinghouse. Small wonder that parents scarf up books, gadgets, videos—*anything*—to help get their children to sleep. They'll find, unfortunately, that even the "experts" can't agree on the best strategy.

For years, Dr. Benjamin Spock's classic "Baby and Child Care" supplied the conventional wisdom on all aspects of child rearing, including putting fussy children to bed. If they won't sleep, Spock suggested, let them cry it out. Fifty years later, Spock's advice hasn't changed much. Even the 1992 revised edition recommends putting a fussy baby to bed, leaving the room and letting him "cry furiously" until he falls asleep. In three nights, Spock promises, Baby will have learned his lesson. Make exceptions, and you're asking for a hard day's night.

Tough Love

NOW FERBER, HEAD OF THE CENTER FOR Pediatric Sleep Disorders at Children's Hospital in Boston, has taken over as top guru on children's sleep issues. His 1985 book, "Solve Your Child's Sleep Problems," has, over time, become *the* strategy manual for bleary-eyed parents flummoxed by bedtime battles. In a sense, Ferber preaches a gentler version of Spock's tough love. Infants and toddlers learn by association, he says: teach a child he can fall asleep only while being held, rocked or fed, and he'll insist that those conditions be met night after night. Teach him he can sleep on his own, and he'll do that. If an otherwise healthy child fusses in the crib instead of going to sleep, Ferber advises parents to give the child a reassuring pat (not a comforting cuddle) and leave the room. If the crankiness continues, they should return and calmly reassure the child. Ferber suggests doing this at increasing intervals—5 minutes at first, then 10, then 15 and so forth. Within a week,

PHOTOS BY NICK KELSH

Hard Day's Night

the child should be trained ("Ferberized," as fans call it) to fall asleep on his own. "Bedtime should be a happy time," says Ferber. "Not just for babies, but for parents, too."

Not everyone is sold on Ferber's methods. Some doctors, like pediatrician and child-care author William Sears, criticize the seeming insensitivity of letting a child cry himself to sleep. Sears, coauthor of "The Baby Book," argues that babies should be "parented to sleep, not just put to sleep." Parents who resort to a strict bedtime program, he warns, fail to address the reasons for a baby's restlessness, which can include insecurity or physical discomfort. In

doing so, they risk losing an infant's trust.

Some specialists say the big sleep conundrum is a question not of how but where. For most of human history, having babies, and even toddlers, sleep in the family bed was the norm in most cultures—and still is outside Western societies, says James McKenna, an anthropologist at Pomona College in California. "Co-sleeping," he says, is naturally convenient for babies who are breast-feeding. Newborns also rely on proximity to their mothers to help regulate body heat, breathing and cardiac rhythms. In fact, McKenna's research suggests that co-sleeping may, in theory, reduce the chance of sudden infant death syndrome: a mother's tossing and turning will keep a baby from having long pauses in breathing, a suspected cause of SIDS. "Babies' bodies are designed to sleep next to their mothers," says McKenna.

Most experts frown on co-sleeping for a variety of reasons. For one thing, children are restless sleepers. They kick, clutch, grab and poke. That may make it tough for parents to get the sleep they need. Then there's the potential loss of intimacy. "Co-sleeping can disrupt your entire life," says Deborah Tolchin, a New York pediatrician. "Your life shouldn't be totally dependent on your baby's sleep habits." Once co-sleeping begins, it may be hard to get a child to sleep on his own. "The older a child gets, the harder the habit will be to break," says Fairleigh Dickinson psychologist Charles Schaefer, coauthor of "Winning Bedtime Battles." "There are better ways of solving sleep problems."

46% of those who are in two-parent families say they and the other parent share equally in getting up at night when their child cries

Dream On

A LITTLE UNDERSTANDING OF THE SCIence of sleep can help make a baby's restlessness easier to deal with, too. Although every child is different, newborns usually sleep 16 hours a day or more. But infants have shorter sleep cycles with more periods of light, dreaming (REM) sleep. In fact, 50 percent of newborns' sleep is in the REM state, twice as much as adults'. They rarely sleep more than a few hours at a time and take a longer time to fall into deep, non-dreaming sleep. Eventually, babies develop adultlike sleep patterns—and weary parents can expect more rest. By the 6-month mark, infants will have learned to sleep for longer stretches, especially after giving up night feedings in the fourth or fifth month. Toddlers, too, experience much more active sleep: one third is typically in the REM state, which can account for more night wakings.

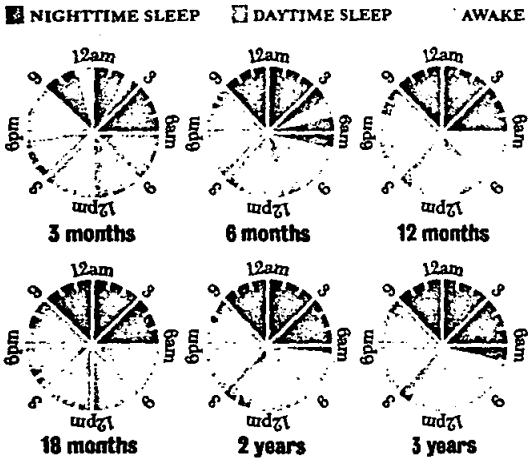
So what is the best way to turn bedtime into happy time? Groups like the American Academy of Pediatrics suggest, for infants, warm baths and soothing massages to lull them to sleep; the white noise produced by running water, a fan or a metronome might do the same. Soft music works, too. (Studies show babies like classical best.) For toddlers, establish a regular bedtime routine that might include a quiet activity, such as reading a bedtime story or playing with a toy to help the child unwind. As sleep specialist Dr. Mary Carskadon of Brown University says: "Families need to find a plan that works for them, one that gives the children, and their parents, adequate sleep." No fuss from us about that. ■

Building Healthy Habits

Babies follow their own clocks when it comes to sleeping, eating and learning daily routines. A guide to an average child's physical growth and development:

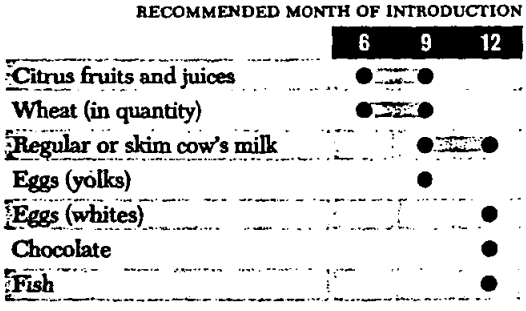
Sweet Dreams, Finally

Babies may have erratic sleeping patterns at first, but eventually they—and their exhausted parents—settle into a peaceful night's rest:



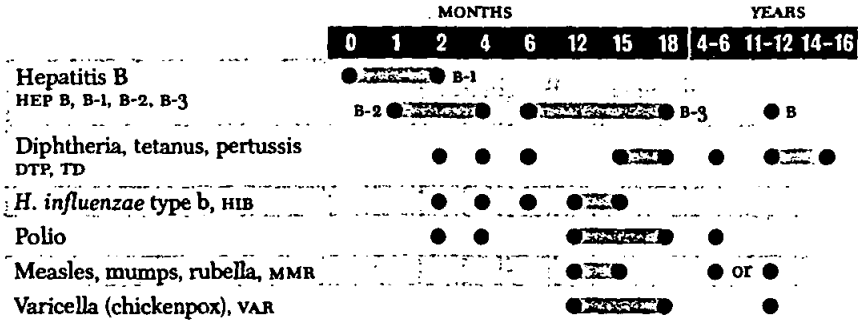
Allergy Awareness

New foods often bring out allergic reactions in young children. Avoid these highly allergenic foods until your baby's digestive system is ready:



Taking a Few Shots of Prevention

Immunization of children in the United States is at a record high, protecting them from major diseases. Most shots are given during the first 18 months of life; check with your pediatrician regarding special care. A recommended schedule:



HEP B vaccine immunizes against a virus that can lead to chronic liver disease. Delivered in three doses, it should not cause any serious side effects.

A child may run a fever after the first shot of the DTP vaccine. If other less-common reactions occur, like limpness or constant crying, notify your doctor.

HIB vaccine guards against bacteria that cause dangerous ailments like meningitis.

Sabin vaccine, given orally, is the most common immunization against polio.

MMR vaccine may cause a mild rash or fever a week after the injection.

The varicella vaccine should be given to babies who have not had chicken pox.

SOURCES: APPROVED BY THE ADVISORY COMMITTEE ON IMMUNIZATION PRACTICES (ACIP), THE AMERICAN ACADEMY OF PEDIATRICS (AAP) AND THE AMERICAN ACADEMY OF FAMILY PHYSICIANS (AAFP)

0–2 months old

1 month old

Checkups Visits doctor every month for the first six months.
Feeding Most babies drink three to four ounces of milk per feeding.
Senses Prefers sweet smells, soft fabrics. Calmed by high-pitched voices and soft music.

2 months old

Health Dress baby in multiple layers because internal-temperature control is not fully mature yet.
Senses Eyes sharpen and track moving objects. Loves to stare at faces.
Sleeping Colic may set in but will usually disappear by the third month.

3–8 months old

3 months old

Feeding Anticipates feeding by smacking lips.
Senses Coos and smiles when talked to. Lack of response may indicate a hearing problem. Eyes should be aligned and able to focus on one object instead of two.

4 months old

Feeding Some babies may begin eating puréed solids like cereals. Balance between solids and milk will vary, depending on child's preferences.
Health May catch a cold because of low immunity. See doctor if symptoms persist.
Senses Sees in color, adjusts to different distances and perceives depth.

5 months old

Feeding Hand-feeds himself zwiebacks, raw carrot chunks. Iron-rich baby foods like meat and green vegetables support proper growth. Easily distracted during breast feeding. Some babies may be ready for weaning.
Sleeping May rest throughout the night, with two naps during the day.

6 months old

Feeding May be down to three meals a day, plus nutritious snacks.
Teething Cuts lower-central incisor around the sixth or seventh month. May have gum swelling. Teething rings should be made of firm rubber and should not be frozen.

7 months old

Feeding Watch for allergic reactions to new foods (chart). Weight gain slackens as a result of increased mobility.
Senses Sees as well as a teenager and locates sounds accurately.
Sleeping Usually sound, but may be disturbed by pain or hunger.

8 months old

Feeding Spills less when drinking from a cup. To prevent choking, give baby foods that are mashed or soft enough to swallow without chewing (see chart for other safety tips).
Sleeping Learns how to stay awake. Overstimulation may make settling down difficult.

Safety Comes First

Where babies roam, accidents often follow, but many can be avoided with a few precautions:

r seats Child should always ride in a properly stalled car seat and only the back seat. Do not bstitute an infant seat r a car seat. The seat ould face the rear until e child can sit up with- t help.

isoning Store all medines and household aning products out of ch. Use safety latches lower drawers and pboards.

wning A child can own in only a few inch- of water. Never leave ildren alone in a bath or r containers like pools d toilets.

Falls Use stairway gates and window guards. Do not leave a baby unattended on surfaces above the floor, including changing tables and beds.

Fire prevention Install smoke detectors and check batteries often. Dress baby in flame-retardant clothes.

Toys Inspect toys carefully for small parts that can fit in a child's mouth. Also look for sharp or rough edges.

Strollers Do not hang bags from stroller handles. Always use seat belt and harness to keep baby secure.

-16 months old

9 months old

heckup Visits doctor for amination and immuni- ation shots (chart).
leeping Anxiety over eparating from parents ay cause trouble at bed- ime. Relaxes by sucking humb, cuddling soft toys r rocking.

0 months old

eding Most babies this ge need between 750 and 00 calories a day, more han half from breast milk r formula.
oming May pull off hat nd enjoy using soap.

1 months old

eding Able to hand feed imself an entire meal by nd of year. Prefers soft or rispy foods.
oming May help in unressing, especially pulling ff socks.

2 months old

heckup Has one-year doc- r examination to check eight gain, motor skills.
eding Insists on feeding imself, however messily. May pick up spoon but isses mouth often.
leeping May resist napping and going to bed.

13 months old

Feeding Expresses definite likes/dislikes of foods.
Health Feet may turn outward. During the second year, hip ligaments tighten and straighten feet.
Teething By now, some babies have cut two upper front and two lower front teeth. Arrival of first molar can cause pain.

14 months old

Feeding Needs about 1,000 calories a day to sustain proper growth. May drink less milk, but solid foods cover nutritional needs.
Grooming May cooperate by lifting arms and legs when undressing, or even comb hair.

15 months old

Checkup Visits doctor for mid year exam of vision, hearing, reflexes.
Sleeping Morning nap becomes shorter but may still need afternoon rest. Crib bumpers can protect baby's head if she moves around at night.

16 months old

Grooming May outgrow shoes every three months during the second year.

Baby Weight Percentiles

AGE IN MOS.	GIRLS (IN POUNDS) 95	75	50	25	10%	BOYS (IN POUNDS) 95	75	50	25	10%
3	15	13	12	11	10	16	14	13	12	10
6	19	17	16	15	13	21	19	17	16	15
9	23	20	19	18	16	24	22	20	19	18
12	25	23	21	19	18	27	24	23	21	20
18	28	25	24	22	20	30	27	25	24	22
24	31	28	26	25	23	33	30	30	26	24
36	38	34	31	29	27	40	35	32	30	28

17–24 months old

17 months old

Feeding Dawdles during meals; prefers bland to sharp flavors.
Sleeping Often gets overtired and may have trouble falling asleep. More than half of children 1 to 2 years old fuss when it's time for bed.

18 months old

Checkup Visits doctor for midyear examination.
Feeding Spoon may reach her mouth more often by midyear. Steer child away from sugary foods that can cause early cavities.
Grooming May indicate when pants are wet. Enjoys taking off shoes and socks, unzipping zippers.
Sleeping May bring stuffed toy or pillow to show she is ready for bed.

19 months old

Feeding Blows on food when it's hot. Should be drinking 16 to 32 ounces of milk a day, which provides most of the calcium needed for bone growth.
Grooming May brush teeth; washes and dries hands with help. Check water tempature before putting child in bathtub.
Sleeping Sleeps fairly well but may have a bad night now and then. May try to climb out of bed.

20 months old

Feeding Learns food talk like "more" and "all gone."
Grooming Encourage child to undress completely on her own. Can't buckle or lace shoes yet.
Sleeping Nightmares may disrupt sleep occasionally.

21 months old

Grooming May be able to put on clothes with Velcro fastenings, snaps and easy-to-manage openings.
Sleeping Afternoon naps turn into rests; total sleeping time drops near the end of the second year. May try to delay bedtime with extra kisses.
Tasks Some children put away clothes and toys.

22 months old

Feeding May give cup to parent when thirsty.
Grooming May put on shoes, but often on the wrong foot.
Tasks Tries buckling car-seat belt with parent's help.

23 months old

Grooming May put on simple garments but not differentiate between front and back.
Tasks By the end of second year, may open doors, unwrap packages, help parents with chores.

24 months old

Checkup Visits doctor for two-year examination; may include blood test to check for lead poisoning and a skin test for tuberculosis. Meets the dentist for the first time.
Feeding Can eat all kinds of table foods. Encourage use of utensils.
Grooming Some babies may be ready to start potty training, while others will need more time until their motor skills and bladder control improves.
Health Watch for ear infections in toddlers. Signs include ear pain and fever.

2-3 years old

25 - 29 months old

Feeding Should be served whatever the family is eating, but a balanced diet may be hard to maintain. Candy should not be used as a bribe to finish dinner.
Grooming Has become a creature of habit. May ask to go to the toilet, but accidents are very possible. Insists on picking out own attire. May dress himself in easy, pull-on clothes. Loves to cover boo-boos with Band-Aids.
Health Baby fat slowly disappears in the third year. Posture improves as muscles strengthen.
Sleeping May switch from crib to bed, which can create some difficulty in settling down at night. Maintain a regular time for bed, including nightly rituals like last kisses and storybook readings. Side bedrails will prevent tumbles to the floor.

30 - 36 months old

Checkup Sees doctor for annual exam. Visits dentist every six months from 2½ years old. May receive fluoride treatment.
Feeding Appetite still fluctuates; may skip a meal occasionally. Do not offer to make a special meal. Encourage proper table manners, such as using utensils and sitting through entire meal. By third birthday, may use a fork efficiently but often forgets to chew food well.
Grooming Child may express more consistently when he needs to use the bathroom.
Tasks A true mother's helper. Makes bed, cleans up messes. Needs supervision in the kitchen.

By Jennifer Lach

SOURCES: "THE EARLY CHILDHOOD YEARS: THE 2 TO 6 YEAR OLD," "THE SECOND TWELVE MONTHS OF LIFE" AND "THE FIRST TWELVE MONTHS OF LIFE" BY THERESA AND FRANK CAPLAN; "YOUR BABY & CHILD" BY PENELOPE LEACH; "THE WELL BABY BOOK" BY MIKE SAMUELS, M.D., AND NANCY SAMUELS; "CARING FOR YOUR BABY AND YOUNG CHILD" BY STEVEN P. SHELOV, M.D.; "THE GOOD HOUSEKEEPING ILLUSTRATED BOOK OF PREGNANCY & BABY CARE."

The wizards of genetics keep closing in on the biological roots of personality. It's not your imagination that one baby seems born cheerful and another morose. But that's not the complete picture. DNA is not destiny; experience plays a powerful role, too.

Shyness, Sadness, Curiosity, Joy. Is It Nature or

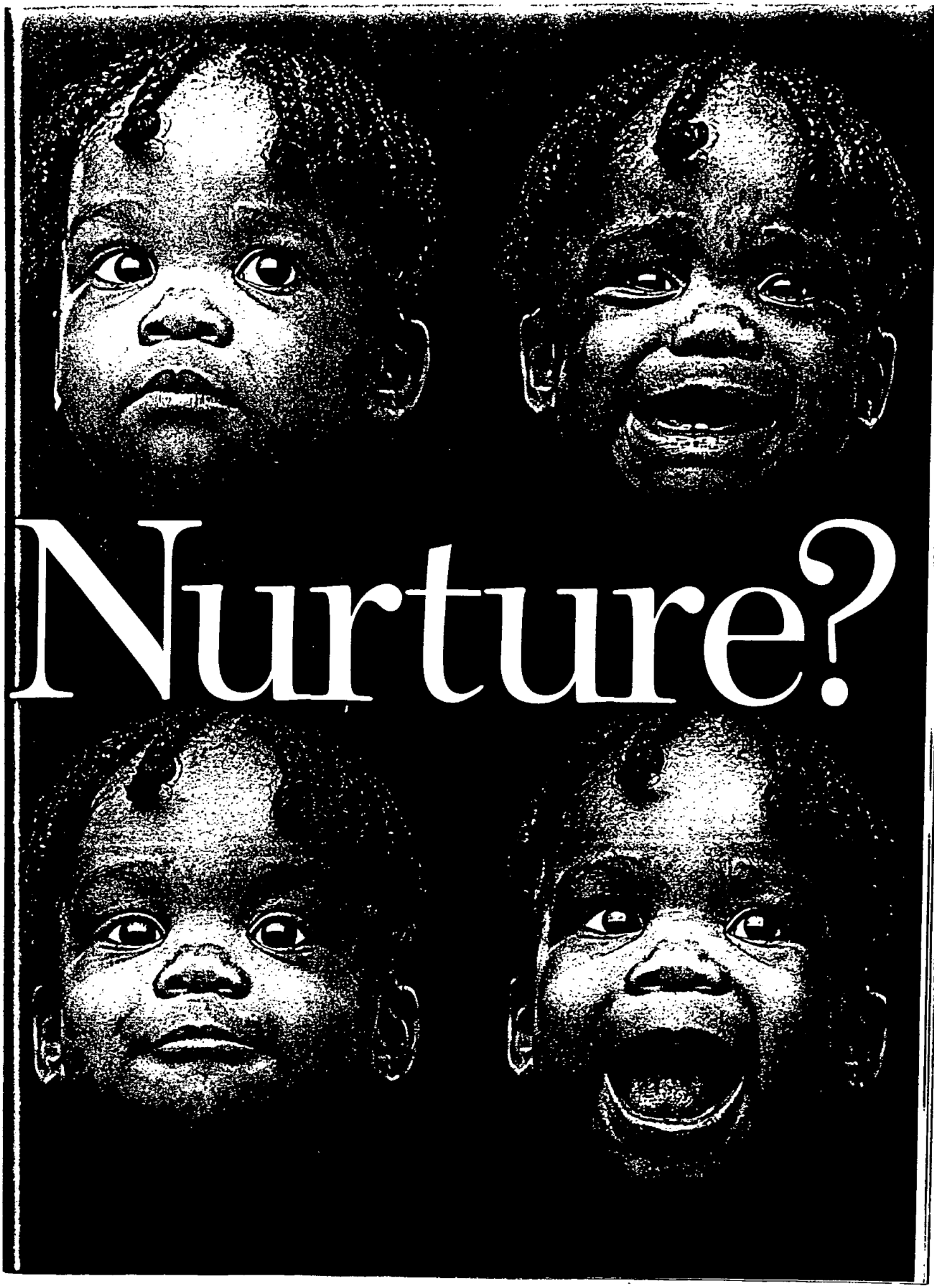
By Marc Peyser and Anne Underwood

IF ANY CHILD SEEMED DESTINED TO GROW UP afraid of her shadow and just about anything else that moved, it was 2-year-old Marjorie. She was so painfully shy that she wouldn't talk to or look at a stranger. She was even afraid of friendly cats and dogs. When Jerome Kagan, a Harvard professor who discovered that shyness has a strong genetic component, sent a clown to play with Marjorie, she ran to her mother. "It was as if a cobra entered that room," Kagan says. His diagnosis: Marjorie showed every sign of inherited shyness, a condition in which the brain somehow sends out messages to avoid new experiences. But as Kagan continued to examine her over the years, Marjorie's temperament changed. When she started school, she gained confidence from ballet classes and her good grades, and she began to make friends. Her parents even coaxed her into taking horseback-riding lessons. Marjorie may have been born shy, but she has grown into a bubbly second grader.

61% of all parents believe that differences in behavior between girls and boys are not inborn but a result of the way they're raised

For Marjorie, then, biology—more specifically, her genetic inheritance—was not her destiny. And therein lies our tale. In the last few years scientists have identified genes that appear to predict all sorts of emotional behavior, from happiness to aggressiveness to risk-taking. The age-old question of whether nature or nurture determines temperament seems finally to have been decided in favor of Mother Nature and her ever-deep-

PHOTOS BY NICK KELSH


Nurture?

Scientists estimate that genes determine o

ening gene pool. But the answer may not be so simple after all. Scientists are beginning to discover that genetics and environment work together to determine personality as intricately as Astaire and Rogers danced. "If either Fred or Ginger moves too fast, they both stumble," says Stanley Greenspan, a pediatric psychiatrist at George Washington University and the author of "The Growth of the Mind." "Nature affects nurture affects nature and back and forth. Each step influences the next." Many scientists now believe that some experiences can actually alter the structure of the brain. An aggressive toddler, under the right circumstances, can essentially be rewired to channel his energy more constructively. Marjorie can overcome her shyness—forever. No child need be held captive to her genetic blueprint. The implications for child rearing—and social policy—are profound.

While Gregor Mendel's pea plants did wonders to explain how humans inherit blue eyes or a bald spot, they turn out to be an inferior model for analyzing something as complex as the brain. The human body contains about 100,000 genes, of which 50,000 to 70,000 are involved in brain function. Genes control the brain's neurotransmitters and receptors, which deliver and accept mental messages like so many cars headed for their assigned parking spaces. But there are billions of roads to each parking lot, and those paths are highly susceptible to environmental factors. In his book "The New View of Self," Dr. Larry Siever, a psychiatry professor at Mount Sinai Medical Center, writes about how the trauma of the Holocaust caused such intense genetic scrambling in some survivors that their children inherited the same stress-related abnormalities. "Perhaps the sense of danger and uncertainty associated with living through such a time is passed on in the family milieu and primes the biological systems of the children as well," says Siever. He added that that might explain why pianist David Helfgott, the subject of the movie "Shine," had his mental breakdown.

A gene is only a probability for a given trait, not a guarantee. For that trait to be expressed, a gene often must be "turned on" by an outside force before it does its job. High levels of stress apparently activate a variety of genes, including those suspected of being involved in fear, shyness and some mental illnesses. Children conceived during a three-month famine in the Netherlands during a Nazi blockade in 1945 were later found to have twice the rate of schizophrenia as did Dutch children born to parents who were spared the trauma of famine. "Twenty years ago, you couldn't get your research funded if you were looking for a genetic basis for schizophrenia, because everyone knew it was what your mother did to you in the first few years of life, as Freud said," says Robert Plomin, a geneticist at London's Institute of Psychiatry. "Now you can't get funded *unless* you're looking for a genetic basis. Neither extreme is right, and the data show why. There's only a 50 percent concordance between genetics and the development of schizophrenia."

SCIENTISTS HAVE BEEN DEVOTing enormous energy to determining what part of a given character trait is "heritable" and what part is the result of socialization. Frank Sulloway's book "Born to Rebel," which analyzes the influence of birth order on personality, opened a huge window on a universal—and largely overlooked—environmental factor. But that's a broad brushstroke. Most studies focus on remarkably precise slivers of human emotions. One study at Allegheny University in Pennsylvania found that the tendency for a person to throw dishes or slam doors when he's angry is 40 percent heritable, while the likelihood a person will yell in anger is only 28 percent heritable. The most common method for determining these statistics is studying twins. If identical twins are more alike in some way than are fraternal twins, that trait is believed to have a higher likelihood of being inherited. But the nature-nurture knot is far from being untied.

The trick, then, is to isolate a given gene and study the different ways environment interacts with it. For instance, scientists believe that people with the longer variety of a dopamine-4 receptor gene are biologically predisposed to be thrill seekers. Because the gene appears to make them less sensitive to pain and physical sensation, the children are more likely to, say, crash their tricycles into a wall, just to see what it feels like. "These are the daredevils," says Greenspan. But they need not be. Given strict boundaries, Greenspan says, thrill-seeking kids can be taught to modulate and channel their overactive curiosity. A risk-taking child who likes to pound his fist into hard objects can be taught games that involve hitting softly as well. "If you give them constructive ways to meet their needs," says Greenspan, "they

ABRAMS/LACAGNINA

about 50 percent of a child's personality

Parents can foster their baby's sunny disposition or—unwittingly—some antisocial traits

can become charismatic, action-oriented leaders."

Shyness has been studied perhaps more than any other personality trait. Kagan, who has monitored 500 children for more than 17 years at Harvard, can detect telltale signs of shyness in babies even before they're born. He's found that the hearts of shy children in the womb consistently beat faster than 140 times a minute, which is much faster than the heartbeats of other babies. The shy fetus is already highly reactive, wired to overmonitor his environment. But he can also outgrow this predisposition if his parents gently but firmly desensitize him to the situations that cause anxiety, such as encouraging him to play with other children or, as in Marjorie's fear of animals, taking her to the stables and teaching her to ride a horse. Kagan has found that by the age of 4, no more than 20 percent of the previously shy children remain that way.

78% of those polled who are in two-parent families say that they share equally when it comes to setting rules for their young child

Will the reprogramming last into adulthood? Because evidence of the role of genes has been discovered only recently, it's still too early to tell. But studies of animals give some indication. Stephen Suomi at the National Institute of Child Health and Human Development works with rhesus monkeys that possess the same genetic predisposition to shyness that affects humans. He's shown that by giving a shy monkey to a foster mother who is an expert caregiver, the baby will outgrow the shyness. Even more surprising, the once shy monkey will become a leader among her peers and an unusually competent parent, just like the foster mom. Though she will likely pass along her shyness genes to her own child, she will teach it how to overcome her predisposition, just as she was taught. And the cycle continues—generations of genetically shy monkeys become not just normal, but superior, adults and parents. The lesson, says Suomi: "You can't prejudge anyone at birth. No matter what your genetic background, a negative characteristic you're born with may even turn out to be an advantage."

But parents aren't scientists, and it's not always easy to see how experience can influence a child's character. A baby who smiles a lot and makes eye contact is, in part, determining her own environment, which in turn affects her temperament. As her parents coo and smile and wrinkle their noses in delighted response, they are reinforcing their baby's sunny disposition. But what about children who are born with low muscle tone, who at 4 months can barely hold up their own heads, let alone smile? Greenspan has discovered that mothers of these kids smile at the baby for a while, but when the affection isn't returned, they give up. And so does the baby, who over time fails to develop the ability to socialize normally. "If you move in the wrong patterns, the problem is exacerbated," Greenspan says. He has found that if parents respond to nonsmiling babies by being superanimated—like Bob Barker hosting a game show—they can engage their child's interest in the world.

The ramifications of these findings clearly have the potential to revolutionize child-rearing theory and practice. But to an uncertain end. "Our society has a strong belief that what happens in childhood determines your fate. If you have a happy childhood, everything will be all right. That's silly," says Michael Lewis, director of the Institute for the Study of Child Development in New Jersey and the author of "Altering Fate." Lewis estimates that experience ultimately rewrites 90 percent of a child's personality traits, leaving an adult with only one tenth of his inborn temperament. "The idea that early childhood is such a powerful moment to see individual differences in biology or environment is not valid," he says. "We are too open to and modifiable by experience." Some scientists warn that attempting to reprogram even a narrow sliver of childhood emotions can prove to be a daunting task, despite research's fascinating new insights. "Children are not a 24-hour controlled experiment," says C. Robert Cloninger, a professor of psychiatry and genetics at the Washington University School of Medicine in St. Louis. "If you put a child in a Skinner box, *then* maybe you could have substantial influence." So, mindful of the blinding insights of geneticists and grateful for the lingering influences of environment, parents must get on with the business of raising their child, an inexact science if ever there was one. ■

Good Kid, Bad Kid

From scary tantrums to a flat refusal to get dressed in the morning, young children keep testing their limits—and yours. Take a deep breath and try not to flunk.

BY SUSAN MILLER AND LARRY REIBSTEIN

SURE, MAYBE WE CAN CLONE sheep, but what about trying to get a young child *dressed*? For this there should be a Nobel Prize. Take Andrea Hesekiel, of Rye, N.Y., who still remembers every frustrating detail of one particular day three years ago, when her daughter, Kira, was 3. "It was in the morning," she begins, "and we were trying to get ready for nursery school and she just didn't want to get dressed." After basically ignoring her mother's reasoned arguments, then her coaxing and pleading, Kira "went back to bed, jumped in and pulled the covers up over her head." Watch out. "I peeled back the covers and whacked her on the bottom a few times," she recalls. "She was hysterically crying."

Kira got dressed, but she apparently forgot the point of the spanking—it wasn't the last time she avoided dressing. But Mom didn't forget. "I obsessed about it for days," she says. "I was very upset with myself for losing control. I don't believe in spanking."

OK, so Mom strayed from the '90s parenting manual—what parent hasn't? The young child, especially from 1 to 3, is a jumbled mass of egocentric, limit-testing, conscience-deprived nerves and cells. Fortunately, they're cute. But figuring out what proper behavior is—and teaching it, to say nothing of enforcing it—is one of the great questions still plaguing mankind, even after thousands of trendy advice books that tend to contradict each other. Should a 9-month-old be taught not to pull on Daddy's glasses? Can a 14-month child really be expected to share toys? Can a 2-year-old be guided out of temper tantrums? In short, says Victoria Lavigne, assistant professor of clinical psychiatry at Northwestern University Medical School, "How do you get your child to do what you want them to do when you want them to do it—while still maintaining a positive relationship?"

For children younger than 1, it's hard to imagine needing to use "discipline" to guide them between right and wrong behavior. When babies pull on telephones or stick their fingers in sockets or other kids' eyes, they aren't candidates for the shrink's couch. They are simply exploring what they find fascinating, essentially their job at that age. The three most important strategies: relocate, relocate, relocate.

JAN SONNENMAIR

The Debate Over Discipline

YOUR KID IS FLINGING food, whacking his sister and screaming endlessly. What do you do? As you carefully consider your range of choices, consider this: how you discipline your child in the early years will go a long way in determining whether your child turns into a nightmare by the time he's 3. Hit him and he may turn into a noncaring scoundrel. Ignore her and her obnoxious behavior will escalate. Child-rearing techniques can be as varying as fashion. A look at some methods:

■ For this generation of educated middle-class parents, **spanking** is as politically incorrect as smoking. "My parents spanked us, but I don't think it's a good idea," says Terry Staudenmaier, the Baltimore mother of 2-year-old Gabe. The NEWSWEEK Poll showed that 31 percent of parents spanked sometimes or often. But experts say parents should avoid the practice. "Spanking and physical force in general accomplish quick compliance but build up resentment, anger, fear of the parent," says Martin Hoffman, psychology professor at New York University. Studies also show that spanking isn't especially effective, anyway. Families who start spanking before their children are a year old are as likely to spank their 4-year-olds as often as are families who start spanking later—suggesting the children aren't learning any lessons.

Patty Gibson Ralph watching daughter Jessie's antics

TED RICE

Ben Carloni, 2½, likes his routines; sister Leah, 6 months, swings along

As the child grows older, bad behavior often springs out of the stirrings of independence, or a play for attention, or maybe just frustration. Children haven't yet developed a conscience telling them what's right and wrong; that begins around the age of 3. Still, by around 18 months to 20 months, children are old enough to be reasoned with, according to Martin Hoffman, a psychology professor at New York University. And they're just starting to figure out that other family members need to be accommodated. A look at some typical early-childhood behaviors:

Tantrums: Ben Carloni, 2½, knows what he likes and when, and God help those who change it. Explains mother Barb Carloni of Columbus, Ohio: "He has to brush his teeth a certain way. He climbs up into his chair a certain way. He has to help pour the juice and he has to hold the cup." One time recently Ben thanked his father, Steve, who, instead of responding "You're welcome," said, "No, thank *you*, Ben." This was enough to propel Ben into a fit. Experts say tantrums are perfectly normal for the child learning to express anger and frustration. Only if the tantrums are more frequent, and continue as the child gets older, will there be a need for more serious intervention. The Carlonis handle Ben much as the experts recommend. They keep their distance but try to talk to him and get him to explain why he's angry. Sometimes it works; other times nothing does. Lavigne points out that trying to appease the child, by picking her up or giving in to heated demands, will only encourage more of the same behavior.

Sharing: Kids may begin to share things between 2 and 3, but don't bet on it. And don't worry about the tugs of war, either. "It is less important than the back-and-forth interaction with other children," says Dr. Stanley Greenspan, professor of psychiatry and pediatrics at George Washington University Medical School and author of "The Growth of the Mind." "Sharing is one piece of successful learning that occurs because of these interactions." Patty Gibson Ralph, who lives in Manhattan Beach, Calif., tries sharing and praising her daughter, Jessie, 2½, to mixed results. "She's kind of obsessed about not sharing," her mother reports.

Hitting: A child's striking out is not acceptable after a year, but "don't blow it out of shape," argues Greenspan. Sometimes children hit to get control of a situation they don't like, or they learn it from other kids, which is what happened with 13-month-

he "humane" alternative to nking, the **timeout**, has ned popularity over the last ade as a quick method to l off a wayward kid. The WSWEEK Poll showed that 71 cent of parents often or netimes used timeouts. Patty son Ralph uses it on those asions when her daughter ie, 2½, whacks her younger ther, Jack. "I have her sit in a ain place and I have an egg er and I put that on for one ute," says Patty. But she s just the threat of a timeout en more effective. Most ex- s advise sparing use of time-outs. And they should always be combined with an explanation of why the behavior is bad. For infants and young toddlers, timeouts shouldn't be used at all, because those kids don't understand right from wrong.

■ In layman's terms, **modeling** means that if parents behave appropriately, their kids will notice and learn from it. Teaching a child empathy depends greatly on showing by example. Comforting a child imparts the lesson that the needs of others must be considered.

■ **Immobilization** is a controversial technique recommended by Dr. Burton White, director of the Center for Parent Education in Newton, Mass. It's aimed at children 7 to 14 months old who persist in behavior such as hitting. He advises first giving a warning then constraining the child in your lap, facing you, while firmly holding his arms and shoulders. After a minute or so release the child and explain the behavior that was inappropriate. Critics deride this one-size-fits-all approach to discipline, but White insists that a week of using this method will change the behavior.

LARRY REIBSTEIN *and* SUSAN MILLER

old Laura Scott, an American living in London. Once, after Laura hit another child, her father, Al, grabbed her arm and gently told her "No, no." She hasn't done it again.

Dressing: Jessie Ralph likes to wear her shirt backward, put on clothes that don't match or put her shoes on the wrong feet. Once she wanted to wear her pajama top to nursery school. This could have the makings of a power struggle, but it shouldn't. As her mother, Patty, deals with it, "she's learning how to express herself, and as long as she's not going to freeze to death I say 'Fine'." Greenspan agrees that dressing shouldn't be a discipline issue.

Eating: In Victorian times children sat still through meals and ate all that was served, or at least that's the myth. Forget it. A child under 3 who can sit at a table for more than 15 minutes is called a miracle. "The rule is not to have a rule," says Greenspan. "You want to adapt it to the individual child." And the constant struggle with children to eat different foods is largely wasted energy. "They have food jags and usually that's not *harmful* as long as they're sleeping and eliminating properly," says Charles Flatter, professor of human development at the University of Maryland.

As behavioral matters go, those are the easy ones. It's the high-strung child who understandably challenges the patience of parents, writes Dr. Stanley Turecki in "The Difficult Child." This is the child with an extremely high activity level, who is impulsive and stubborn. He may be unable to concentrate for even a brief period. Children who exhibit the most extreme of these behaviors might be suffering from Attention Deficit Disorder—or, says Turecki, they might simply be "difficult children with a very high activity level." But doctors rarely diagnose a child under 3 as having ADD. Beyond those issues are even deeper behavioral problems, according to Greenspan. "The child who does not by any time after 8 months show very purposeful or intentional reaching, smiling or vocalizing. The child who in the second year of life is not showing more gradually complex social problem-solving." These types of behavior, says Greenspan, can be signs of children who may exhibit, at 3, severe emotional and intellectual difficulties—such as difficulty learning to distinguish reality from fantasy, or appropriate cognitive and language skills. As Greenspan puts it, "These are big-league concerns." ■

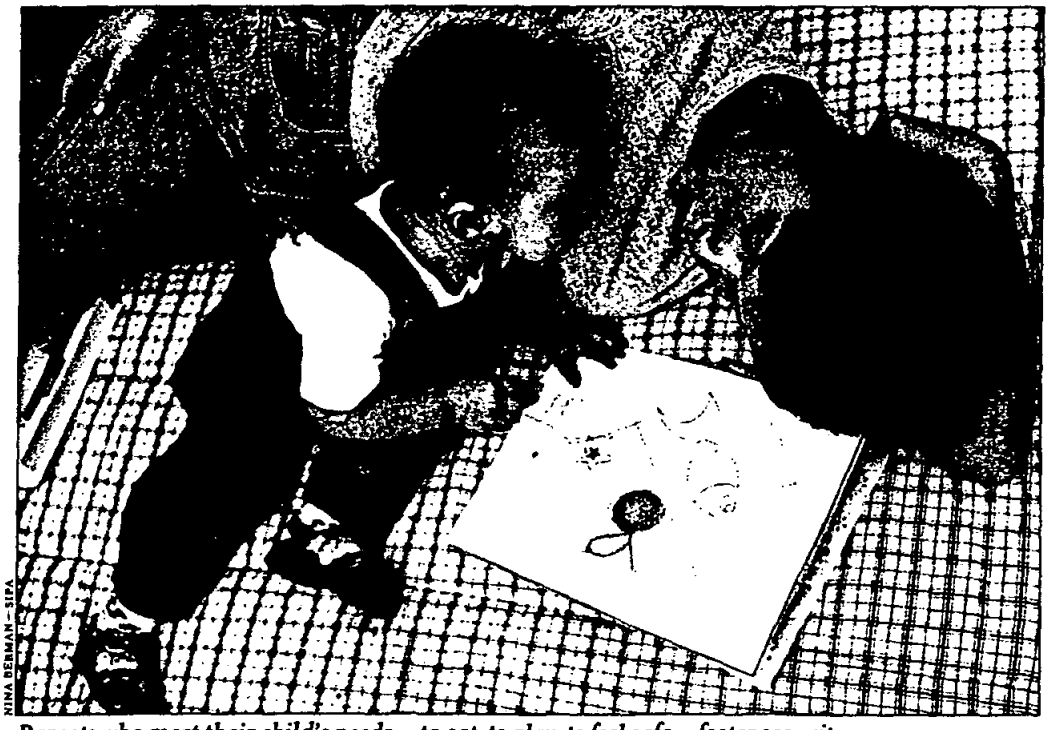
A baby needs to form a secure 'attachment' to the mother or another caring adult. How do these early relationships develop trust—and why do some of them fail?

The Loving

By Susan H. Greenberg

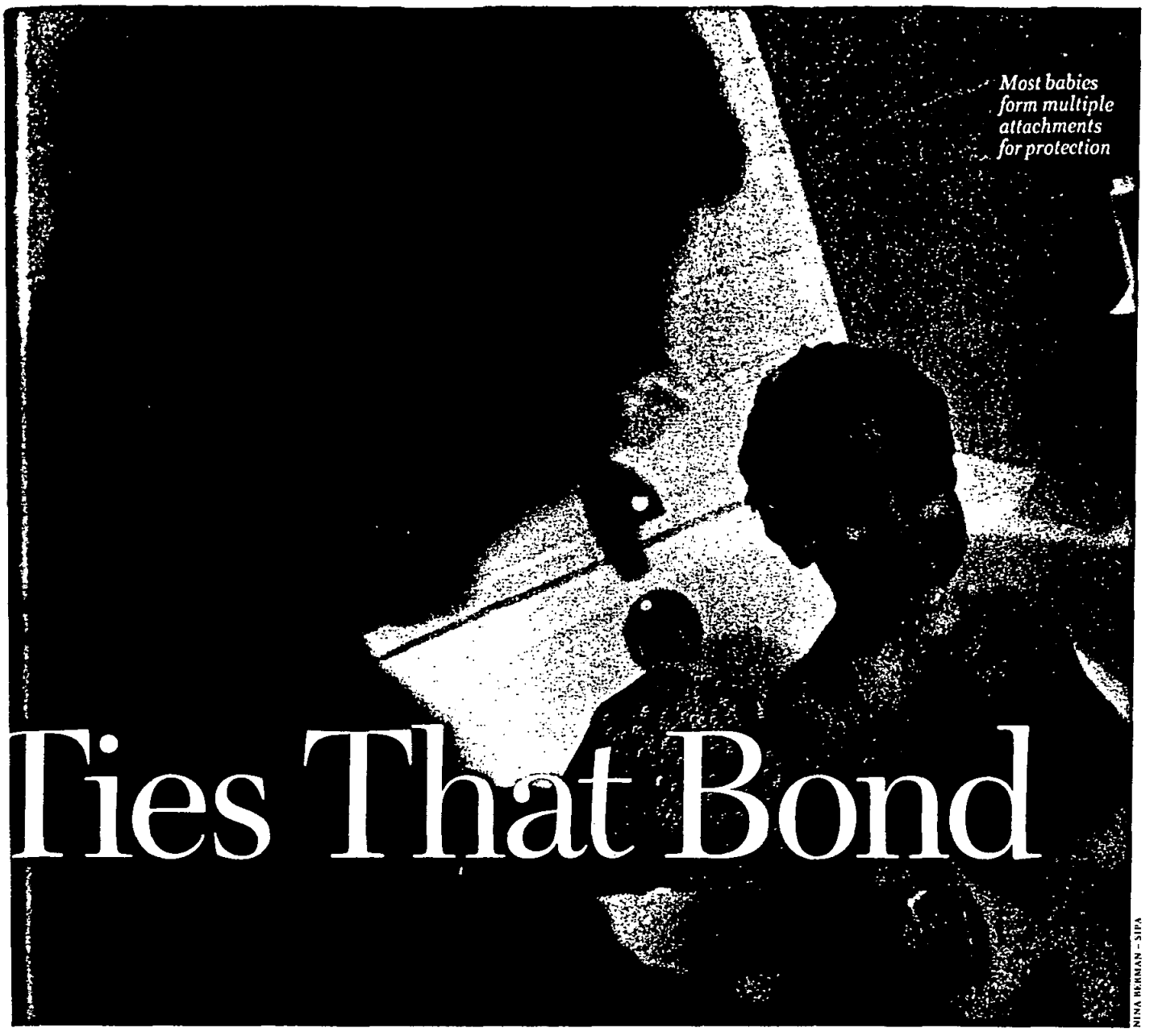
When goslings hatch, they will immediately become attached to the first moving object they see, whether it's their mother or the Energizer bunny. Human babies are smarter. Even in utero, they begin to recognize the muffled voices of those who will care for them. By 10 days of age, they can distinguish the smell of their mother's breast milk from that of another woman. Around 5 weeks, babies demonstrate a preference for their primary caretakers by smiling or vocalizing. They follow them intently, first with their eyes, then later on hands and knees. By 9 months, many infants scream when their parents try to leave, as if to say, "I can't bear being without you!"

And so it is that babies fall in love with their parents. Psychologists, of course, have a less romantic name for it: attachment. First postulated by British psychiatrist John Bowlby in the 1950s, attachment remains one of this century's more enduring theories of human development. It has far outlived the particular—and unfounded—notion of bonding popularized in the 1970s that mothers and babies need prolonged skin-to-skin contact immediately after delivery to form a proper love connection. Attachment holds that infants and their parents are biologically wired to forge a close emotional tie, which develops slowly over the baby's first year of life through an ongoing dialogue of coos, gazes and smiles. How it unfolds may influence everything from how we perform in school to what kind of partners and parents we become. Says Alicia Lieberman, a psychology professor at the University of California, San Francisco: "The foundation for how a child feels about himself and the



NINA BERMAN—SIPA

Parents who meet their child's needs—to eat, to play, to feel safe—foster security



Most babies form multiple attachments for protection

NINA BERMAN – SIPA

Ties That Bond

world is how he feels in his relationship with the primary caregiver."

For most infants that is their mother, simply because she's usually around them the most. But young babies will become attached to anyone who is consistently available and responsive to them. "If you handed a newborn to a male cousin and he acted like the typical mother, it wouldn't matter to the baby," says Jay Belsky, professor of human development at Penn State. In fact, most babies form multiple attachments. It's nature's way of protecting them against the loss of their primary caretaker.

Yet not all attachments are good attachments. Parents who respond sensitively to their child's needs—to eat, to play, to feel safe, to be left alone—will likely build strong, nurturing relationships, which some psychologists call "secure." Parents who don't are more likely to establish "insecure" or "anxious" attachments. "Children are prewired to fall madly in love with their caregivers," says clinical psychologist Robert Karen, author of "Becoming Attached." "The sense that that love is returned, that they're valued and that they can count on their mother and father, is secure attachment." Karen estimates that two thirds of 1-year-olds in middle-class American homes are securely attached; the percentage is lower in households that face hardships such as poverty.

This notion of secure versus insecure attachment is probably the most controversial aspect of attachment theory. Bowlby's colleague Mary Ainsworth first made the distinction in the 1960s, when she devised an experiment called the "strange situation." Over several months she studied mothers and infants in their homes. When the babies turned 1, she invited each pair into the lab and placed them with a stranger in a toy-filled room. Then she observed how the baby responded when his mother left the room and when she returned. As Ainsworth expected, the mother's departure distressed some babies and not others. But what defined their quality of attachment was how they greeted her return. The babies whose mothers were considered responsive all rushed to them—whether for comfort or to play—as if to say, "I know you're there for me!" Ainsworth labeled those children "securely attached." The infants of those deemed less responsive in the home study either ignored or rebuffed their mothers when they returned. Ainsworth concluded that these "anxiously attached" babies had no confidence that their mothers would give them what they wanted.

Such labels make many people uncomfortable. "The 'attachment people' decided incorrectly that the most important aspect of that relationship is security/insecurity," says Harvard psychologist Jerome Kagan.

"The 'strange situation' is not an accurate measure, because the child's behavior in that situation is a function of its temperament and how it's been treated." Even proponents of attachment theory acknowledge its limitations. "Attachment hasn't left enough room for what any mother of two has noticed: that children are different," says psychologist Arietta Slade of the City University of New York.

To be sure, some children find it harder to form attachments than others. Children who suffer from autism and other developmental disorders, abused children, even colicky babies, all present special challenges. But most psychologists believe that with enough sensitivity and perseverance, every caretaker can form a secure attachment with almost any child. "There is such a thing as a poor fit," says Robert Karen. "But you hope parents will find a way to connect."

They needn't do it alone. Counselors can help parents overcome their own obstacles to bonding, such as depression or substance abuse. One of the most common sources of insecure attachment is what child psychiatrist Selma Fraiberg called "the ghost in the nursery," a parent's unresolved mourning for a loved one. Psychotherapy can be extremely effective in helping mothers learn how to be more sensitive to their babies. In 1985 Alicia Lieberman proved that with a group of mothers from Latin America, many of whom had recently immigrated to the United States. She performed "strange situation" assessments on their children. Of those deemed anxiously attached—about 65 percent—she offered psychotherapy to half. "After a year, these mothers were significantly more empathic, responsive and interactive" than the control group, Lieberman says.

And what if, despite everyone's best efforts, an infant fails to form a close bond with a caring adult? "Kids who were secure as infants or toddlers in general function better in ways we value in this culture," says Belsky. "But it would be a mistake to draw the conclusion that how you end up after the first year of life determines how you'll be in later life." Indeed, few people could look at a room full of teenagers and guess accurately who was securely attached at age 1. And adults who failed to bond with their own parents are not destined to revisit that fate upon their children; plenty of them transcend their early experience—whether through attachment to another caring adult, a fulfilling marriage or psychotherapy—and raise perfectly secure kids. By the same token, a secure attachment is only a beginning. "Being secure is an asset, not a guarantee," says Belsky. In this life, that's about as good as it gets. ■

Will It Be on the Test?

It's not always enough just to rely on what comes naturally. Parents can take classes that will teach them what to do.

BY PAUL O'DONNELL

CONTRARY TO THE adage, babies do come with instruction manuals. They are called families. Traditionally, experienced relatives have interpreted for new parents the coos, wiggles and arcane eating habits of children. But in today's society, according to Minalee Saks, a founder of Birth to Three, a parent-education program in Eugene, Ore., "there is so much mobility. People don't have their families around. They leave the hospital, and suddenly there is a void."

Now parent educators like Saks are trying to fill the extended family's shoes. When she started Birth to Three's first instructional groups in 1979, Saks was a pioneer; now hers is one of many local and national programs like HIPPY, MELD and Healthy Families America. Dwarfing all others is Parents as Teachers, begun as a project of the Missouri Department of Education in 1981. "We were working with 3- to 4-year-olds, but we were playing catch-up," says Mildred Winter, executive director of PAT. "We realized we could reduce the number of children who needed help later by teaching parents how to teach their babies." Educating parents about emotional, physical and intellectual development has also proved to reduce child abuse. PAT has exported its curriculum to all but three states and has trained an infantry of 8,000 professional parent educators, who spend an hour a month in parents' homes.

Grandma would approve of PAT's lessons. Parents are told to give infants plenty of "tummy time" on a blanket on the floor, to let 9-month-olds crawl in and out of a cardboard box, or to play make-believe with toddlers. "Most people know to be nurturing, to dress the baby and not let it cry," says Jean Tucker at PAT in Newark, Dela. "But they don't know it's important to be talking to the baby." Often, according to Fort Worth, Texas, administrator Julie Miers, "it's enough that we reassure them that what their child is doing is normal."

GREG RANNELLS—FERGUSON & KATZMAN

A PAT educator (right) makes a home visit in St. Louis

Stressing the normal, in fact, has been one key to success. PAT, like Birth to Three, is not perceived as remedial because it is open to parents of all economic backgrounds. "Parents bring the best part of themselves if they're not identified as problem families," says Saks.

Nonetheless, some PAT leaders estimate that nearly half of their families are "environmentally distressed." Tucker, who grew up poor herself, says hers was a happy, busy home that provided plenty of stimulation. "Some low-income mothers didn't experience much joy, and their grandmothers didn't either," she says. Now, thanks to programs such as hers, the failings of the past don't have to be visited upon children.

It's a Wise Father Who Knows...

...his child. If Dad helps with the rearing, the baby is likely to grow up stronger, smarter and more in control.

BY JERRY ADLER

HIS IS OFTEN the first face the newborn sees, looming out of the dimness of the delivery room, open-mouthed with wonder at the creature springing into being from his wife's very body. Men who witness the birth of their child almost invariably react the same way, says Dr. Kyle Pruett, a professor of psychiatry at the Yale University Child Study Center; they are "taken over" by the experience, electrified to realize that they have brought a human being into the world, a new life whose fate is inextricably and eternally bound up with theirs. Women, he adds, "describe the experience quite differently. Long before the baby's born, they've already been taken over."

LARA JO REGAN—SABA

Daddy and me, learning to be brave in the world

As for the newborn, no one knows just what he makes of that first encounter with his father; almost certainly, not much. But before his first year is out, the urgency of his needs—for nourishment, for stimulation, for comfort in a crazy world where a snug, warm diaper can inexplicably transform into a cold and sodden clump—will lead him into a relationship with his father that psychologists call "attachment" but that parents are pleased to think of as "love." Sometime around the sixth to eighth month, the human infant, among the most defenseless creatures on God's earth, will become attached to the adults who take care of him—to prefer them to strangers, to notice their absence, to seek comfort from them. This usually happens earlier or more strongly with the mother but mostly just because she's more likely to be around in those early months. Anyone who provides regular care for the baby will become the object of his or her attachment—even if the care isn't especially good or loving—including fathers and babysitters.

Which is not to say that babies don't distinguish among adults; on the contrary, they can tell mother from father as early as six weeks, or (depending on which studies you accept) even three. Almost invariably, they make the same distinction, becoming calm in the presence of the mother, aroused and stimulated by the approach of the father. The interactions between infant and father, as between infant and mother, follow a pattern that transcends social class and cultural expectations. Each mother has a distinctive way of cradling her baby, and will hold him that way nine times out of 10, Pruett says; a given father, by contrast, in 10 tries will pick up his baby nine different ways, including upside down. That is so, he adds, even for fathers who stay at home with their infants while the mothers work. Mothers make more use of toys in playing with their children; fathers are more likely to employ their own bodies as portable, interactive monkey bars and rocking horses. "Even when they are the primary caregivers," Pruett says, "fathers do not mother."

And that difference is apparent all through the years of early childhood. Dr. Robert Moradi, a psychiatrist at UCLA School of Medicine, has been studying young children and their parents, in separate "Mommy and Me" and "Daddy and Me" groups, for several years. Fathers, he says, help the child "individuate"; they are more willing than mothers to let a child out of their sight, and on average will let a baby crawl as much as twice as far before retrieving her. When a child confronts a novel situation—a dog, a stranger, a new toy—mothers instinctively move closer, offering the reassurance of their familiar presence; fathers tend to stay back and let the child explore it for herself. Both modes of parenting—the reassuring and the challenging—contribute to a child's emotional growth. Research shows that infants whose fathers took an active role in their care were less likely to cry when separating from a parent or in the presence of a stranger.

And that's only the beginning of a lifetime of good things that flow from having a father actively involved in child care. "Children whose fathers help care for them are less likely to become violent; they have higher IQs, better impulse control, better social adaptations—all of the elements of mental health are better," says Moradi. And if that isn't persuasive, consider Pruett's finding that "men who have been involved in the physical care of children under the age of 3 are significantly less likely to become involved in the sexual abuse of children." The very intimacy of feeding, of changing diapers and bathing, seems to inoculate men against subsequent sexual arousal, not just in relation to their own children but to others as well. Moreover, Moradi asserts, controlled studies with inner-city men show that those who take care of their children are less likely to join gangs and commit violent crimes. Few forces are as powerful, and as underused in our culture, as this sacred bond between father and child, the magnetic attraction of strength for weakness, the "attachment" that begins with dependence and grows into love. ■

DR. T. BERRY BRAZELTON

BUILDING A BETTER SELF-IMAGE

The renowned pediatrician explains why early interactions are so vital in teaching children about themselves, their world and success

WE ARE PAYING A TERRIBLE PRICE for our nation's inattention to the increasing stresses on children and families. Violence among teenagers, suicide and teen pregnancy are the obvious signals that our children are growing up with hidden anger and self-destructive impulses. Less obvious is the cost in lost motivation for learning when we fail to inculcate decent self-images in our children. My own work has shown me the vital importance of enhancing the child's development in the first few years. I feel that the developmental crises in these years offer parents a chance to build qualities in the child that will be useful for a productive future. The opportunities for establishing a positive self-image, a sense of being important, of trust and motivation, are all available to babies in these early years.

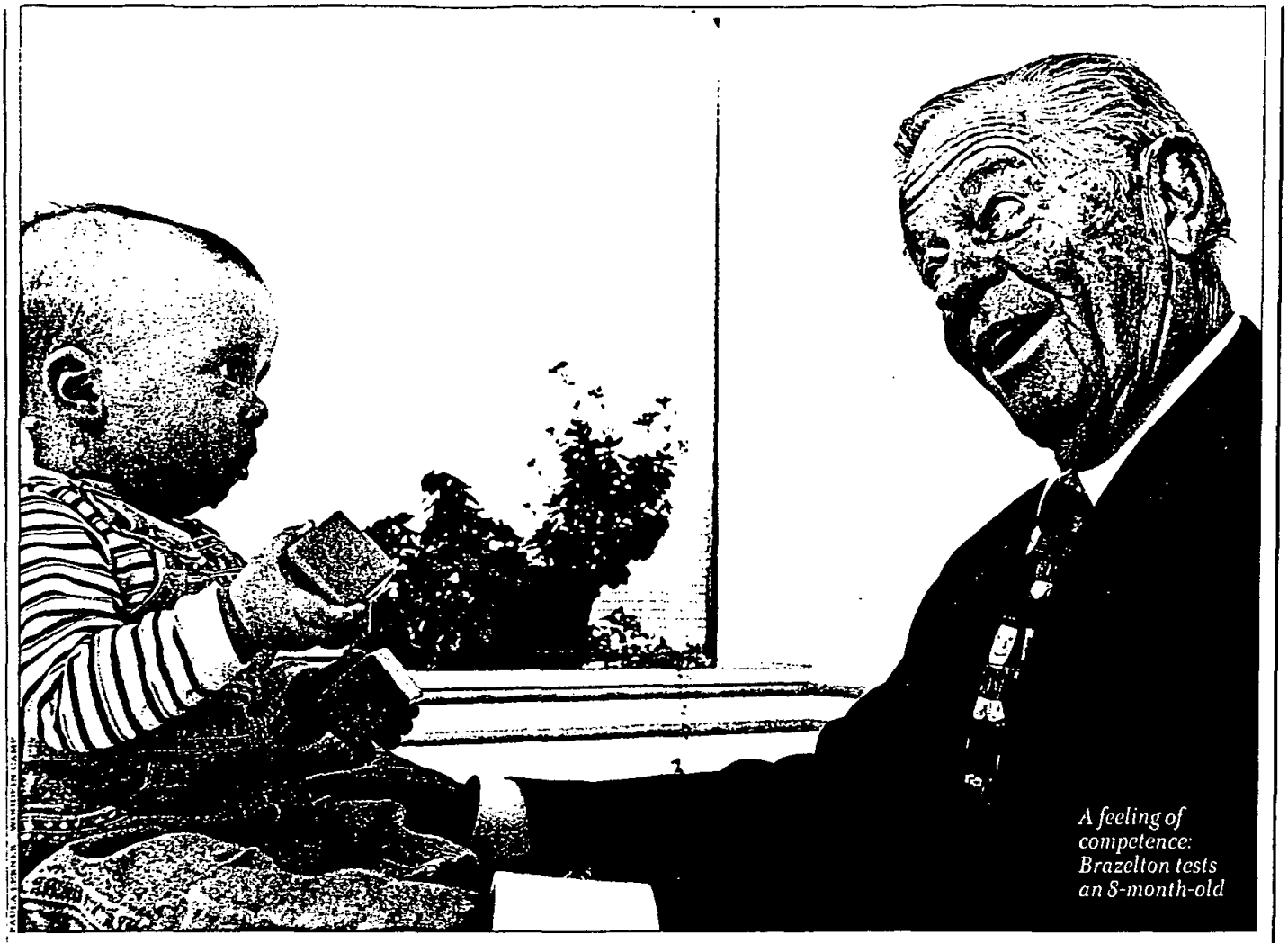
We have learned so much from working with fragile, even impaired, infants about their potential for recovery from injuries sustained in the uterus or at birth. We can now apply that thinking to normal development. In a stressed infant, there are extra pathways still intact in the immature nervous system that can take over and help the child recover. A threatened nervous system is likely to be hypersensitive and easily disorganized by incoming stimuli and by the baby's own efforts to respond. Even in infants who are highly stressed (by maternal undernutrition, drugs or heavy smoking), caretakers who are sensitive to them can give them the fuel they need to begin to make progress. This flexibility and power of recovery is less reachable in older children. But it's available in infancy and early childhood even in damaged or delicate infants—so imagine how powerful an opportunity it offers to strengthen the development of normal children.

The maturation of the nervous system pushes a child from one stage to another, relentlessly. One important source of fuel comes from the *internal* feedback system—the baby's own recognition of having completed a developmental task such as walking, crawling or reaching. When he achieves it, his face lights up as if to say, "I just did it! Aren't I great?" The *external* feedback from parents becomes another vital source of fueling. But if parents hover—if they never allow the child to struggle, to feel frustrated, to finally achieve for himself the developmental step and to experience his own joy at the achievement—they devalue the force of the internal system. Each completed cycle gives the child a secure sense of himself: "I did it! I can do it!" This leads to a sense of autonomy and a confidence in his capacity to master his world. And this in turn motivates the baby to take the next developmental step.

The external feedback cycle is important in other ways. With a newborn, the mother's quiet voice helps the baby soothe herself, enabling her to stay calm enough to look around at her world. Every time in the early weeks a small baby smiles, someone smiles back. Every time she vocalizes, someone vocalizes back. At 8 to 10 weeks, these smiling, vocalizing responses get set into a rhythmic game—one that will later be reflected in speech rhythms. As she gets a few months older, she plays with this response. She plays peekaboo. "If I cover my eyes, you will cover yours. If I uncover mine, so will you. Now we can make predictable games out of it." Each of these episodes is fueling her brain's development. Her entire system—motor, cognitive and emotional—is intensely involved in each task. A sense of her own importance, of trust in her world and in the future, begins around each of these seemingly unimportant interactions between parent and child. An expectation quickly develops that she can control her own world. Teasing for a cookie or driving a parent to a disciplinary response becomes a toddler's way of proving that "it's my world and I can master it!"

Each stage offers the developing child a chance to renew her motivation and self-confidence. And the child's passion as she tries to walk, to master her own toileting, to read, to put together and express her own ideas, is matched by the parent's fierce desire to help. These early opportunities are laying the groundwork for more independence, more inner security, more hunger for conquering this world. We need to help parents recognize these stages, and let parents know how valuable their own role is in reinforcing the child's sense of self.

How does a child's self-image begin to develop? Certainly, parents who are able to mobilize an eagerness for the baby in utero are already preparing that baby for a successful future. Then the newborn is equipped with a marvelous series of behaviors to capture a parent for him. We have developed a newborn assessment (Neonatal Behavioral Assessment Scale, or NBAS), which



A feeling of competence: Brazelton tests an 8-month-old

One source of self-esteem is internal—the young child's own pleasure at having accomplished a task. Another is external, feedback from parents who recognize the child's achievement.

identifies 28 observable behaviors that can help parents understand and relate to their newborn. As she suppresses interfering motor behavior, controls her breathing and accelerates her heart rate in order to follow her mother's face and voice, as she turns to her mother's (or father's) voice in preference to mine, I have never seen a parent who didn't automatically reach out for her newborn to say, "You know me!" When the parent's and the newborn's temperament fit, they are off to a winning start. When they don't, we can find ways of helping them come to understand each other.

A child's sense of competence, his expectation of success and his motivation to work toward it are laid down in the first years. I can tell by a child's behavior as I test him at 8 months of age whether he expects to succeed or fail in the future.

As I offer an 8-month-old two blocks and show him how to match them and bang them together, I watch for this expectation. I am testing him for imitation, for cognitive recognition that the two blocks match and for his motor capacity to perform for me. All of these are within an 8-month-old's capacities. He is likely to be proud to show them to me at this age. A child who expects to succeed will drop one cube to see whether I'll retrieve it. After I do, he tries it again. I say, "Bang them together like I showed you!" He brings them to bang them together, and then he looks up at me, as if to say, "See how great I am?" He expects to succeed. He has had an environment that approves of him, and he knows it.

When I test a child who comes from a non-nurturing environment or who realizes he is not able to process information as he should (he may be learning disabled or attentionally disordered), he will bring the cubes close enough to show that he knows what I'm asking. But he'll slide them by each other, then look up at me cringingly, as if to say, "See, I'm no good. Reject me again!"

We have become aware of how vital a responsive environment can be. On the other hand, we have learned all too well that a nonresponsive, neglectful, abusive or depressed environment produces angry, depressed, hopeless children by the ages of 2 and 3 years. The opportunity for recovery and reorganization is not lost, but it becomes more and more endangered and expensive. Our children can't wait. We can't afford to ride insensitively over these vital early years any longer. Helping parents to help their children may cost businesses or the government some money. But if we fail, the cost to our nation will be far higher. And our own children and grandchildren will pay too high a price.

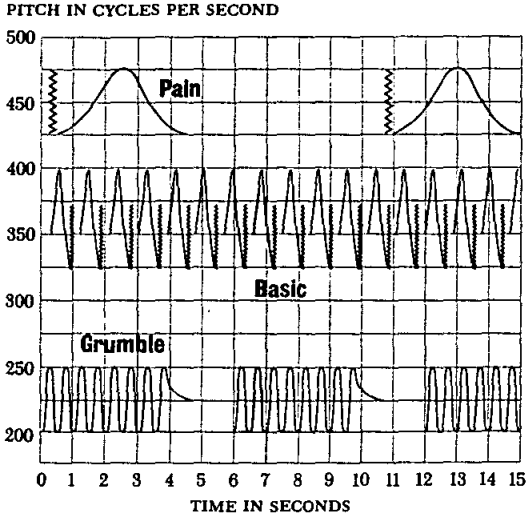
BRAZELTON, *professor emeritus of pediatrics at Harvard Medical School, is the author of many books, including "Infants and Mothers," and appears on "What Every Baby Knows" on Lifetime cable.*

A Bundle of Emotions

Whether by smiling or screaming, crying or cuddling, babies find ways early on to tell us how they feel. Good behavior comes along later. What to watch and listen for:

A Repertoire of Cries

All babies cry, and usually for good reason. Before they learn to talk, crying is one way to express their needs and send out signals of distress. Examples of three typical cries, and their differences in volume, pitch and rhythm:



Pain A cry of pain or distress usually begins with an inward gasp followed by a long, rising shriek. There is a long pause until the next painful scream. Soothe the baby by rocking or with music.

Basic A basic cry rises and falls rhythmically, broken up with a breath and a pause. The child may cry this way when demanding food or attention.

Grumble A grumble cry is the first attempt at communication. It has a lower pitch and volume, often sounding whimpery and whiny. It is a signal that the child may be getting restless. Move the child to a different environment and provide new stimulation.

0–2 months old

1 month old
Behavior Alert to stimuli like loud sounds and bright patterns. Quiets to holding or cuddling.
Interaction Child may recognize parent's voice or make eye-to-eye contact.
Tips Spend special time with siblings who may feel abandoned or jealous.

2 months old
Emotions Cries to show distress or pain, coos when happy or excited.
Tips If leaving child with a sitter, choose someone both you and the baby know, like a grandparent or close friend. Keep a list of emergency numbers handy.

Toys and Games for Curious Tots

Children love playtime, especially when parents or siblings join in the fun. Look for educational toys and games that encourage development:

1–3 months old Mobiles, unbreakable mirrors and activity centers attached to crib, rattles, stuffed toys with black and white patterns, music boxes, large colorful rings.

4–6 months old Beach balls, chunky bracelets, building blocks, squeaky toys, paper streamers, books made of cloth or vinyl, playing peekaboo or come-and-get-me with others.

7–9 months old Stuffed animals, balls, nesting cylinders, pop-up toys, large dolls and puppets, bath toys, performing "so big" or pat-a-cake.

10–12 months old Push-and-pull toys like miniature cars, ordinary household objects like empty egg cartons and large spoons, stacked rings on a spindle, playing simple ball games.

13–15 months old Toy telephones, acrobatics, pushing a carriage or toy horse, playing with cups and clothespins.

16–18 months old Sandbox, simple musical instruments like a drum or tambourine, large colored beads, jack-in-the-boxes, blowing bubbles.

19–21 months old Rocking horse, toys to take apart and fit back together, small rubber balls, digging toys, large crayons, kiddie cars, water games, easy jigsaw puzzles, making mud pies, playing tag or hide-and-seek.

22–24 months old Kiddie lawn mowers and kitchen sets for make-believe play, modeling clay, construction sets, action toys like trains, telephones, dump trucks and fire engines, old magazines, baskets, tubes and containers with lids.

2–3 years Beginner tricycle, mini-trampoline, roller skates or Rollerblades, dolls and accessories like strollers and baby bottles, dress-up clothes, coloring books, easel, crayons and markers, music, kiddie cassette player, swing sets, books, finger paint, mini basketball hoop, woodworking bench, kiddie swimming pool.

3–8 months old

3 months old
Behavior Smiles often to others or while sleeping.
Interaction May cry differently when mother leaves the room than with other people. Begins to sort out who's who in his life. May prefer certain people.

4 months old
Behavior Laughs while playing and may cry if playtime is interrupted. May still act passively, taking in whatever toy or face comes near.
Emotions Shows curiosity when inspecting rattle and dependency when wanting to be held. Moods may change rapidly.
Interaction Tries to get parent's attention by banging rattle or crying.

5 months old
Behavior Child may become more assertive as he learns to reach for objects.
Emotions Shows anger when someone tries to take away his toy. May begin to handle stresses better because of maturing nervous system.
Tips Set clear rules if sibling tries to hurt baby. Give child responsibilities as big brother or sister.

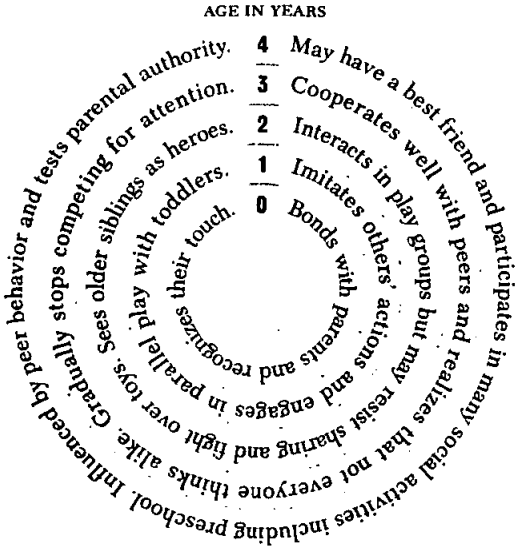
6 months old
Interaction May fear strangers. Responds positively to other children.
Tips When baby repeatedly puts an object in his mouth that he should not, gently pull his arm away, say no and distract with another activity.

7 months old
Behavior May test parents' authority by refusing to follow their directions.
Emotions Shows humor and laughs at funny expressions or positions.
Interaction May give familiar people hugs and kisses. May raise his arms to be picked up.

8 months old
Behavior Smiles at, pats or even kisses his mirror image. May distinguish between baby and image.
Interaction May reject being alone or confined in a crib or playpen. May fear being separated from parents as he learns to crawl. Buries head in parent's shoulder when meeting new people.

Circles of Friends

A baby's first friends are his parents, and interaction with them prepares the child for future relationships in larger social circles:



9–16 months old

9 months old
Interaction May perform tricks like "so big" and peekaboo for familiar people. May repeat act if applauded. Near the end of the first year, child may learn to assess moods and imitate them. If baby sees someone crying, he may cry too.

10 months old
Emotions Shows twinges of jealousy. May cry or whimper when sibling is at center of attention.
Interaction Starts to become aware of social approval and disapproval.

11 months old
Behavior May use a security blanket for comfort in strange places.
Interaction May assert himself among siblings. Likes to imitate gestures and sounds.

12 months old
Tips Try not to fuss when leaving child at home. Allow time for him to adjust to sitter. Distract baby with another activity and give a quick good-night kiss. Crying will pro-bably stop after parents depart.

13 months old
Behavior Laughs when chased. May become more demanding and seek constant attention.
Emotions After the first year, personality begins to emerge. May be an explorer, a tease, a showoff.

14 months old
Behavior Child may turn more aggressive as she learns to walk. May throw objects in anger.
Interaction May enjoy playing alone, but still likes to act for an audience (toy chart, above left).
Tips Time to baby-proof your house.

15 months old
Emotions May communicate feelings with a clear intent or purpose.
Interaction By midyear, some babies may recognize when familiar people are missing. May offer toys to others but will quickly want them back.

16 months old
Behavior Instead of using words, child flings arms or moves away to say no.
Interaction May hit parents in anger.

For More Information

Many organizations offer advice on parenting and child development. Check with your public school for local groups. A few notable programs:

Home Instruction Program for Preschool Youngsters (HIPPY USA): 212-678-3500

MELD (Minnesota Early Learning Design): 612-332-7563

Parents as Teachers National Center: 314-432-4330

Birth To Three: 800-680-7888

Family Resources: 800-641-4546

17–24 months old

17 months old
Interaction May respond correctly to what parents say. If scolded, child cries; if praised, she smiles.
Tips Some toddlers shy away from others. Give child time to adapt to new situations and hold her hand.

18 months old
Behavior Frustration may trigger tantrums. At this age, child acts on impulse due to limited understanding of good and bad, rules and warnings.
Interaction Communicates desire for closeness by plopping on parent's lap. Still has no sense of sharing with others.

19 months old
Behavior Enjoys getting out of the house and exploring new environments.
Interaction Some children will play among others in a group. May engage in parallel play.
Tips Praise will motivate child to obey the simple rules set. Give precedence to rules that keep her safe, as well as ones that prohibit hitting and kicking.

20 months old
Behavior During pretend play, child acts out what happens around her.
Emotions May fear thunder, lightning, big animals and the dark. Install night light if sleep is consistently disrupted.
Interaction Slowly warms to a new babysitter, but may still cling to mother around people she was comfortable with earlier.

21 months old
Emotions May sympathize with other people or recognize their feelings. Expresses love for parents by hugging and smiling.
Interaction Still possessive of toys but may give up objects that belong to someone else.

22 months old
Interaction Cooperates with others. Language development facilitates communication. Engages in parallel play with toddlers, often back to back.
Tips To build self-reliance, encourage child to separate from parents for short periods of time.

23 months old
Emotions May fear rejection and become frustrated with new activities.
Interaction May be willing to play alone. Likes to follow siblings and imitate their actions.
Tips Try to give siblings some privacy and designate a special time to spend with them.

24 months old
Behavior May become manipulative and bossy. Learns rules through trial and error.
Emotions Able to explain feelings and desires using gestures and simple phrases. Trusts adults.
Interaction Plays well with older children. May hand toy to another child. Imitates others through pretend play. May show signs of jealousy or revert to babyish actions when a new sibling arrives.

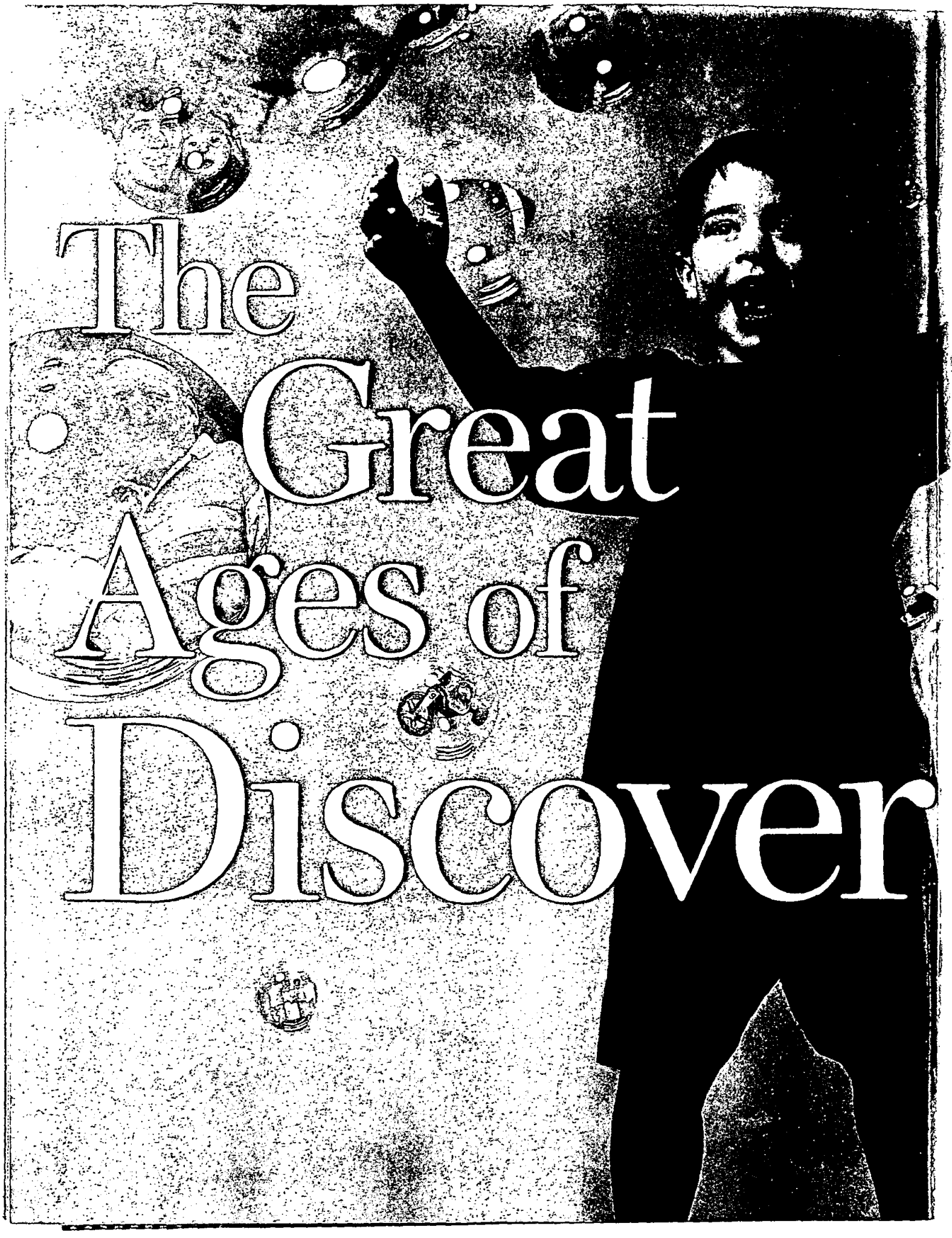
2–3 years old

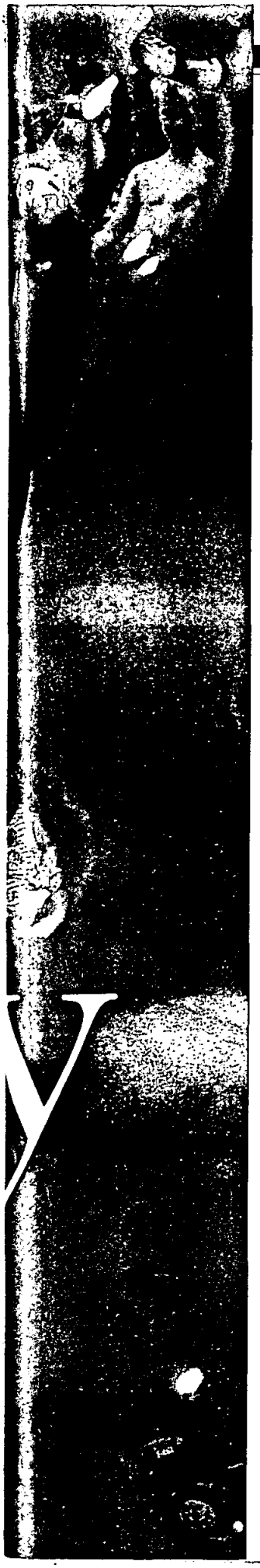
25 – 29 months old
Behavior Sees the world almost exclusively through his needs. Assumes everyone thinks and acts like him. May throw tantrum when angry or frustrated.
Emotions May have frequent mood swings. May pout or feel guilty when scolded. Learns how to express sadness or stress.
Interaction May pull away from familiar children or adults. Siblings take on a greater role in daily life. May enjoy play groups; the concept of "friend" evolves.
Tips Do not give child an audience during a tirade. Try not to scream back or dwell on the tantrum after it's finished.

30 – 36 months old
Behavior Toddler slowly begins to realize what's acceptable and what's not. May find it difficult to concentrate on new tasks.
Interaction Child may be conscious of being a member of a family. May show pity or sympathy to familiar people. Sharing parent's attention with siblings can be dfficult. Insists on being at the center of play and may dislike sharing limelight with peers. May be ready for nursery school, which can create separation anxiety. In nursery school, child learns to follow rules, to cooperate with others and to spend a few hours away from home.
Tips Encourage child to act responsibly by setting limits on dangerous or antisocial behavior. Time-outs may help defuse anger. Be consistent with rules. Praise child when he plays well with others.

By Jennifer Lach

SOURCES: "THE EARLY CHILDHOOD YEARS: THE 2 TO 6 YEAR OLD," "THE SECOND TWELVE MONTHS OF LIFE," "THE FIRST TWELVE MONTHS OF LIFE" BY THERESA AND FRANK CAPLAN; "CARING FOR YOUR BABY AND YOUNG CHILD" BY STEVEN P. SHELOV, M.D.; "FIRST FEELINGS" BY STANLEY GREENSPAN; "YOUR BABY & CHILD" BY PENELOPE LEACH.


The Great Ages of Discover



THE WORLD

They start swaddled and protected; Mom is just an appendage. Then everybody else starts showing up: grandparents, siblings, babysitters, friends and eventually salesmen. They're a little taste of the world to come. Children can learn lessons from them that, for better or worse, will stay with them for the rest of their lives.

AS SOON AS THEY START MOVING, they start moving away. Surely it's hard to imagine while you're beaming down at your fuzzy little newborn, but you've already launched him on a life that will inevitably take him out of your arms, if never out of your heart.

You're not in this alone, and therein lies both the opportunity and the challenge. You will be the child's first guardian, teacher and moral compass. But you can't shield your baby from the world. Nor would you want to. Grandma wants to hold her; Sister wants to see if she'll bounce; babysitters are ready to rock the cradle. With any luck, you'll be able to look to your parents—whom, in a blizzard of energy and rebellion, you may have left behind years ago—for help and guidance, and love for their newest family member. (Amazing, isn't it, how the same people who were so seemingly flawed as parents can turn out to be such insightful grandparents?) It does take a family to raise a family.

It's all perfectly natural, the slow but steady transition of a little baby into the big, wider world. It starts with other family members, then moves outward as day care, then friends, then television and marketers begin to exercise their influence. This is a journey babies are built for. They're born scientists, eager to test and taste and learn. You're there to be dazzled at their discoveries. Ride with them as long as you can.

A Grandparent's Role

BY KENNETH L. WOODWARD

AT BIRTH, A CHILD ENTERS THE mysterious world of its parents. At the same time, the child also enters the wider, even more mysterious world of its grandparents. Grandparents can, if they choose, remain aloof, becoming merely titular family figures in a grandchild's life, like the wooden image on the top of a totem. Or they can enrich that child's life—and their own—as a powerful and irreplaceable presence.

Unfortunately, some experts on the family dismiss the role of grandparents as old-fashioned, inadequate and even unnecessary in an age of new family patterns and government programs. In her best-selling book, for example, Hillary Rodham Clinton misconstrues the old African proverb "It take a village"—her title—"to raise a single child." Those African villages were not at all like small-town America in the 1950s. They were tribal clans, extended-family networks of grandparents and aunts and uncles with strong spiritual, emotional and biological ties. A more apt proverb for today's truncated nuclear family would be "It takes a whole village to replace a single grandparent." Indeed, in terms of nurture and emotional commitment, grandparents are infinitely more precious to grandchildren than a whole villageful of babysitters, child-development specialists, day-care centers and after-school programs. And when it comes to support for working

JAMES PORTO

single mothers, close grandparents can be indispensable.

Research by Arthur Kornhaber, a child psychiatrist with whom I wrote a book, "Grandparents/Grandchildren: The Vital Connection" *(280 pages. Transaction Press. $24.95)*, shows that "the attachment between grandparent and grandchild is second in emotional power and influence only to the relationship between parents and children." But there is an important psychological difference between the two. The normal tensions between parent and child simply do not exist between grandparent and grandchild.

Bonding between grandparents and grandchildren begins with the first viewing of the baby. For grandparents, the experience is usually love at first sight. (Some women have even been known to lactate when a daughter delivers her first child.) Infants need a few years before they can reciprocate that love. But gradually, children come to realize that, like themselves, their parents have parents—"great parents" who seem to have existed since the creation of the world. In the same way, they eventually learn to recognize close aunts and uncles as "elders" of the family "tribe."

Attentive grandparents play a number of vital roles in the life of a developing child. One is oral historian. Grandparents are inherently interesting for having lived in "olden" days. Children are especially intrigued by stories about what their parents did when they were children themselves. To know that their parents were mischievous and made mistakes reassures children that they are just like Mom and Dad. In matters of family history, grandparents—not parents—are the ultimate authorities. A kindred role is family archivist. Children love exploring the grandparental attic, discovering old pictures, clothing, knickknacks and, in the process, their own roots. In these and other ways, grandparents supply grandchildren with a "we" as well as an "I."

59% of all those polled say grandparents are very involved in their child's life; 37% say other relatives are very involved

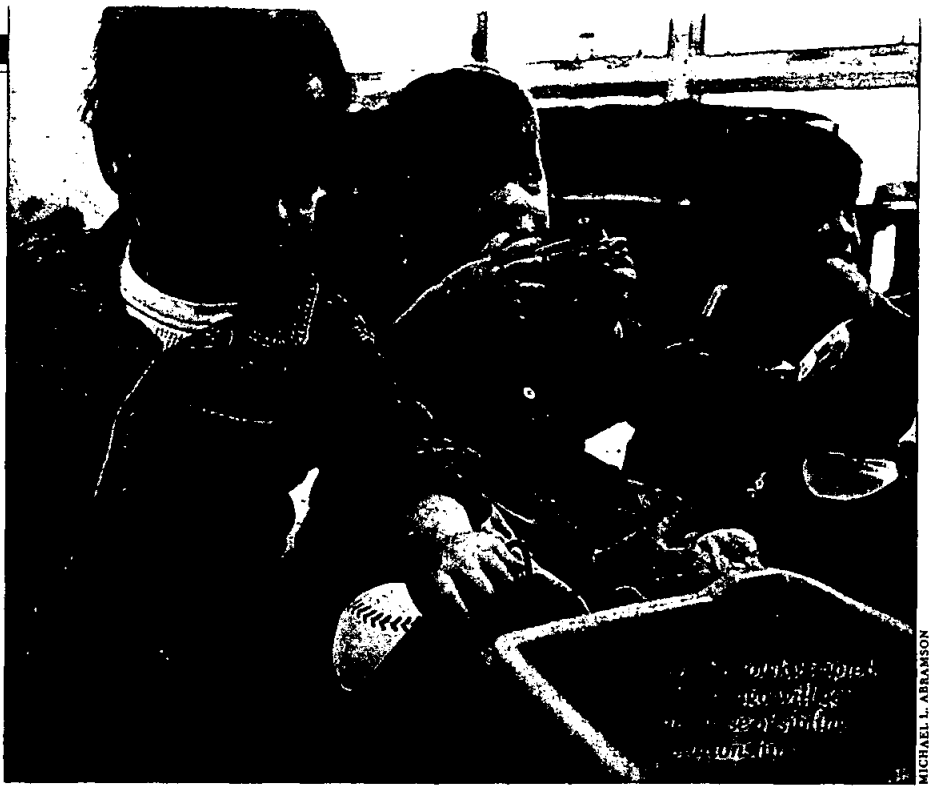
Regardless of their education or experience, grandparents are natural-born mentors if they take the time and trouble. When the emotional attachment is strong, learning is playing in the presence of a grandparent. Whatever the "curriculum," young children readily absorb what a loving grandparent has to teach. Many years later, grown children often cannot remember when or how they learned to build or bake, fix or make, the way a grandparent taught them. It has long since become instinct.

In religious matters, it is often a grandparent who provides spiritual sustenance to children of indifferent parents. Children always ask the big questions, like "Where does God live?" and "What does he look like?" Regardless of their grandparents' ac-

MICHAEL JOHNSON

tual age, grandchildren always see them as old and "closer to God"—and therefore in a position to know. As history has shown, Christianity survived in Russia largely because the grandmothers—the *babushkas*—kept the flame of faith alive during more than seven decades of communist rule.

With the emergence of two-worker families, some grandparents are taking on more practical roles, as part- or full-time parents to their own grandchildren. And with the increase in the numbers of divorced and never-married parents, aunts and uncles, often single, are rediscovering their importance to nieces and nephews. Like grandparents, aunts and uncles are family, but their nurture is delightfully different from that of parents. In short, Americans are gradually relearning an ancient truth: that the natural family is the extended family. In that widened womb, every child thrives with aunts and uncles and—as the family's foundation—those mysterious figures called grandparents.



MICHAEL L. ABRAMSON

As oral historians and confidants, grandparents play vital roles in the life of the developing child

The Sibling Link

By Tom Morganthau

Jason is 4 years old and all boy—a dynamo, bursting with energy and curiosity, part Luke Skywalker, part Dennis the Menace, part comedian. It wasn't always that way, for Jason was adopted at 14 months, old enough to feel the loss of his biological family and the home he had known. But Jason was lucky. His adoptive parents, Tim and Ginny, already had two sons—Billy, 8, and David, 10—who took to Jason as if he were their own. "His eyes lit up the minute he walked in the door and saw the big guys," Ginny says. "They're everything to him now—he wants to do exactly what they do. He swam at 2 and rode a two-wheeled bike at 3. When they do their homework, he has to do 'homework' too. He'll do anything to get their attention—sometimes he's so aggressive I have to intervene to protect *them*. But they're great with Jason, and they helped a lot when he was settling in. There's just something terrific about raising kids with other kids."

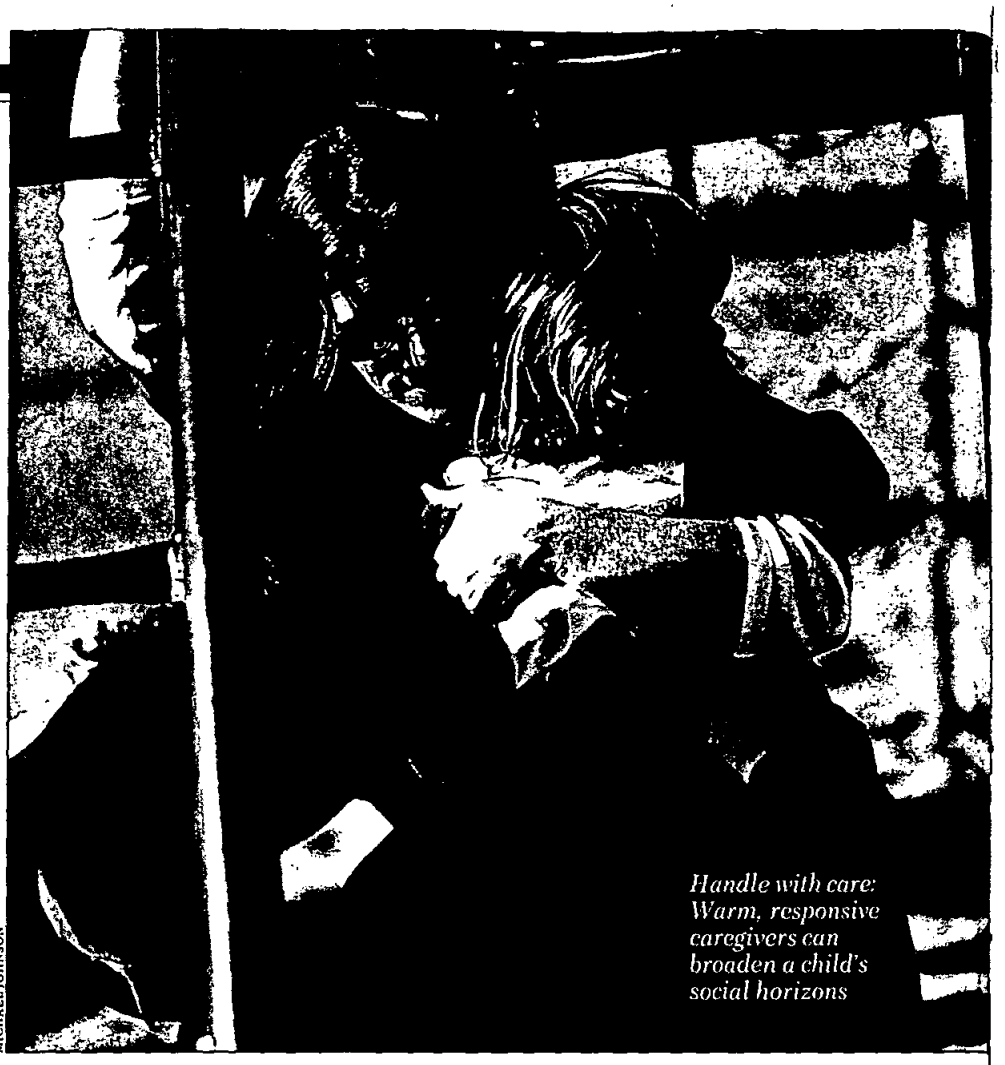
None of this happened by accident. Ginny and Tim spent a lot of time explaining their decision to adopt Jason to Billy and David, and they reacted quickly to any sign of sibling rivalry. Ginny says David, as the oldest, was "fine" about Jason's arrival, but Billy, who was used to being the center of attention, was "freaked." That called for quality time, reassurance and firm rules. Billy and Jason are now very close, Ginny says, but when they begin to squabble, she reminds them there will be no hitting and no mean talk. "My kids aren't perfect, and I don't want them to be," she says. "But they're very loyal to each other. When they get into a squall, I say, 'Just remember, your brother's going to be your friend for life'."

All of which says sibling relationships are powerfully important in a young child's life—and that they are far more complex than the traditional psychiatric view, with its heavy emphasis on the inevitability of sibling rivalry, allows. This is something wise parents have always known. But psychologists have only recently begun to see sibling relationships in the round—to see that infants bond with their siblings during the first year of life, and to understand that even very young children know the difference between parents and other children in the family. Parents are godlike beings, the Source of All. Siblings are fascinating simply because they're kids. "Do they know the difference? I'm sure they do," says Judy Dunn, a developmental psychologist at the Psychiatric Institute in London. "They start enjoying their brothers and sisters pretty early on, even by the age of 6 months if the older sibs try to entertain them. It's very obvious in the ways babies behave toward their sibs. Often they're much more amused by their brothers and sisters than they are by their parents. There are shared interests and shared sources of what kids find funny, even in the second year."

Dunn, who is the mother of three (now adult) children, is the author of four books, including a common-sensical parent's guide called "From One Child to Two" *(Fawcett Columbine. 1995)*. She is also one of the world's ranking authorities on the developmental significance of sibling relationships. Her research, typically based

on extensive observation of the children in the home, suggests that sibling relationships can give a very young child a developmental head start—particularly if, like Jason's adoring bond with Billy and David, the relationship is warm and affectionate. Dunn and other psychologists are particularly interested in "pretend play," games in which children consciously share a fantasy ("You be Darth Vader—I'll be Han Solo"). This apparently simple act may be a critical step toward understanding the mental states of others—and, conversely, a major step toward a child's definition of self. Dunn's research shows that children with siblings begin such play six months to a year earlier than only children. More generally, she says, kids with sibs have a much richer experience with the whole range of human relations, including competition, rivalry, negotiation and just getting along. "It may mean that their whole way of understanding other people is different," she says.

Dunn does not argue that sibling relationships lead to higher IQ scores, or that the developmental advantage they seem to confer carries over into later childhood. No one has studied that yet. But her findings, taken as a whole, make a powerful case for revising the traditionally bleak view of sibling rivalry—of childhood hostilities that stereotypically lead toward neurosis. Siblings can get along, and benefit when they do.



MICHAEL JOHNSON

Handle with care: Warm, responsive caregivers can broaden a child's social horizons

Caring and Giving

By Sarah Van Boven

Alicia Bond knows that she is lucky to have found a nanny like Aimee. The Minneapolis mother can't say enough good things about the woman who has cared for her 4-year-old twin sons since they were 6 weeks old. "Aimee taught them to appreciate music by playing the piano, and she's teaching them how to grow vegetables in the garden," says Bond. Lowering her voice so Aimee won't hear, Bond adds, "I just hope the boys are learning as much from me." Like many parents who spend the workday far from their children, Bond can't help but worry that her sons will love their nanny "more." Fortunately, kids are capable of loving more than one caring adult—and these adults can teach a child a lot about the world.

Beginning at birth, babies form strong bonds with the caregivers in their lives—be they parents, grandparents or babysitters. According to Jay Belsky, Distinguished Professor of Human Development at Penn State University, not only can children form multiple attachments; they can benefit from them. "If you're secure to Mom and Dad, that's better than being secure to just Mom. If you're secure to Mom, Dad and the babysitter, even better."

Parents would do well to worry less about kids' getting overly attached to a caregiver and more about finding the best possible care. According to a study by the National Institute of Child Health and Human Development, scheduled for release in April, high-quality care is extremely important. The NICHD tracked 800 children to see how nonparental care affects mental and linguistic growth at 15, 24 and 36 months. The researchers found that "whether a baby spent zero hours or 60 hours a week in care, *quantity* of care did not influence cognitive and linguistic development," says Sarah L. Friedman, scientific coordinator for the study. Children in "extensive care," defined as more than 30 hours a week, did not score lower on tests of either cognition (problem solving, reasoning and attention) or language (vocabulary and sentence complexity).

30% of all parents say finding good day care has been a problem; 32% say they've had trouble finding a job with flexible-time options

More critical was *quality* of care. The NICHD researchers looked for "positive caregiving"—hugs, responsiveness to the child's needs and, especially, verbal stimulation. The better the care, the better kids tended to score on cognitive and language tests. This doesn't surprise Ellen Galinsky, president of the Families and Work Institute. "Children need warmth and responsiveness," she says. "If a 2-year-old comes to day care excited about seeing a fire truck, I want to hear the provider say, 'We've got a book about fire trucks. Let's look at the pictures'."

If parents can find a caregiver who does that, their children reap the benefits. "A warm, loving care provider can give children a broader social horizon and teach them how to get along with adults who have different temperaments, different strengths and weaknesses, different skills," says psychologist Alicia Lieberman of the University of California, San Francisco. Aimee, the Bond family's nanny, gets a little embarrassed by her employer's praise about how she has enriched the boys' days. "I try to teach them as much as I can and to make it fun, because they are just as important to me as I am to them," Aimee says. "I'm really just doing my job." ■

Won't You Be My Buddy?

At first, they just play alone. Then kids start playing in 'parallel' games. Finally, they learn to make friends.

BY JOHN MCCORMICK

JUST WHEN DOES FRIENDship begin? The wisest minds in child development can't agree. Many, like Alice Sterling Honig of Syracuse University, see something truly friendly in the giggles of two toddlers who stumble together in pursuit of a puppy. Others, like Claire B. Kopp of Claremont Graduate School, are more stingy with the term. They see friendship as a richer stew of trust and intimacy, something kids aren't able to fully appreciate—because they don't feel particularly bad about losing it—until they're 8 or 10 years old. But all the experts agree that something clearly happens when two children interact. If the kids aren't friends, they're learning how to make them.

Curiously, many parents don't worry as much about their child's social skills as they do about, say, his or her emotional development. In focus groups, parents have told researchers from the Washington, D.C.-based child-advocacy group Zero to Three that this is one area where kids who are slow can more easily play catch-up. That conjecture may be right or wrong—there isn't any convincing research on the subject—but it misses a bigger point: that the parents' own relationship with the child predicts volumes about his future capacity to make good friends.

MICHAEL JOHNSON

Between 2 and 3, 'parallel' play can evolve into true friendship

Typically, children clumsily begin to hone relationships when they are toddlers. They learn about sharing, including and enjoying. Well before the age of 2, kids master "social bids," offering one another toys, looks or phrases. This also is the time when children begin "imitative play" and "parallel play." The former can be boisterous, with, for example, one child's happy claps being mimicked by a roomful of copycats. The latter occurs when kids play side by side with similar toys but without interacting; they may look as obliviously content as two cows in a field of alfalfa. By the age of 3 mutual play can evolve, not always happily, into rough competition for toys. Much as you try to silence the bickering, realize that it helps kids learn how to disagree with peers—and, eventually, how to get past quarreling.

There are ways to help a child down this uncharted road to friendship. But don't fall for one-size-fits-all prescriptions. "Start with *your* child. What kind of kid do you have?" says Theodore Wachs of Purdue University. From there, pay attention. Don't hesitate to intervene if a play date is causing more tears than happiness, and make sure the toy chest is filled with the rag dolls, rattles, balls and stuffed animals that they like. Duplicates can't hurt. "You need a lot of equipment if you want friendships to develop," Honig says. "If one child is playing with a red ball, the other will want to do the same." By the second year, markers, blocks, music boxes and teeter-totters are especially popular tools for play groups. So are everyday household items that, transformed by a child's imagination, double as toys: don't be surprised if your toddler disdains the $30 marvel you bought him for his second birthday in favor of emptying big poker chips from a coffee can and then filling the can up again. No matter what the age, Honig says, "shoot for a level of difficulty that's doable if the children struggle."

Bungled efforts at play with other kids don't doom your child to a life without friends. As a glance around your office will confirm, not everyone masters friendship easily. Some youngsters draw their energy from toys or objects rather than people. Often, too, the problem is just a mismatch of play pals. "Age is the worst criterion for determining who should play with your child," Wachs says. "The styles of the kids are more important." Matching a leader with a follower is OK, but too many leaders can mean ... well, look at Congress. You also can help your child learn to get along with others by running a quiet household. Wachs's latest research shows that the greater the "noise confusion" in a child's home, the poorer the quality of his social play in day care.

The least-mentioned tool for building friendships is an attitude that parents can teach by lecture or, preferably, by example. Honig and others think that the reason a toddler offers her bottle to a sobbing playmate is because we come into the world hard-wired for empathy and altruistic social behavior. Often, though, that sense of generosity gets bulldozed by too much parental emphasis on the individual—what's in it for me? There's plenty of time for the kid to learn about that. ■

Brittany Avant plays while her mother Paula (right) meets with an Outreach worker

MAGGIE STEBER FOR NEWSWEEK

Helping Families Help Themselves

BY PAT WINGERT

Like so many other American cities, Hampton, Va., is full of parents who need help. But instead of settling for easy denunciations, the town is trading rhetoric for action.

TWO YEARS AGO, MICHELE DAVILA—poor, single, clinically depressed and expecting a baby—went to a local clinic looking for medical care. Fortunately for her, Davila lives in Hampton, Va., a midsize city that not only recognizes the classic profile of a mother whose children are at risk—for neglect, poor health and school failure—but is unwilling to stand by and let it happen. Thelma Tucker, one of Hampton's family-support counselors, took the case. Unlike many social workers, who visit clients only sporadically at best, Tucker began her weekly visits before the baby's birth and is still on the job. It was she who encouraged Davila to stay in a prenatal program and to keep the baby's father involved. She was also there to get Davila through her postpartum depression and her inexperience with the new baby and to urge her to take birth control seriously. Now, with a healthy toddler and a husband working full time, Davila says of Hampton's early-intervention program: "I don't know what I would have done without it."

Studies have linked poor parenting to crime, poverty and a whole constellation of social ills. So it's no wonder that civic leaders in cities like Hampton argue that intensively intervening in at-risk families isn't just a kind idea but a social necessity. The movement started in the early '90s, when 50 communities across the country began experimenting with "proactive" programs to reach troubled families and individuals before their problems got worse. Today these programs have spread to 260 cities in 38 states and formed a national network called Healthy Families America. Hampton started its project in 1993 and has since taken 500 vulnerable citizens into its program. Deborah Daro, research director of the National Committee to Prevent Child Abuse, which acts as a clearinghouse of information, says, "The beauty of this is that it is generated by the communities."

Hampton took action because it had become clear by the late 1980s that it could no longer use the same old methods to combat its social problems. Like many urban centers, Hampton was caught in a vicious circle. The city's industries were drying up and pulling the tax base down with them. Meanwhile, the demand for social services—from prisons to food stamps—was rising. "Spending more on prevention seemed the only way out of the cycle," says city manager Bob O'Neill. So the city launched the Hampton Family Resource Project—which tripled its spending on preventative social services with the aim of achieving a deceptively simple goal: to "ensure that every child born in Hampton is born healthy and enters school ready to learn."

The project's primary target is at-risk mothers and children, but it also aims to reach families from all economic walks of life. "They're taking a very holistic view," says Ellen Galinsky, who studied the program for the Families and Work Institute. Libraries greatly increased their stock of parenting books and videos. A local hospital pays for a series of newsletters on child development mailed to 4,000 homes. More than 1,400 residents have enrolled in free parenting classes, and some workplaces even offer them on site. That's how Jeffrey Sandford, a senior vice president at Old Point National Bank, found time to go to a session on corporal punishment that persuaded him to stop spanking his child. "I realized [the kid is] so hurt and angry that the reason you spanked him gets lost."

After only four years, an evaluation of the city's program by psychologist Joseph Galano of the College of William and Mary reports good news. He says the most troubled families participating in the Hampton Family Resource Project have fewer premature births, more stable and stimulating home lives for children and fewer repeat teen pregnancies than the control group. Hampton is proving, he says, that "we no longer have to wait until kids are broken to fix them." ■

The Magnetic Tube

The hand that rocks the cradle may rule the world, but the hand that holds the remote may be more important. It's never too early to start watching what your kids watch.

BY JOHN LELAND

CARLA MEESKE IS NOT the type to fret over the niceties of child-development theory. In her entire career tending to the psyches of young children, she scoffs, "I read a psych paper maybe twice." Instead, she honed her kid expertise in grittier climes: she was a toy marketer, managing brands like Nerf. In that role, she gained a unique appreciation of our young bundles of joy. "The beauty of young children," she says, "is that they are more receptive than any other young audience to brand consciousness. They become brand-loyal immediately." Meeske, who now teaches marketing at the University of Oregon, says that a smart advertiser can implant its logo on the brains of children "from the moment their eyes are open." All you have to do is link your product with a character kids take to heart; the rest, she says, is like selling "Lion King" sheets to a baby. She didn't need any scientific basis for this claim; the proof was in the profits. While academics fiddle, she says, "we knew what worked."

Of all the challenges a developing child faces, few are more problematic than the one we willingly bring into our homes: the television. It can be a godsend, especially when you're feeling one Pooh tape away from a really bad day. But the set also comes with its own sets of stories and mythologies, and its own values. It has ulterior motives. It captivates children sometimes when parents can't. And it teaches them things parents might not. From the moment children are born, researchers say, they learn to emulate what they see; that's how they learn. Television provides a whole universe of behavior to emulate, some desirable, some not. And the immersion begins early. By the age of 2, American kids spend an average of 27 hours per week in front of the set.

For any parent, that's a lot of competition. In nearly 40 years of study, researchers have found a correlation between children's TV habits and their levels of creativity, aggressiveness and social skills. As Peggy Char-

Elmo and Big Bird tickle—and teach—on 'Sesame Street'

Television Shows to Grow On

The kind of TV that kids see can be as important as how much they watch. The best shows can encourage lifelong creativity.

Dancing Barney

A scene from 'Gullah Gullah Island'

The news from 'Blue's Clues'

FROM TOP, LEFT TO RIGHT: JOHN E. BARRETT—CTW, EVERETT COLLECTION, NICKELODEON (2)

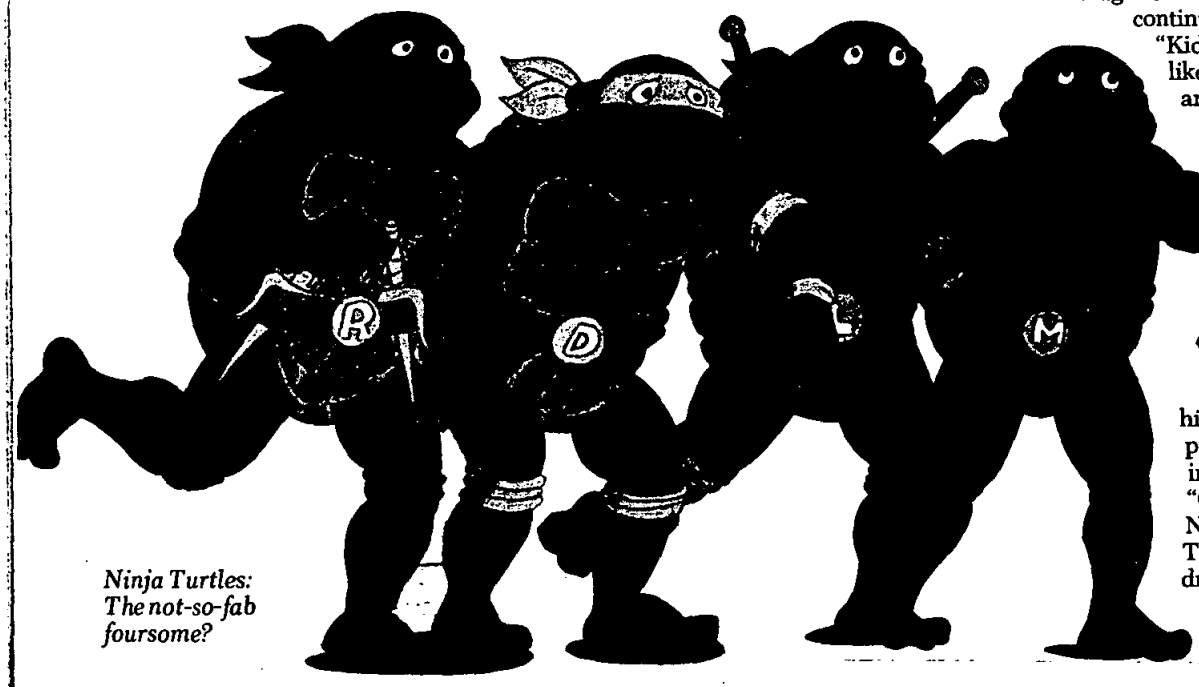
ren, who heads the advocacy group Action for Children's Television, says, "The problem with television is that it's all educational." But just what is it teaching your child?

As any parent knows, television exerts a mesmerizing draw on children from a very early age. But children of different ages watch differently. For the first year, kids tend to look at a set only sporadically. After that, according to researchers, they'll watch only 10 or 15 percent of the time. At this age, says Dan Anderson, a psychology professor at the University of Massachusetts, they are mostly fascinated by the box. "[A 1-year-old] will look equally at a regular television program or random computer-generated shapes and sounds." Even at the age of 2, says Joanne Cantor, a professor of communication arts at the University of Wisconsin, children "think things in the box could still spill out. If there are monsters in the box, or scary animals, young children are not quite sure the monsters can't come out and get them."

For children in this age group, television can interfere with other, more necessary learning processes. Because toddlers don't understand that a TV show is a production that happens elsewhere, they are often disoriented by its form: the changes of angle, cuts in time, the visual effects like zooming in and out. Toddlers who watch a lot of TV are also less likely to engage in fantasy play. Jerome Singer, professor of psychology and child study at Yale, contends that TV preempts kids "from doing what they ought to be doing—learning to create mini-worlds that they can control. Kids who can do this are more cooperative, more likely to become leaders, less likely to be overtly aggressive." By contrast, he says, kids who watch more TV are more likely to show "negative emotions: not only anger, but also more distress or crying." The Academy of Pediatrics advises that parents should limit TV time to one to two hours a day.

But parents can also control *what* their children watch. The good news, says Charren, is that programming for very young children has never been better. The bad news, though, is that you have to pay for much of it, either on cable or video. The commercial networks, for better and for worse, largely leave toddlers alone; the real money is in older kids. This affords parents a great opportunity. According to Anderson, "the general lesson for preschool years is that what's important is not so much that they watch, or how much time they watch, but what they watch." In their three-year, 10-part study of Barney, Singer and his wife, Judith, also at Yale, found that the show encouraged creative play. After watching an episode involving construction, for example, a group of 2- and 3-year-olds did their own earth-moving games. The group that watched the Power Rangers, by contrast, "literally fought." According to Anderson, the positive influence continues into later childhood. "Kids who watched programs like 'Sesame Street' take more art classes in high school, and are more likely to participate in extracurricular activities." Though psychologists like the Singers originally criticized "Sesame Street" for being too fast-paced, the show has since slowed down, and gets high marks all around. Other programs touted by Charren include "Blue's Clues" and "Gullah Gullah Island" from Nickelodeon, "We All Sing Together" from the Children's Television Workshop and the series of Beatrix Potter tapes from Family Home Entertainment. And, of course, good old Mr. Rogers.

What troubles many parents, though, is the less controllable factors, especially on network TV: commercials or, worse, teasers for other programs, which might concentrate an hour's worth of mayhem into one 30-second spot. Kids 3 and under, says Cantor, "don't understand why the ads are there. They'll say, 'He told me to go buy it, so we should go buy it'." But both psychologists and marketers agree that kids don't attach status to brand names until they are old enough to feel peer pressure, usually around the first grade. Before that, they'll like a shirt for the picture of Barney, not for the designer logo. Mostly, it is parents who feel the craven pull of Baby Guess? Which only goes to show that you can't cut out all negative influences, even if you turn off the tube. But that still might be a good start. ■



Ninja Turtles: The not-so-fab foursome?

Who Are the Good Guys?

Like it or not, all television is educational. Cartoons full of violence, say some experts, teach kids to fight among themselves.

The Power Rangers and the X-Men prepare for action

FROM TOP: EVERETT COLLECTION, PHOTOFEST, RAFAEL FUCHS

HILLARY RODHAM CLINTON

DOING THE BEST FOR OUR KIDS

The First Lady calls for Americans to work together and give parents the tools they need to raise their children—and provide them with a lifetime of learning

SOMETIMES IT SEEMS THAT TIME HASN'T always been an ally to us parents. As Bill and I have discovered at every birthday and every milestone in our daughter Chelsea's life, months and years fly much faster than we ever want. Like other parents bracing themselves for a child's departure for college, we ask ourselves every day: "How did the baby we brought home from the hospital grow up so fast?" "Is there any way we can move the White House to her college campus?"

Of course, we know that Chelsea is ready to begin a new phase of her life and that college will be a great experience. But it still doesn't keep us from reviewing the past 17 years and wondering if we've made the most of every minute to prepare her for the challenges of adulthood.

As science is now telling us, some of the most important preparation we can give our children takes place during the earliest years of life. New research has confirmed what many parents have known instinctively: infants begin learning the minute they are born. They are acutely aware of their surroundings and their brains crave and absorb all sorts of stimulation. Recently we have learned that the combination of intellectual and emotional interactions with infants and toddlers—holding a child in your lap while reading a story, for example—is crucial to their learning and emotional development.

Although Bill and I didn't realize it at the time, the countless hours we spent cuddling with Chelsea and reading her favorite stories not only strengthened our relationship with her but literally helped her brain grow.

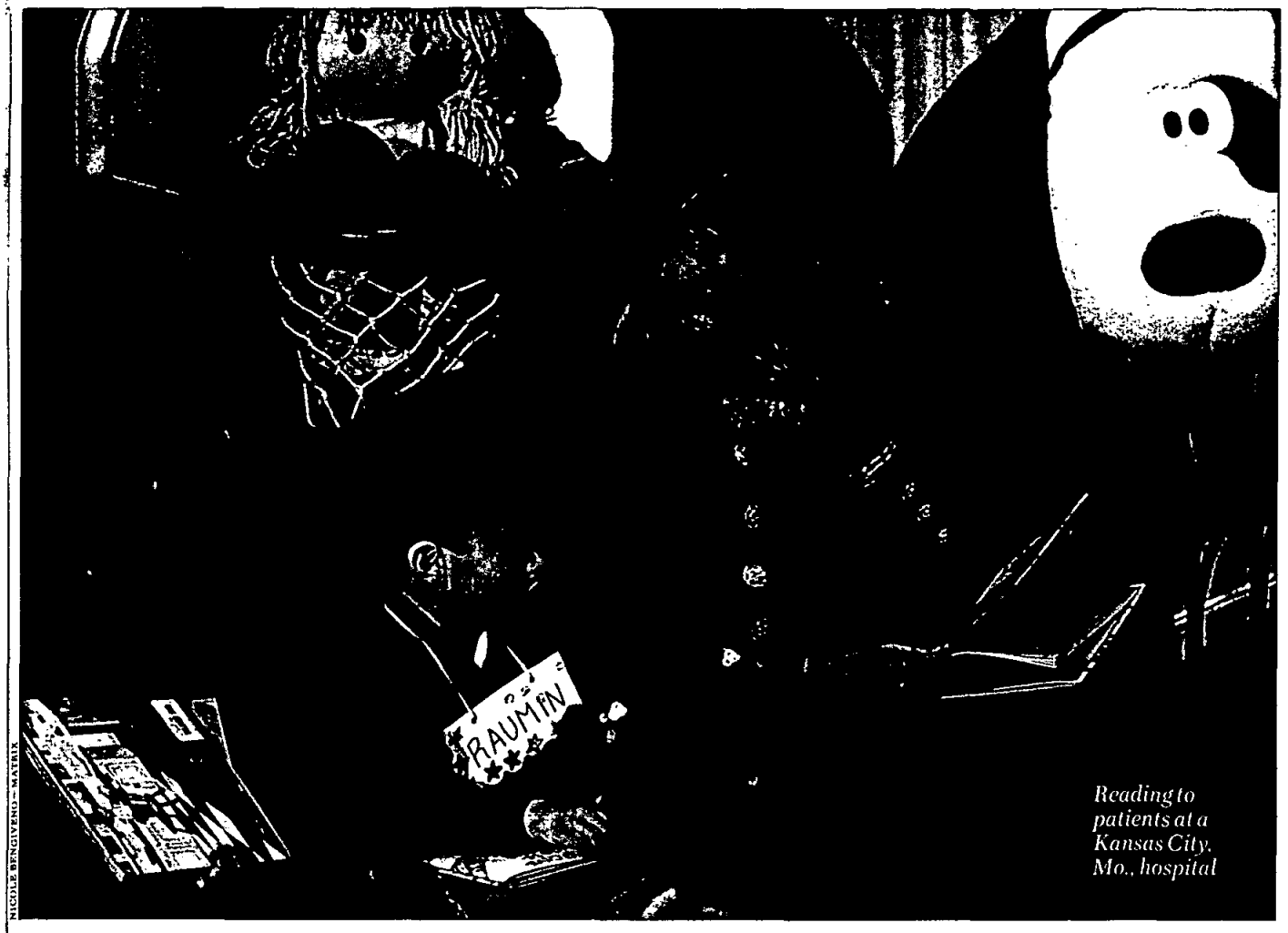
Unfortunately, too many children are still missing this early stimulation. Just half of all infants and toddlers in our country are routinely read to by their parents. Over the years I have met parents who tell me they never really talk to their babies because babies can't understand what they are saying. I've also met parents who thought that they couldn't read well enough themselves to read to a child.

We must help parents understand that, no matter their educational level or reading ability, they can stimulate their children's cognitive and emotional development by talking to and reading to their children, even if they stumble over a few words here and there. Most likely, their children won't even notice. But they *will* notice the power of reading and the books to take them on fascinating adventures and introduce them to the world of words and ideas. And just as important, they *will* notice the time a parent has set aside to be with them, to hold them close and to share in a nurturing activity.

Earlier this year, I announced a nationwide effort to encourage early reading in homes across our country. I believe that few efforts can make a more dramatic difference over the next 10 years than to persuade parents of all educational and economic backgrounds to take this mission of reading, talking—and even singing—to babies more seriously.

At the same time, parents shouldn't go overboard. A friend of mine told me that he became so obsessed with making sure that he and his son finished reading two books a day that he rarely stopped for questions or allowed his son to look closely at the pictures. And mothers and fathers don't need to feel that they have to rush out and read the latest scientific paper on human brain development for exact instructions on how to interact with their children.

The point is that learning is a lifelong proposition—one that, in the best of worlds, begins at the earliest stages and continues for years. Yes, the first three years of life are crucial, but they are not the only time that parents need to be engaged with their children or help them develop the skills they need to progress in the world. We should not use this new research to ignore the learning needs of older children and adults. I thought about this recently when I visited Robben Island in South Africa, the prison where Nelson Mandela and other political prisoners were jailed for many years.



NICOLE BENGIVENO—MATRIX

Reading to patients at a Kansas City, Mo., hospital

As Chelsea gets ready to leave for college, Bill and I can't help reviewing the past 17 years; we wonder if we've made the most of every minute to prepare her for the challenges of adulthood

While doing hard labor in a nearby limestone quarry, literate prisoners taught their fellow inmates to read by writing letters and words in the dust with their shovels and picks. One prisoner who learned to read that way went on to educate himself and now is a top official in the South African government.

My greatest hope is that we can find effective ways to apply the knowledge we are gaining from science and make it more easily available to parents. It seems as if every day more new information is piled on top of what already exists about how our children develop and what they need most to grow. And yet many parents lack access to this research and others aren't sure how to interpret it. What little information they do get comes in bits and pieces, with little guidance about how to apply it to benefit their children. This month, the president and I are convening a first-ever White House Conference on Early Childhood Development and Learning. Our aim is to bring together parents, scientists, policymakers, educators, business leaders and child-care providers to discuss the new research on the brain and early-childhood development and explore how we can deliver this information to more homes.

Many things can conspire against parents as they try to provide children with the attention and stimulation they need to develop. Parents are often stretched for time and resources, and can use all the help they can get.

As I've been saying for years, it does take a village to raise a child. That's why we can all work together to make sure parents have the tools they need to raise their children—whether it is providing information about the importance of reading and talking to children in the early years, strengthening prenatal care, expanding Head Start or ensuring access to affordable, high-quality child care.

Our children have so much potential to grow and thrive throughout their childhood. Wherever there is patience, love and commitment, the window of opportunity for raising a healthy, happy and well-adjusted child never closes. ■

Raising a Mora

A child's first few years of life are the key to whether you wind up with a darling or a delinquent. What may ultimately become empathy, generosity or charity stems initially from a child's selfish preoccupations.

WILLIAM DUKE

BY DEBRA ROSENBERG

FIRST COMES HEALTH. "DOCtor," every parent asks, "is my baby OK?" Then comes the harder part: "Will my child turn out to be good?" A child's first few years of life are the key to whether you wind up with a darling or a delinquent. What may ultimately become empathy, generosity or charity stems initially from a child's selfish preoccupations. Infants are unable to distinguish themselves from the rest of the world. That may be why newborns cry at the sound of other babies crying—they're not sure who's really hurting. This "reflexive crying" means that babies have the capacity to respond to others' distress—a primitive form of empathy. It also suggests that some morals are hard-wired from birth.

Scientists have long noted that empathetic parents tend to have empathetic children. One recent experiment on toddlers found that identical twins were more likely than fraternal twins to show similar inclinations to help people. Because identical twins share more genes, this is proof that nature, not just nurture, is at work, says Carolyn Zahn-Waxler, a psychologist at the National Institute of Mental Health (NIMH) and one of those who conducted the study. Researchers don't think there are "good" genes and "bad" genes. But they suspect that genes influence patterns of brain chemistry, which in turn govern some behaviors.

82% of all mothers and 74% of all fathers say they plan to send their child to Sunday school or some other kind of religious training

Still, genes are only part of the picture. It's up to parents to show their kids the ethical ropes. While newborns aren't likely to absorb long lectures, they can grasp many rules before they—or their parents—even realize it. Dr. Robert Coles, a Harvard child psychiatrist and author of "The Moral Intelligence of Children," maintains that there are moral implications to nearly every decision a parent makes. "It's those everyday, minute-by-minute cues that the little ones pick up on," says Coles.

Rushing to the crib every time a child cries may train her to expect instant gratification. It doesn't do the harried parents any favors, either. Not only will they lose control of their lives while the child is an infant, but "it may be difficult for them to say no down the line," says Coles. Children who don't learn the meaning of the word "no" will be at the mercy of impulses and desires they don't know how to control. The result? Spoiled and demanding little tyrants. This isn't just a matter of discipline. "The child has to learn that there is a higher authority that you just don't question," Coles says.

Parents may be unintentionally sending signals from the start, or deliberately shaping the most crucial messages. In his book, Coles relates the story of Maisie, a woman whose 6-month-old son, Don, seemed to relish the act of tossing his empty bottle onto the kitchen floor. At first Maisie figured Don didn't know any better. But she quickly began to suspect he was enjoying the commotion. Maisie then waited by her son's highchair and, while distracting him with chatter, gently eased away the empty bottle. The boy soon lost interest in throwing it. What may seem like a clever mother's trick was actually an early lesson in morals. "That's a kind of moral awareness; it's learning the meaning of constraint," says Coles.

Most moral training doesn't have to be so calculated. Pat-a-cake and peekaboo look like innocent play, but the parent is in fact communicating complex sets of rules about turn-taking and expectations. Learning to alternate coos or synchronize gazes with a parent prepares the baby for more intricate relationships later in life. "This is social reciprocity," says Dr. Robert Emde, a psychiatrist at the University of Colorado Health Sciences Center. This kind of give-and-take is at the heart of all moral systems. Put simply, it's the golden rule: do unto others as

you would have them do unto you. Babies who are cuddled and cared for—who aren't spoiled but have their emotional needs met—are more likely to demonstrate caring behavior later.

Children who go emotionally hungry in infancy may simply not have the biological wherewithal to be compassionate. Dr. Bruce Perry, a psychiatrist at Baylor College of Medicine, studied brain scans of children who had been severely neglected. He discovered that the brain region responsible for emotional attachments never developed properly. According to Perry, babies who don't get their quota of TLC early in life may lack the proper wiring to form close relationships. Other research supports the theory. Bonnie Klimes-Dougan, a psychologist at the NIMH, found that toddlers who'd been abused were themselves more likely to hit or insult a crying peer.

As infants learn to crawl and then to walk, the budding explorers grow familiar with how things look and where they belong. By the age of 2, kids have become sticklers for consistency and can't tolerate it when their own "rules" are violated. A toddler might become outraged, for example, if his mashed potatoes touch his peas. At the same time, children are constantly testing the boundaries of their new world. But they don't go it alone. By 18 months, kids will turn to Mom or Dad for guidance in unfamiliar situations. Experts call this "social referencing." In one study, Emde watched as toddlers glanced at their mothers' expressions, seeking tacit permission, before approaching a strange robot.

Social referencing helps children acquire the moral emotions of pride and shame. Pride is the celebration kids feel as a reward for "getting it right," says Emde. A big smile and a "puffed up" posture are telltale symptoms. Shame, on the other hand, occurs when kids form mental images of a disapproving parent. Ashamed children avert their eyes and try to shrink out of sight. That may not be all bad. "Shame is a part of growing up and developing a conscience," says Coles. It reinforces the notion that certain behavior—say, torturing the family pet—just isn't acceptable. Warns Coles: "If a child doesn't learn to be ashamed of that behavior, we're in real trouble by the age of 2 or 3."

As children learn to talk, parents can tutor them in positive behaviors, such as altruism and manners. By saying "Let's both of us say 'thank you'," a parent sets a good example and includes the child in the behavior. Such joint efforts are more effective than direct commands. They also help instill a sense of belonging to a team, what Emde calls "an executive sense of we." By the time they are 2, even when they are alone, kids retain a sense of a parent guiding them. In one experiment, Emde tempted children to play with toys forbidden to them by their mothers. Remarkably, the toddlers resisted—even though their mothers were out of the room. "Didn't you hear my mommy? I better not play with those toys," one toddler said.

Just as children learn to imitate language and gestures, they also mimic the moral practices they see. Good role models help. Consider the effect on a toddler who hears his father say "Tell him I'm not here" when the boss calls at home. Showering a spouse with a chorus of "pleases" and "thank yous," on the other hand, will likely lead to a thoughtful tot. "Every day is a school day when it comes to moral development," says Coles. By doing their homework, parents can help their kids graduate with honors. ■

Where You Can Turn

By Carla Koehl

Avid "tele-parents" will tell you that there's nothing like a phone jack and 16 megabytes of RAM for navigating the mysteries, hurdles and hassles of life with an infant or toddler. If only you had Netscape and a 28.8 modem—or at least speed-dial—they'll say, you'd be surfing and dialing your way to parental bliss with all the child-rearing info that's available by PC and phone. Are they batty? No. Just a little excited.

There are now more places than ever to phone for help when mothers and fathers feel parentally challenged. And the explosion of parenting Web sites and newsgroups that's taken place on the Internet over the last five years is connecting families from household to household the way the telephone did for the first time in 1876. Only this time the advance in communications isn't just overcoming distance and isolation. It's conquering stigmas.

Kate Ripley was nursing her newborn in her cabin half an hour outside Fairbanks, Alaska, when she found an online breast-feeding newsgroup. "I was really lonely," she says. "It was a huge relief." Now that Rory's 9 months, the baby books are hinting that he's eating too often. Ripley's group (misc.kids.breastfeeding) says otherwise. "You don't just want to have someone validate everything you think," she says. "But it's such a variety of voices, you can cull." Even in Los Angeles, where there's no such thing as a remote location, actor Brian Markinson logs on whenever he and his wife are stumped about their 9-month-old. "It's another resource," he says, "rather than call a doctor and feel like you're being a pain."

JAMES D. WILSON

Online support: Rory and Kate

Technological alarmists, of course, take delight in warning that millions of modem-happy moms and dads will do nothing but produce millions of antisocial, monitor-gazing kids. A reliance on dial-tone parenting, they insist, keeps families, friends and neighbors from trading advice the old-fashioned way: in person. But a glance at all the live, wired interaction out there suggests that, so far, the alarmists are wrong.

On the Net

Usenet
alt.parenting and misc.kids
Great places to start on the Usenet—the Internet's collection of newsgroups—for discussions on hundreds of topics from teething and breast-feeding to pets and snoring. Also, rec.arts.books.children is a 24-hour-a-day book group on children's literature.

Childbirth.Org
http://www.childbirth.org
Top discussion forums here, and a home page that gets right to the point on tough issues, including "Pregnancy & HIV," "Having Your First Baby Over 35" and "Complications."

Family.com
http://www.family.com
Disney's new site has been criticized for being more upscale than helpful. But their bulletin boards and chat rooms are filled with the voices of intelligent, caring parents. They must be doing something right.

ParenTalk Newsletter
http://www.tnpc.com/parentalk/index.html
Clearly written articles by physicians and psychologists. What this site lacks in graphic creativity, it makes up for in sheer mass of information.

ParenthoodWeb
http://parenthoodweb.com
Pediatricians and psychiatrists respond (in due time) to your e-mail. Meanwhile, they've posted their stock answers to anything-but-stock questions, including "Did we make a mistake by having a child?"

Parenting Q&A
http://www.parenting-qa.com/
This site calls itself the only one on the Web "solely devoted to providing parents with answers to their most pressing questions." It does answer questions faster than most other sites we tried. But it also offers essays on touchy subjects like spirituality, and suggests reading lists for kids, games for rainy days.

ParentSoup
http://www.parentsoup.com/
Excellent discussion forums address everything from stepparenting and disciplining closely spaced siblings to premature babies and children with attention deficit disorder.

Zero to Three
http://www.zerotothree.org
The Washington, D.C.-based child-advocacy group has just launched its Web site. On it: a wealth of research and information on physical, cognitive and social development of infants and toddlers.

On the Phone

Child Care Aware
800-424-2246
Operators refer parents anywhere in the country to licensed and accredited child-care centers in their area. They'll also send, at no charge, an information packet on how to choose quality child care. Coordinated by the National Association of Child Care Resource and Referral Agencies. Weekdays, 9 a.m.–5 p.m. CST.

ChildHelp National Hotline
800-4-A-CHILD
Twenty-four-hour advice and referrals for children and adults with questions or in crisis. Staffers with graduate degrees in counseling field calls on issues ranging from child-abuse prevention to whether it's normal for a 3-year-old girl to try urinating while standing up. (Yes, says a hotline counselor, it is.)

Gerber Information Line
800-443-7237
Tipper Gore's recorded welcome message jolts you from thoughts of strained peas on this 24-hour consumer-info line (she reminds callers that doctors recommend having babies sleep on their backs). Moms, dads, grandparents—not nurses—work the phones, advising callers on nonmedical essentials like diapering, sleeping and "lots and lots of questions about food," says one operator.

National Parent Information Network
800-583-4135
NPIN boasts the largest parenting database in the country. Researchers hunt down referrals, abstracts and answers—and send them free of charge—to hundreds of callers every month. Trouble with toilet training, the merits of co-op playgroups vs. private preschools, baby bowel movements: absolutely nothing is out of bounds here. Weekdays, 8 a.m.–5 p.m. CST.

Parents Anonymous
909-621-6184 (not toll-free)
The national office in Claremont, Calif., refers parents to 45 state and regional affiliates, which offer support groups, counseling, referrals. Weekdays, 8 a.m.–4:30 p.m. PST.

Single Parents Association
800-704-2102
This line, which has just gone national, helps parents find support groups and resources in their communities, fields questions on parenting skills and reminds single parents that they're not alone. Weekdays, 9 a.m.–6 p.m. CST.

With T. Trent Gegax

ABRIDGED VERSION

STARTING POINTS

MEETING THE NEEDS OF OUR YOUNGEST CHILDREN

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CARNEGIE TASK FORCE ON
MEETING THE NEEDS OF YOUNG CHILDREN

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This is an abridged version of *Starting Points: Meeting the Needs of Our Youngest Children*, the report of the Carnegie Task Force on Meeting the Needs of Young Children. Copies of the 150-page full report, which includes illustrations, bibliographic references, and an index of programs, may be obtained from:

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THE QUIET CRISIS

Across the United States, we are beginning to hear the rumblings of a quiet crisis. Our nation's children under the age of three and their families are in trouble, and their plight worsens every day.

To be sure, the children themselves are not quiet; they are crying out for help. And their parents' anxieties about inadequate child care and the high cost of their child's health care can be heard in kitchens, playgrounds, pediatricians' waiting rooms, and workplace cafeterias across the nation. But these sounds rarely become sound-bites. Babies seldom make the news: they do not commit crimes, do drugs, or drop out of school. We don't hear interviews with parents as they anguish over finding decent, affordable child care; we don't notice the unmet prenatal needs of expectant mothers. Policymakers are rarely forced to contend with these realities. And so, the problems of our youngest children and their parents remain a quiet crisis.

Consider the state of America's youngest children and their families. In 1993 the National Educational Goals Panel reported that nearly half of our infants and toddlers start life at a disadvantage and do not have the supports necessary to grow and thrive. A significant number of children under three confront one or more major risk factors:

- *Inadequate prenatal care.* Nearly a quarter of all pregnant women in America, many of whom are adolescents, receive little or no prenatal care. Many of these pregnancies are unintended: the United States has one of the highest rates of unintended pregnancy in the industrialized world. The risk of delivering a low-birthweight baby with physical, behavioral, or intellectual difficulties is greater when a pregnancy is unplanned or when a woman does not receive adequate prenatal care.
- *Isolated parents.* More divorces, more single-parent families, and less familial and community support have made parents feel more isolated than ever before in raising their young children.
- *Substandard child care.* More than half of all mothers return to the workforce within a year of the baby's birth; many of their infants and toddlers spend thirty-five or more hours per week in substandard child care.
- *Poverty.* A quarter of families with children under age three live in poverty. The large majority of these families are headed by one parent, usually the mother. These families often live in unsafe neighborhoods and have poor access to quality child care, health services, or family support programs.
- *Insufficient attention.* Only half of infants and toddlers are routinely read to by their parents, and many parents give insufficient attention to their children's intellectual development. Teachers report that one in three American kindergartners arrives in school unprepared to learn.

These numbers add up to a crisis that threatens not only the healthy development of children themselves but also our nation's well-

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The Quiet Crisis

Of the 12 million children under the age of three in the United States today, a staggering number are affected by one or more risk factors that make healthy development more difficult.

Changes in Family Structure Are Troubling

- In 1960, only 5 percent of all births in the United States were to unmarried mothers; by 1988, the proportion had risen to 26 percent.
- About every minute, an American adolescent has a baby; every year, about 1 million adolescents become pregnant.
- Divorce rates are rising: In 1960, less than one percent of children experienced their parents' divorce each year; by 1986, the percentage had more than doubled, and by 1993 almost half of all children could expect to experience a divorce during childhood and to live an average of five years in a single-parent family.
- Children are increasingly likely to live with just one parent, usually the mother: In 1960, fewer than 10 percent of all children under the age of eighteen lived with one parent; by 1989 almost a quarter of all children lived with one parent. Fathers are increasingly absent from the home.

Many Young Children Live in Poverty

- One in four infants and toddlers under the age of three (nearly 3 million children) live in families with incomes below the federal poverty level.
- While the number of children under six increased by less than 10 percent between 1971 and 1991, the number of poor children under six increased by more than 60 percent.

More Children Live in Foster Homes

- In a mere five years, from 1987 to 1991, the number of children in foster care jumped by more than 50 percent—from 300,000 in 1987 to 460,000 in 1991.
- Babies under the age of one are the fastest growing category of children entering foster care, according to a study conducted in New York and Illinois.

Infants and Toddlers Are Spending Less Time with Their Parents

- Pressures on both parents to work mean that they have less time with their young children; more than half of mothers of infants now work outside the home.
- More than 5 million children under the age of three are in the care of other adults while their parents work. Much child care for infants and toddlers is of substandard quality, whether it is provided by centers, family child care homes, or relatives.

Health Data Are Discouraging

- In the United States, nine out of every thousand infants die before age one—a mortality rate higher than that of 19 other nations.
- The mortality rate is higher for infants born in minority families: African American babies are twice as likely to die within the first year of life as white babies.
- In 1992, rates of immunization against common childhood diseases among two-year-olds were only 30 percent in some states; in most states, they were below 60 percent.

Physical Abuse, Neglect, and Unintentional Injury Are Common

- One in three victims of physical abuse is a baby—less than a year old. In 1990, more one-year-olds were maltreated than in any previous year for which we have data.
- Almost 90 percent of children who died of abuse and neglect in 1990 were under the age of five; 53 percent were less than a year old.
- The leading cause of death among children aged one to four is unintentional injury. O

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being. The National Educational Goals Panel identified four key dimensions of school readiness, our nation's first education goal: physical well-being and motor development, social and emotional development, language usage, and the mastering of learning styles that allow children to approach new tasks and challenges effectively. Currently too many children are entering school not ready to learn, jeopardizing later academic achievement. If left unattended, this crisis will ultimately compromise our nation's economic strength and competitiveness.

The Carnegie Task Force on Meeting the Needs of Young Children urges a national response to this quiet crisis. These early years are perhaps the most neglected. There are no clearly defined institutions such as preschools or schools to serve young children and their families. Health, educational, and social service agencies work independently and sometimes at cross-purposes.

The problems are many, and massive; not one lends itself to a single solution. But the task force has proceeded from the assumption that, given sufficient focus and sufficient political will, America can begin to find its way toward solutions. Our nation can formulate and implement social policy that responds, over time, to the most urgent needs of our youngest children and their families. They need our compassion and our help, and we, as a nation, have an incalculable stake in their well-being.

The Critical Importance of the First Three Years

The first three years of life appear to be a crucial "starting point"—a period particularly sensitive to the protective mechanisms of parental and family support. Parents and experts have long known that how individuals function from the preschool years all the way through adolescence and even adulthood hinges, to a significant extent, on the experiences children have in their first three years. Babies raised by caring, attentive adults in safe, predictable environments are better learners than those raised with less attention in less secure settings. Recent scientific findings corroborate these observations. With the help of powerful new research tools, including sophisticated brain scans, scientists have studied the developing brain in greater detail than ever before.

This research points to five key findings that should inform our nation's efforts to provide our youngest children with a healthy start:

- First, the brain development that takes place during the prenatal period and in the first year of life is more rapid and extensive than we previously realized.
- Second, brain development is much more vulnerable to environmental influence than we ever suspected.
- Third, the influence of early environment on brain development is long lasting.
- Fourth, the environment affects not only the number of brain cells and number of connections among them, but also the way these connections are "wired."
- And fifth, we have new scientific evidence for the negative impact of early stress on brain function.

The risks are clearer than ever before: an adverse environment can compromise a young child's brain function and overall development, placing him or her at greater risk of developing a variety of cognitive, behavioral, and physical difficulties. In some cases these effects may be irreversible. But the opportunities are equally dramatic: a good start in life can do more to

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promote learning and prevent damage than we ever imagined.

Of course, brain development is only one of the variables that affect how children grow and that influence later school success. A range of "protective factors"—such as good nutrition and sensitive parenting—helps the child to achieve good outcomes and avoid bad ones. Researchers tell us that these protective factors fall into three broad categories:

- *Infant temperament and perinatal factors:* having characteristics such as full term and normal birthweight that attract and encourage caregiving
- *Dependable caregivers:* growing up in a family with one or two dependable adults whose childrearing practices are positive and appropriate
- *Community support:* living in a supportive and safe community

The interaction of these three factors largely influences the direction of children's development. Scientists have found that a major influence in the difference between good and poor outcomes is the quality of parent and family interactions. Infants thrive on one-to-one interactions with parents. Sensitive, nurturant parenting is thought to provide infants with a sense of basic trust that allows them to feel confident in exploring the world and forming positive relationships with other children and adults. Infants' early experiences also provide the building blocks for intellectual competence and language comprehension. Touching, holding, and rocking a baby, as well as talking and reading, seem most effective for later development.

Parents are also the primary instruments for a child's early socialization. By establishing consistent routines, teaching acceptable behaviors, guiding health habits, and helping children to control disruptive or overly impulsive behavior, parents lay the foundations for the child's capacity to behave in socially acceptable ways. Children are much less likely to be antisocial or delinquent when their parents show positive, appropriate child-rearing practices and have high levels of social support. For all these reasons, a well-functioning family during the first few years provides a particularly important building block for healthy development.

Just as protective factors help children avoid later problems, so do risk factors, such as low birthweight or growing up with parents who have poor parenting skills, lead to later problem behaviors. Risk factors are often *multiplicative*, not additive, in their effects. Research shows that when children show only one risk

Being Three: Milestones for Early Growth and Development

For millennia, parents have recognized the newborn's basic need for safety, nourishment, warmth, and nurturing. Now science has added stunning revelations about human development from birth to age three, confirming that parents and other adult caregivers play a critical role in influencing the child's development.

The importance of the first three years of life lies in the pace at which the child is growing and learning. In no other period do such profound changes occur so rapidly: the newborn grows from a completely dependent human being into one who walks, talks, plays, and explores. The three-year-old is learning and, perhaps more important, is learning how to learn.

At age three, children can—given good care and sufficient stimulation—attain a high degree of "competency." Competent three-year-olds are

- Self-confident and trusting
- Intellectually inquisitive
- Able to use language to communicate
- Physically and mentally healthy
- Able to relate well to others
- Empathic toward others

These attributes add up to a good start in life. ○

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factor, their outcomes are no worse than those of children showing none of the identified risk factors. But when children have two or more risk factors, they are four times as likely to develop social and academic problems.

The importance of these early years to the future healthy development of children cannot be minimized. Although children are resilient and can benefit from later intervention, the costs of reversing the effects of a poor start in life increase as the child grows older, and the chances of success diminish.

Striking Changes in the American Family

In recent decades, America has been experiencing great change that has contributed to the quiet crisis of our families with infants and toddlers. Two of the most-often-cited causes of this crisis are changing values and the growing economic pressures on families. Parents increasingly feel the combined pressures of work and family life. Four key trends in American family life are contributing to these pressures:

More Working Mothers. Parents are finding that they must devote much more time to earning a living and that they have much less time for their children than their parents had a generation ago. This shift is largely due to the family's economic need to have mothers in the paid labor force. In the 1970s, few mothers of infants worked outside the home; today, more than half do. Many parents report that they are uncomfortable with the loss of family time, and that overload and exhaustion interfere with good parenting. The parental-time deficit is particularly stressful for mothers, who more frequently than fathers work a "second shift" at home, doing housework and caring for the children.

The large number of working mothers is a matter of concern because the American workplace is, by and large, not family-friendly, and arrangements for child care for children under three are often hard to find and of poor quality. In fact, two large, multisite studies have found that the child care they observed, whether center- or family-based, was of such substandard quality that it adversely affected infant and toddler development. The lack of quality child care not only deprives children of attention and undermines healthy development; it can also greatly intensify the strain on parents, especially mothers.

More Single-Parent Families. No change in American families should concern this nation more than the skyrocketing number of single-parent families. Since 1950, the percentage of children living in one-parent families has nearly tripled. This tripling is attributable to both increased divorce rates and to the tenfold increase since 1950 in the numbers of births outside marriage. One in four American children now lives in a single-parent home.

But even the term "single-parent family" is a misnomer, since the vast majority of these families—fully 90 percent—is headed by a woman. These mother-only families often receive little or no help from the child's father: nationwide, only 50 percent of divorced fathers contribute financially to their child's support, and most rarely see their children. The resulting economic deprivation and stress take their toll. Children in single-parent households score worse on measures of health, education, and behavioral problems than children living in two-parent families. Later on, these children are more likely to drop out of school, to

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America Lags Behind

The United States:

- Is *not* one of 150 nations that have signed or ratified the UN Convention on the Rights of the Child (Cambodia, Iran, Iraq, Libya, and South Africa have also not signed).
- Is *not* one of 127 nations that permit employees to take paid parental leave after the birth of a baby (as do Canada, France, Germany, and Japan, among others).
- Has a *worse* low-birthweight rate than 30 other nations.
- Has a *smaller* proportion of babies immunized against polio than 16 other nations.
- Has one of the *highest* adolescent pregnancy rates in the developed world—twice high as England and seven times as high as the Netherlands.

Our policies contrast sharply with those of most other industrialized countries, particularly those in Europe. European child care for children under age three varies significantly from country to country, but generally speaking, the Europeans are moving toward paid leaves for new parents and a range of subsidized child care options for toddlers.

Here are some examples of countries that offer job protection and paid leaves to employed parents (usually, but not always, mothers) who have sufficient work histories:

- In Germany, a new parent can receive modest financial support while staying at home for up to one and a half years, or she can work part-time at her previous workplace.
- In France, she can count on modest compensation at home for as long as three years, or she can go back to work and take advantage of subsidized child care.
- In Sweden, she receives full pay while staying at home with a new baby for a year and a half, or she can opt to work part-time for a longer period and receive full pay.
- In Finland, she can stay home until her child is three, knowing that her job (or a comparable job) will be waiting for her when she returns. She receives her full salary for one year and a lesser amount for the next two years. Or she can take advantage of subsidized child care.
- In Austria, she can stay at home throughout her child's first two years, or work part-time until the child's third birthday, while receiving financial support equivalent to the wage of an unskilled worker. ○

become heads of single-parent families themselves, and to experience a lower socioeconomic status as adults. These conditions—during both early and later childhood—appear to persist even after one adjusts for family income, mother's education, and minority status.

Many single-parent families result from adolescent pregnancy. More than one million adolescent girls become pregnant in this country every year; approximately half of these pregnancies go to term. Compared with older women, most adolescent mothers are neither financially nor emotionally prepared for parenthood. Although certain programs help adolescent mothers, these mothers generally face higher risks of postponed education and of long-term welfare dependency. Children of adolescent parents more often suffer from poor health and poor scholastic performance.

More Family Isolation and Violence. Only a few decades ago, America's families lived in neighborhoods of extended family and friends. Most of today's families seem far more isolated from friends, kin, and community life. Because people move more often, young families are

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less likely to live near extended family networks. Greater numbers of working mothers and varied work schedules have interrupted the old rhythms of neighborhood life, making it more difficult for parents to connect with other parents, to support each other, and to build friendships.

When the fabric of community life unravels, parents and their young children suffer. In low-income neighborhoods, fear of crime and violence undermines parents' sense of security and increases their isolation as they struggle to keep their young children safe, healthy, and happy. Even very young children experience extreme violence and everyday aggression as both victims and witnesses.

Although violence is more prevalent in poor inner-city neighborhoods, no city or town is immune. Parents are feeling increasingly unable to protect their children. Nor are traditional protectors—teachers, clergy, youth organization workers, and child care staff members—able to ensure the safety of young children. All too many parents and other adults who care for young children feel vulnerable and helpless.

More Young Children in Poverty. By 1990, families with children under three years of age constituted the single largest group living in poverty in the United States: 25 percent of these families fall below the poverty line. The rates are higher still for African American and Hispanic families and single-parent families of young children. The poverty rate among young children has risen even though overall American poverty rates are no higher today than they were twenty years ago.

Most children growing up in poverty under the age of three have at least one working parent. But parents' wages are not enough. Housing, transportation, child care, and health care all cost families more today than twenty years ago. In addition, real wages have declined disproportionately for younger as compared to more experienced workers; the decline is even steeper among workers with little education.

Poverty undermines families and the well-being of children in many ways. These children are often hungry or inadequately nourished. Many live in overcrowded housing, in unsafe buildings or neighborhoods. Too many are homeless: studies estimate that, of the approximately 100,000 American children who are homeless each night, nearly half are under six years of age.

Such deprivation stacks the deck heavily against poor infants and toddlers. These children more often suffer poor health, maltreatment, and later academic failure. Poverty also seems intertwined with inadequate parenting skills and inconsistent parental behavior. Poor parents—often young, working, raising children alone, and having few supports—simply become overwhelmed, further lessening their infants' or toddlers' odds of developing normally.

A National Investment

As the United States approaches the twenty-first century, it faces unprecedented economic challenges at home and abroad. Once an innovator and leader in higher education, the United States today is making insufficient investments in its future workforce—its youngest children. In contrast to all the leading industrialized nations, the United States fails to give parents time to be with their newborns, it

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fails to ensure pre- and postnatal health care for mothers and infants, and it fails to provide adequate child care. The result is significant losses in the quality of its future workforce, citizenry, and parents.

There are, of course, other than economic reasons for protecting young children and their families. Children need to be treasured for their own sake, not merely for what they do for the labor market when they are grown. But the issues of "human capital"—the combined skills, knowledge, and ideas of a nation's people—are real. For most of this century, increased productivity rates have been mainly attributable to improvements in human capital. In the electronic age, this is more true than ever.

America's business and political leaders are understandably worried about the nation's children and its educational system. Their concern is well founded, but school reform alone is not the answer. Any effort to strengthen the workforce must begin with the family, a key factor in the development of human capital. By supporting families during the child's earliest years, society ensures that children will enter school ready to learn and be ready, in time, to enter the workforce and be good parents. But the United States ranks low in supporting children under the age of three and their families; other nations, including high-wage competitors, invest heavily in early childhood programs and family support initiatives.

It is time to sound—and answer—the alarm about the neglect of our nation's young children and their families. The problems facing our youngest children and their families cannot be solved entirely through governmental programs and business initiatives. All Americans must take responsibility for reversing the quiet crisis. As the risks to our children intensify, so must our determination to enact family-centered programs and policies to ensure all of our youngest children the decent start that they deserve. The task force concluded that reversing the quiet crisis calls for action in four key areas that constitute vital starting points for our youngest children and their families. The nation must

- Promote opportunities for responsible parenthood
- Guarantee quality child care choices for children under three
- Ensure good health and protection for infants and toddlers
- Mobilize communities to support young children and their families

The Costs of Societal Neglect

Each year, American taxpayers reach deep into their pockets to meet the costs, both direct and indirect, of policies that are based on remediation rather than prevention.

- In the six years between 1985 and 1990, estimated public outlays related to teenage childbearing totaled more than $120 billion. More than $48 billion could have been saved if these births had been postponed until the mother was age 20 or older.
- Of teens who give birth, 46 percent will go on welfare within four years; of unmarried teens who give birth, 73 percent will be on welfare within four years.
- In 1991, federal and state expenditures for Aid to Families with Dependent Children, the largest entitlement program for poor families, totaled $20 billion plus administrative costs of $2.6 billion.
- In 1991, the estimated annual cost of treating fetal alcohol syndrome was $74.6 million.
- Initial hospital care for each low-birthweight infant averages $20,000. Total lifetime medical costs for a low-birthweight infant average $400,000.

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Promote Responsible Parenthood

We begin with parenting—the most critical starting point. Perhaps nothing we humans do is more relentlessly demanding. To parent a child entails at least two decades of sustained attention; many see it as a lifetime commitment. It is difficult to think of an enterprise that is more deeply private. Childrearing is inseparable from daily domesticity—that messy accumulation of meals and rent payments, laughter and laundry, that fills a home. The kind of care parents give to children, the context they create for their growth, and the framework they create for later learning spring from the rhythms of that life and from the values that give it meaning.

At the same time, it is difficult to imagine an enterprise that has greater impact on public life—on the productivity of our citizenry, the vitality of our culture, and the strength of our public institutions. The time, resources, and energy that parents give to their children influence the children's success as students and their contributions as citizens.

Developing social policy related to early childhood means negotiating the middle ground between these private and public interests. The goal of the task force, in addressing the issue of responsible parenthood, was not to prescribe an approach to childrearing; rather, we sought to identify the kinds of information and services parents need for their own self-directed learning and growth, so that they can make sound choices for their children.

We proceed from these assumptions: When women and men make a reasoned commitment to have children, they are more likely to parent well. Their growing children are more likely to meet life with optimism, competence, and compassion. And when women and men are unprepared for the opportunities and responsibilities of parenthood—as is the case all too often in America today—the risks to their children are many and serious.

How then can those who want children prepare themselves for the opportunities and responsibilities of parenthood? How can society help? The task force found that those undertaking parenthood would benefit from education, services, and support in three key areas:

- Planned childbearing
- Prenatal care and support
- Parent education and support

Promote Planned Childbearing

One of the most effective ways to promote healthy child development is to encourage women and men to plan childbearing so that it occurs under circumstances that minimize risk for the child. Too often in America, childbearing is not planned. Fully 56 percent of all pregnancies in this country are unintended—one of the highest rates of unintended pregnancy in the industrialized world. The risks of child abuse and neglect, low birthweight, and infant mortality are greater for unplanned children than for those actively planned and welcomed into the world.

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The rising rate of adolescent pregnancies, 80 percent of which are unplanned, is a particular cause for concern. The costs to society of adolescent pregnancy are immense. In the six years from 1985 to 1990, public outlays related to adolescent childbearing totaled more than $120 billion. It has been estimated that more than $48 billion could have been saved if these births had been postponed until the women were at least twenty years old.

Efforts to promote planned childbearing must be a part of widely available preventive health services, and they will be most effective when they occur in the context of better life options and increased economic opportunities for both men and women. If young women and men are to delay parenthood, they need to have available to them other life options more appropriate to their age.

Increasing the proportion of planned, low-risk births requires a national commitment to making family planning services and information widely and easily accessible, making new forms of contraception more readily available, and involving men in family planning efforts. A full range of family planning services must be accessible so that when birth control efforts fail, other services are obtainable, including comprehensive prenatal services and, in some circumstances, abortion and adoption services.

Public investment in family planning is known to be cost-effective. According to one set of calculations, every public dollar spent to provide contraceptive services saves an average of $4.40 that would have to be spent on medical care, welfare, and other social services for women who would qualify for such services if they became pregnant. In this way, public investment in family planning saves taxpayers over $3 million each year.

Despite the clear financial benefits of family planning services, the available funds have been drastically reduced. The task force recommends a substantial increase in the resources for family planning services so that they are funded at a level high enough to meet documented needs. Additionally, we recommend that family planning services be included among the preventive health services required as part of a minimum benefits package in health care reform.

Research confirms the lessons of common sense: it is unwise to isolate planning for a family from general health and social services and education about parenting. The task force concurs with the U.S. Public Health Service in recommending that, by the year 2000, all parents-to-be make a pre-conception health visit that would provide comprehensive information about nutrition, contraception, and healthy behaviors, as well as identify existing problems and refer them for treatment.

The task force also recommends a substantial expansion of efforts to educate young people about parenthood. Families should be the first source of such education, but schools, places of worship, and community-based youth development organizations also have

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Opportunities for Promoting Responsible Parenthood

Across the nation, innovative approaches are being designed and implemented to help prepare young people as well as parents with children under the age of three for the opportunities and responsibilities of parenthood.

Comprehensive Human Biology Curriculum

Early adolescence provides unprecedented opportunities for educators and health professionals to capitalize on young people's natural curiosity about bodily changes to promote healthier lifestyles that will have long-lasting benefits. It is this same curiosity, however, that may lead young people to engage in self-damaging behaviors that may shorten life or impair its quality.

The Human Biology Middle Grades Life Science Project at Stanford University has developed a comprehensive two-year human biology curriculum that should help adolescents understand and cope with the social, behavioral, and health problems they encounter. The curriculum covers adolescent development and physiology, genetics, and environmental science. Units such as "Your Community Culture," "Youth and Family," and "Become an Adult" help students to learn about human development and to develop the responsible attitudes and behaviors that are the foundations of effective parenthood.

School-Based Two-Generation Program

Many communities are taking a two-generation approach to changing life outcomes for pregnant adolescents by offering programs that serve both mothers and their babies. The Polly T. McCabe Center in New Haven, Connecticut, for example, is a short-term public school for pregnant students and new mothers, who otherwise might be forced to drop out of school. In addition to education, the center offers social and medical services. It features small class sizes, high-quality individually paced instruction, personalized guidance, and mentoring. Students are encouraged to consider long-term life options as they make progress toward completing their high school education. The goal of the program is to help the students plan for eventual self-sufficiency—including delaying subsequent childbearing, which has been shown to be a major predictor of greater success in life.

The most surprising finding of this program's evaluation was that students who remained seven weeks or longer postnatally were almost three time less likely to deliver a new baby within the next two years than students who left McCabe sooner. Five years after the birth of their first child, those same students still showed the effects of their stay at McCabe: 70 percent of the short-stay mothers had delivered one or more children, while only 45 percent of those who stayed seven weeks or more had done so.

Community-Based Family Support and Education

A widely acclaimed program begun in Texas in 1973 demonstrates that parent education and support can improve parents' childrearing skills. Each year Avance serves 2,000 Mexican American families with young children in Houston, San Antonio, and the Rio Grande Valley. Avance operates in public housing centers, in elementary schools, and through its family service centers. Its Parent–Child Education Program conducts home visits by trained staff members, presents weekly classes on child growth and development, and disseminates information about community services, English classes, and high school and employment preparation courses.

Avance provides free child care so that mothers can attend classes; when their children are older, some mothers serve as volunteer aides at the child care center, thus learning more about child development. Avance staff members emphasize individual attention to the child and support for the mother. Avance also involves fathers: staff encourage fathers to participate at the centers and connect them with job training initiatives, parenting education, and social support networks.

Evaluations show that Avance programs improve families' ability to provide an emotionally stimulating and nurturing environment for their young children, positively influence mothers' childrearing attitudes and knowledge, and expand mother's use of community resources. ○

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parts to play. Age-appropriate, culturally sensitive education about parenthood can begin in elementary school, but no later than early adolescence, and should cover

- The development of infants, young children, and adolescents, and how parents, families, and communities can meet their needs
- Models of childrearing, parenting skills, and the significance of family composition and environment on child development
- The impact of childbearing and childrearing on the educational and occupational choices of parents, especially mothers
- Human reproduction, including the role of overall health in reproductive outcomes; methods of birth control, including abstinence; and the importance of health protection and promotion in the prenatal period
- The causes of sexually transmitted diseases and ways of avoiding them
- The effect of behavioral and environmental threats on the health of pregnant women and of children and families
- The availability of social services and other neighborhood supports

Ensure Comprehensive Prenatal Care and Support

The benefits of prenatal care, particularly in the first trimester, have been repeatedly documented: women who receive a full course of such care stand a much better chance of delivering healthy, full-term, normal-weight babies than women who do not. More than physical health is at stake during the prenatal period. An infant's capacity for learning in the critical years following birth is intimately tied to brain development *in utero* and thus to the prenatal environment that the mother provides.

Research shows that for every instance of low birthweight averted by earlier and more frequent prenatal care, the U.S. health care system saves between $14,000 and $30,000. But the evidence is also mounting that millions of American children are coming into the world without benefit of this care, and their numbers are increasing:

- About one-fourth of pregnant women do not receive the recommended level of prenatal care.
- The percentage of pregnant women who receive virtually no prenatal care has increased in recent years.
- Mothers are less likely to obtain adequate or prompt prenatal care if they are young, poor, unmarried, relatively uneducated, uninsured, or living in inner cities or rural areas.

The task force recommends that all pregnant women have universal access to comprehensive prenatal care as a core component of any health care reform package that this nation adopts. The task force concurs that all pregnant women must be drawn, early in pregnancy, into comprehensive prenatal care that includes at least four components:

- Early and continuing risk assessment
- Health education and promotion
- Medical and social support services
- Medical treatment for existing conditions

Meeting this goal requires the intensification of national, state, and local efforts to improve the availability and use of prenatal services. Specifically we recommend the removal of the barriers that now stop women from receiving comprehensive prenatal care, including inadequate financing, the absence of local services, cultural and language barriers, and the lack of child care, transportation, and translation services.

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How States Can Support Parenting Education

State initiation and financing of family support programs is still relatively new. Many states have developed successful programs designed to meet various needs: to prepare children for school (Missouri), to teach parenting techniques (Minnesota), to improve family literacy (Kentucky), and to support teenage parents (Maryland).

Missouri's Parents as Teachers (PAT) program sends certified parent educators to visit expectant families at home and teach them how to be "their child's first teacher." PAT staff members set up group meetings for parents, screen children for early detection of problems, and link parents with other community resources, such as child care, health, and social services. Because this state-legislated program crosses all socioeconomic and educational boundaries, it attracts both high-risk families and those who need less intensive services and supports. Evaluations show that PAT children score well above national norms on measures of school-related achievement and that parents like the program. PAT had grown from four pilot sites in Missouri in 1981 to 1,233 programs in forty-two states, the District of Columbia, and four foreign countries by late 1993.

Minnesota's Early Childhood Family Education program is a statewide, state-funded effort operating in more than 300 school districts. It offers child development information and parenting techniques, encourages healthy communication between parent and child, and promotes positive parental attitudes. The program is open to all families with children from birth to kindergarten. Parents and children spend an average of two hours a week at the center: parents spend time with their children and talk with other parents while their children, overseen by trained early childhood educators, engage in discovery and cooperative play, learn to separate from parents, and develop cognitive and motor skills. Centers employ licensed early childhood and parent educators, as well as aides and volunteers from local communities.

Kentucky enacted the Kentucky Education Reform Act of 1990 to reduce barriers to learning. Family Resource Centers (for families with children up to age five) operate out of elementary schools. Within two years, 223 centers, funded through a competitive grant process, opened throughout the state; a total of 378 centers now serve 57 percent of the state's families with children under the age of five. The Family Resource Centers offer before- and after-school child care, child development education for pregnant women and mothers, literacy training for mothers who are earning their GED, training and supervision for child care providers, and health and social services referrals. The program receives local and private funding.

Maryland's Friends of the Family is a statewide network of family support centers administered by an independent agency established with state assistance in 1985 to address high rates of teenage pregnancy and child abuse and neglect. Today, this public–private agency oversees thirteen family support centers that primarily serve mothers younger than twenty-five with children younger than three. All centers provide social support services, assistance in child development and parenting education, and assistance for those completing their GED. The centers emphasize close community ties through their policy advisory boards, which include parents, community leaders, and social service agency representatives. They also find hard-to-reach families and provide supplementary services such as child care and transportation. O

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Provide Opportunities for Parent Education and Support

No job is more important to our nation's future than that of a parent, and no job is more challenging. But while society readily acknowledges the value of job training in other areas, it tends to act as if parenting skills should come naturally.

The task force notes that many parents could benefit from parent education and support—especially parents of infants and toddlers. Even in the best of circumstances, the newness of the parental role, coupled with the child's rapid physical, intellectual, and emotional development, make the parents' job demanding and at times overwhelming. As a result, parent education and support programs have appeared, ranging from grassroots, community-based efforts staffed with volunteers to statewide programs that are available on a universal and voluntary basis.

Families vary tremendously in their structure, values, needs, and resources, as well as in their ability to seek and use parent education and support. Still, certain key elements define successful parent education and support. Successful programs

- Establish an ongoing relationship with parents
- Are geared to the strengths, styles, and needs of individual families
- Increase understanding of child development and parent–child relationships
- Provide models of parenting
- Teach new parenting skills
- Provide a network of social support with other parents
- Facilitate access to community resources

The task force finds that parent education and support can be effective. A variety of programs have been found to have consistent and persistent influence on both parental behavior and the intellectual development of the young children. At the same time, we recognize that families with high levels of stress and severe economic hardship have urgent needs that clearly cannot be met through education alone. To serve these families, parent education and support programs must be built into a coordinated array of services such as health care, child care, literacy classes, and job training. Some communities have formed coalitions to coordinate services.

Appropriate staffing and training are key to successful parent education and support programs. Many programs enthusiastically recruit local community members as key staff contacts with parents. This approach has the advantages of providing training and employment for members of the community, drawing on the insights of people who have lived in similar social situations, and avoiding disparities in culture, language, and values between clients and practitioners.

The task force recommends that parent education and support, an effective preventive strategy, be made available on a voluntary basis to all parents with children under age three. The task force encourages all states and communities to use funds from existing sources and from new sources, such as the federal Family Preservation and Support Service Program, to initiate and expand community-based parent education and support programs for families with infants and toddlers.

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Guarantee Quality Child Care Choices

In a very real sense, parents and child care providers are jointly raising many of this nation's youngest children. In 1965, only 17 percent of mothers of one-year-olds were in the labor force; in 1991, fully 53 percent worked outside the home. More than five million infants and toddlers are now in the care of other adults while their parents work. More than a third of these young children are looked after by relatives, either at home or elsewhere. A quarter spend their days in child care centers; close to another quarter in family child care. A relatively small percentage of infants and toddlers are in the care of in-home providers or spend their days in other situations.

How well is the current system of child care meeting the needs of our youngest children and their families? In some well-run settings, competent child care providers attend to small numbers of children, and infants and toddlers experience a happy and stimulating day. But in many other settings, each provider looks after five, six, or even seven infants. Children (and adults) in these settings—which probably constitute the majority—are overstressed and unhappy.

Many parents of infants and toddlers have few child care choices. Many would like to stay home longer after their baby is born, but someone must pay the bills, and the United States stands alone among major industrialized nations in not ensuring income protection for parental leave. When they do go back to work, too many parents are forced to "make do"—to accept care that is safe and affordable but that falls short of the quality they would like for their young child. Many find themselves searching again and again for new arrangements as their initial "choices" prove unreliable or unsatisfactory. The disruption to the child, the family, and the parents' working life is immense and costly.

This child care crisis means that many of our youngest children miss early experiences that are necessary to the development of healthy intellectual and social capacities. Their well-being is jeopardized not only by poor-quality care and the lack of affordable care, but also by a fragmented system of delivery and high turnover among providers due to inadequate compensation and working conditions.

The task force strongly recommends that our nation make the availability of quality child care choices to all parents of infants and toddlers a high priority. Parents need options about when to begin child care, and they need child care arrangements that are high-quality, accessible, and affordable. These options include a continuum of parental and non-parental forms of care throughout the first three years. This nation will ensure that parents have genuine choices about the care of their young children when we

- Improve parental leave benefits
- Ensure quality child care for infants and toddlers
- Provide parents with affordable quality child care options
- Develop networks of family-centered child care programs for infants and toddlers

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Improve Parental Leave Benefits

Infants' early experiences are critical to healthy development. Experts can now substantiate the benefits of allowing ample time for the mother to recover from childbirth and for the parents to be with their new baby during the first months of life. Infants have a better chance at a healthy start in life when parents are able to stay at home during the early months. Breastfeeding and in-home care offer protection from infection before the infant has developed a mature immune system.

Parents and families also need time to adjust. The birth or adoption of an infant is a sensitive moment in the family's life. Parents need time to get to know their infants, to understand their babies' rhythms, patterns, and preferences. Mothers and fathers learn to respond appropriately through these earliest interactions, and early success helps parents to become confident in their new roles. Such success is especially difficult to achieve when both parents have demanding work schedules. When adequate parental leave benefits enable infants and parents to have sufficient time together, everyone profits.

When new mothers are surveyed on how long a parental leave they would prefer, they say six months. They want time to get to know the baby, time to adjust to the baby's schedule, to find quality child care, and to phase in their return to work. Experts generally recommend a four- to six-month parental leave as critical to fostering healthy infant development.

As employment rates have soared among women with young children, public support has grown for parental leave policies, and this support has gradually influenced many sectors of our society. Some employers now voluntarily offer parental leave, albeit usually unpaid. Many states require employers to provide basic parental leave benefits. The Family and Medical Leave Act (FMLA)—the nation's first family leave legislation, enacted in 1993—requires employers of fifty or more people to provide to all eligible employees twelve weeks of unpaid, job-guaranteed leave with existing health benefits.

The task force recommends that the next step should be to strengthen existing legislation in three ways:

- First, by including employers with fewer than fifty employees under the legislation. Currently 50 to 60 percent of the workforce is excluded.
- Second, by extending parental leave. A twelve-week leave, while helpful, is far less than the four to six months preferred by parents and recommended by child development experts.
- Third, by providing partial wage replacement. Because the Family and Medical Leave Act and current employer leave policies do not include wage replacement, many parents—especially women from low-income households—must return to work much sooner than they wish.

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Financing a paid national leave policy is not impossible, if it is phased in. The costs should be shared by employers, government, and employees. Possible policy options for financial support are

- Expanded temporary disability insurance
- A modified unemployment compensation system
- A special benefit for parents with newborn or newly adopted children

The private sector has an important role to play in improving family benefits and policies. Employers, especially those in the Fortune 1000 group, are increasingly finding it good business to respond to parents' needs. And smaller companies complying with state parental leave policies incur no greater costs than larger employers.

The task force recommends that all employers assist parents in ways that are consistent with the needs of both the workplace *and* the family, by implementing a range of policies such as improved parental leave, flexible work schedules, job sharing, child care information and referral assistance, and on-site or nearby child care.

Ensure Quality Child Care

For healthy development, infants and toddlers need close relationships with a small number of caring people, beginning with their parents and later including other adults in child care settings. Quality child care programs offer care to young children in small groups, in environments that are safe and comfortable. Each adult worker is responsible for only a few children, and personnel are well prepared and adequately paid. The program encourages parent involvement and is linked to comprehensive health and nutrition services. Unfortunately, these programs are the exception rather than the rule.

Most parents describe quality child care as "good parenting"; they believe that caregivers, not regulations, ensure high quality. But child care professionals emphasize the enforcement of consistent standards as the key to high quality. A few consistent standards—appropriately monitored and enforced—can help achieve exactly what parents want. For example, a program that assigns a small number of children to a sensitive and trained staff member goes far toward achieving individualized attention for every child.

Despite the evidence that standards establish the preconditions for quality child care, government policy lags behind. At present, regulation of child care rests largely with state governments; the standards are varied, weak, or even nonexistent. For example, most states allow infants and toddlers to be cared for by providers who have not completed high school and who have no specialized training whatsoever.

The task force recommends that states review, upgrade, and implement consistent child care standards. Regardless of funding sources, the standards should ensure quality by addressing

- Child:staff ratios
- Group size
- Preparation and qualifications of staff
- Health and safety
- Linkage to parents and community services

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New Careers for Child Care Professionals

Those who enter the child care field find few opportunities for training and career development:

- Funding for training is limited and sporadic. As a result, most caregivers have no access to training.
- Where training programs exist, incentives to participate are few or nonexistent. Beyond the entry level, few programs offer a sequence of training activities linked to career advancement steps.
- Most training situations fail to prepare caregivers to work with a wide range of children and families. They do not offer specialized training needed to care for children at particular developmental stages, or with particular life experiences.
- Caregivers in general cannot earn college credits by enrolling in a training program.

There are signs of progress, such as financial support for training under the federal Child Care and Development Block Grant program enacted in 1991. Federal and state policymakers are beginning to show interest in caregiver training, and planning to improve training has begun in several states.

Fortunately, examples of promising practices do exist:

- Since 1985, the California Child Care Initiative has been recruiting and training family child care providers. As of March 1993, it has generated 3,600 new licensed family child care homes, making 14,100 child care spaces available to children of all ages. More than 22,000 providers have received basic and advanced training at thirty-four sites across the state. The program offers incentives such as paying providers' membership fees to join professional associations, paying stipends for transportation to training, supplying vouchers for toys and equipment, and placing providers' names in local referral pools. The initiative has recently made more family child care materials available in Spanish and has developed a new recruitment initiative responding to the crisis in infant and toddler care.
- Families of children with disabilities who live in rural settings face particular difficulties in finding appropriate child care. In Montana, the Educational Home Model Outreach Program provides training and technical assistance to child care centers and family child care homes that care for children with and without disabilities. The program offers the particular skills needed to care for children with motor impairments. The project offers advice to other providers via a toll-free telephone line and a newsletter.
- In 1989, Delaware inaugurated the nation's first comprehensive statewide plan for career development in early care and education. The program has opened a resource center for child care providers in each of the state's three counties. It has involved the eight colleges in Delaware that offer early childhood curriculum in a pilot project that enables caregivers to earn college credits. ○

In working toward better quality child care, many partners must work together to specify and support these baseline standards: community groups, professional groups, states, and the federal government. In supporting consistent standards for group child care, it is not our intention to impose hardships on informal arrangements that are working well in communities and neighborhoods. Rather, we encourage communities to develop mechanisms to include these informal providers in local child care networks and to facilitate their compliance with the standards.

In many cases, child care providers are the only adults other than parents who have daily contact with infants and toddlers. They thus play a critical role in fostering the child's healthy development. Currently, however,

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many providers of child care lack specific preparation for their jobs; moreover, few incentives exist to encourage training. To ensure that child care settings nurture children, protect their health and safety, and prepare them for later school success, better-qualified staff are essential.

The task force recommends that providers of group care for infants and toddlers be required to receive specific training to meet the needs of children in this age group; it also recommends that federal, state, and community funds facilitate such training efforts. Better training cannot resolve all the complex problems of child care, but research shows that it is an effective, relatively inexpensive strategy for improving quality, particularly if training initiatives are linked to career development, with trainees receiving credit toward associate and bachelor's degrees. The implementation of statewide training systems and the dissemination of training materials would go a long way toward improving child care services to young children throughout the United States. However, the task force recognizes that attracting and retaining high-quality individuals to the child care field will always be difficult as long as salaries are so low.

Experienced child care providers who love their jobs leave them in large numbers because of low salaries and inadequate benefits. Studies show that annual turnover for child care providers is nearly three times the rate reported by U.S. companies, and nearly five times the rate reported for public school teachers. High turnover rates compromise the quality of care.

To maintain quality child care services, we must improve the compensation of child care providers. In 1990 the average annual salary for providers in centers was about $11,000. Half of family child care providers earned less than $8,000 per year, and nonregulated providers received less than $2,000 per year. Even providers with college training or degrees are woefully underpaid. The goal should be to establish pay levels that are competitive across professions that call for equivalent educational qualifications and job responsibilities. Staff also need to receive such benefits as health insurance, sick leave, retirement, paid vacation, and workers' compensation. The task force recommends two strategies for improving provider compensation:

- First, tie higher salaries and better benefits to the completion of specialized training.
- Second, provide incentive or salary enhancement grants to child care centers and family child care networks that provide quality care as defined by state standards or by professional organizations if state standards are inadequate.

Business and government are beginning to turn their attention to child care, but a larger, more sustained commitment is necessary. Corporations can help by creating public–private partnerships to sponsor individual child care providers or centers that serve the communities from which they draw their labor force. Federal, state, and local governments all need to contribute to narrowing the gap between the costs of quality care and what is now affordable for many families. They can do so through incentives and innovative partnerships with nonprofit agencies and the private sector.

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Provide Parents with Affordable Child Care Options

This country is just beginning to realize just how expensive quality child care actually is. Estimates of the value of the services and goods devoted to the care and education of young children range from $120 billion to $240 billion annually. In the past, these costs were covered largely by mothers' unpaid labor. In recent years, as mothers more often work, parents have increasingly paid—in actual dollars—for nonparental child care services.

When they realize how much child care costs, most parents are astonished. Costs for one child range from $40 to $200 per week. All families want to give their children the best care possible, but these outlays are too high for most. Overall, the less families earn, the higher the proportion of their income that is spent for child care. Families with incomes under $15,000 per year spend 23 percent of their income on child care, whereas families with annual incomes of $50,000 or more devote 6 percent to child care.

Overwhelmingly, today's parents would like to see both government and business assist all families by ensuring access to an adequate supply of affordable child care. Parents want businesses to offer benefit plans that include on-site or nearby child care and flexible work schedules.

The federal government already offers some assistance with child care to families at all income levels. Middle- and upper-income families receive assistance largely through the Dependent Care Tax Credit (DCTC); lower-income and poor families receive subsidies through the Child Care Development Block Grant (CCDBG), the Social Services Block Grant, and the Family Support Act. But these measures are not enough.

In today's difficult economic climate, the task force recommends that preference be given to providing financial support to poor and moderate-income families so that they can choose quality child care. We propose two strategies.

- First, the federal government should channel substantial new money into child care in order to make it more affordable for parents, possibly through supplementary block grants to the states for child care. This money should go to child care programs, especially those caring for children under age three, permitting them to expand facilities, adopt sliding fee schedules, and improve quality. To promote quality, we recommend that all new and reauthorized federal funding for child care be modeled after the 1990 Head Start reauthorization, which mandates that 25 percent of new funds be spent on quality enhancements. This money should be coordinated at the state level and dedicated to promoting quality child care programs for infants and toddlers through investments in stronger standards, improved training, better facilities, and higher staff compensation.
- Second, the federal government should make the Dependent Care Tax Credit refundable in order to provide greater financial benefits to low-income families. The additional costs of refundability could be made up by lowering the income levels at which the DCTC phases out or by decreasing the benefit levels for high-income families.

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Tapping New Resources for Quality Child Care

New partners are beginning to take the lead in helping parents to find quality, affordable child care. These new initiatives may foretell dramatic shifts in the way America's vital institutions accommodate family and workplace responsibilities in the future. The following initiatives represent important new ways of promoting quality child care.

- **Corporations** can provide for their own employees and become models for approaches that the business community can take in creating more family-friendly working conditions. For example, in 1988, the Dayton Hudson Corporation began "Family-to-Family" as a collaboration with local nonprofit child care resource and referral agencies to train and accredit family child care providers. By 1992, Dayton Hudson recognized the value of a nationwide public awareness and consumer education campaign on quality child care, and launched "Child Care Aware" in collaboration with leading child care organizations. Child Care Aware encourages parents to consider quality issues in selecting child care services through innovative marketing techniques such as shopping bags that explain the value of quality child care. It helps them locate such services with advice from local resource and referral agencies, helps develop strong parent–caregiver partnerships, builds recognition of child care as a profession, and educates the public about the importance of quality child care for society.
- **State** governments can support innovative financing arrangements to provide capital to child care providers. For example, the State of Illinois has entered into an arrangement to issue tax-exempt bonds, repayable in ten years, with a philanthropic guarantee as collateral. The resulting Illinois Facilities Fund will provide capital to develop ten centers run by child care providers, who will lease the facilities for ten years and will assume ownership when the bond issue is paid off. The financing is expected to strengthen and improve child care centers in disadvantaged neighborhoods. The ten large centers will be fully equipped and curriculum-based and will have support for staff development and training; they should serve as laboratories for further understanding of the economic growth of child care and the needs of families.
- **Banks** can add child care programs to their activities under the Community Reinvestment Act (CRA). The act requires federally insured mortgage-lending institutions to make funds available for community and neighborhood reinvestment at affordable interest rates. If banks identify child care as a "community need" under the CRA, they can make loans to providers as part of their obligations to assist low- and moderate-income neighborhoods. Affordable capital is chronically short in many such neighborhoods.
- **Philanthropic** and nonprofit organizations, including private and community foundations, can take the lead in identifying child care as a critical community issue. They can bring together representatives of employers and employees, persuade local governments and grantmakers to take an interest, and underwrite pilot programs. In 1987, for example, United Way of Massachusetts Bay formed the Child Care Initiative with other foundations and corporations to capitalize a loan fund. The loan fund is intended, in the short term, to provide capital to child care providers for expansion and stabilization of their operations, to ensure investment in centers serving low-income children, and to encourage more businesslike management practices among nonprofit providers. In the longer term, the fund is expected to draw attention to the facilities and capital needs of child care providers, who are often undercapitalized.

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Develop Networks of Family-Centered Child Care Programs

Virtually every American community has produced a patchwork of child care, including licensed centers, regulated family child care, unregulated family child care, and informal care by relatives. Yet all too often the seams that hold this quilt together are frayed. In most communities, providers function in almost total isolation—they have little opportunity to share ideas, learn new skills, or provide support and guidance to one another. This isolation is particularly apparent in family child care and care by relatives—the types of care most popular for infants and toddlers.

The many patches of American child care can and must be stitched together. Local child care networks have proven effective, alleviating the isolation experienced by many child care providers, offering them significant professional development opportunities, and linking them with a wide variety of related health, educational, and social services. At the same time, these networks give parents a well-known, accessible, unbiased source of information and advice as they sort through various child care options. This is especially important for parents who may be new to a community or to the country.

This concept is already working successfully in France, where family child care networks link from six to as many as thirty-five homes. Each network is directed by a specially trained pediatric nurse who coordinates services, hires qualified child care providers, supervises their training, matches each provider with two or three children, and facilitates parents' and providers' access to other services and supports. Similar efforts are under way in the United States. For instance, some areas of Los Angeles have a network system that connects center and family child care.

The task force recommends that every community develop a comprehensive child care network linking all child care programs and offering consumers a variety of child care settings. In order to be effective, a child care network should have three key features:

- It should be comprehensive, encompassing all existing child care services and enabling children with disabilities to participate fully.
- It must be developed and operated locally and funded through a combination of public and private sources.
- It should have as its hub an institution that is central to its particular community.

Clearly, to be effective, the network must draw on the energy of the community, involving people who know best what its parents and children need.

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Ensure Good Health and Protection

Few social programs offer greater long-term benefits for American society than guaranteeing good health care for all infants and toddlers. We realize the return on that investment when fewer children suffer from preventable illnesses and disabilities, when fewer parents bear the burden of caring for sick children and paying their medical bills, when more healthy children and adolescents succeed in school and, in time, form a more productive workforce and become better parents. We don't have to guess about the benefits of early health care; indeed, in no other area of social policy can costs and benefits be calculated so precisely. For example, every dollar spent on childhood immunizations saves ten dollars in later medical costs.

Being healthy also means being safe. At present, many infants and toddlers are not safe. Some grow up in neighborhoods where a walk to the grocery store or an afternoon in the playground may be fraught with danger. Some spend long stretches, while their parents work, in substandard child care, under the supervision of underpaid, distracted babysitters, or in the care of brothers or sisters who themselves need more adult attention. And too many are at risk even when cared for by their own parents: some may suffer neglect or outright abuse; others may have parents who do not realize that their practices, or the setting they've provided, are unsafe.

To ensure good health and protection to our youngest children, this nation must

- Provide needed health care services for all infants and toddlers
- Protect infants and toddlers from injury and promote their health
- Create safe environments for infants and toddlers

Provide Needed Health Care Services for All Infants and Toddlers

Unfortunately, not all young children now receive adequate health care. The American Academy of Pediatrics recommends nine well-child visits by age two, but fewer than 50 percent of all two-year-olds have visited the pediatrician that often. Immunization remains haphazard, with predictable consequences. In 1992, more than 60 percent of children in most states had not received a complete sequence of recommended immunizations by age two.

The supply of health professionals and the quality of child health care vary significantly by community: the most indequate prenatal and child health services are found in low-income, minority, and transient communities. As a result, our poorest communities are plagued by high rates of infant mortality, low-birthweight babies, communicable childhood diseases, and

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child abuse. Children growing up in poverty suffer from higher rates of malnutrition and anemia than do other children. Many of the tragedies represented by these statistics are preventable.

Children in poverty are not alone in receiving inadequate health care; nearly 13 percent of America's children do not have access to the health care services they need to grow up healthy. In 1992, 8.4 million children lacked access to health care services because they had no insurance, and millions more were insured for only part of the year. Most children rely on working parents for health care coverage, yet nearly 80 percent of uninsured children are dependents of working parents.

In 1979, the Select Panel for the Promotion of Child Health—a federal group composed of leading health care professionals—undertook a thorough review of children's health care. Fifteen years later, the task force agrees with the panel's conclusions:

- Health care services for all children must be comprehensive, preventive, and primary.
- The 10 percent of children who have chronic or disabling conditions need, in addition, specially designed services and support.
- Comprehensive services include parental education and counseling.
- Access to health care must be ensured through services such as transportation to health facilities and translators who can speak with parents and children in their own language.

The task force identified two elements that would go farthest toward ensuring that children under three receive needed health care services. First, pregnant women, infants, and toddlers must be explicitly included in health care reform. Second, home visiting services should be available as part of comprehensive health services.

Reform Health Care. Health care reform should result in comprehensive health care services for all our nation's children. The task force recommends that pregnant women and all children under three be the first to be included in a universal system. Moreover, the task force agrees that the health care needs of infants and toddlers call for services that are broader in scope than those designed for older children and adults, and in certain instances they must be of greater intensity and duration than would be possible under a more general standard.

Young children need comprehensive health care because their needs differ markedly from those of older children and adults. Infants' and toddlers' unique needs arise from their developmental vulnerability and the degree to which they are dependent on others—on their parents and on social and governmental institutions—for their health care.

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Healthy Families America

In 1992, more than 2.9 million cases of suspected child abuse were reported, many of them among children from birth to three years of age. Research indicates that the best way to promote healthy child development, to strengthen families, and to prevent child abuse is to provide parents with education and support beginning with the birth of their first baby, ideally by means of a voluntary program of home visits.

Hawaii's Healthy Start Program is an effective model. This initiative provides an initial home visit and assessment of all families with newborns. "At-risk" families are identified and provided with family support, family crisis resolution strategies, and mental health services. Based on Healthy Start, Healthy Families America was launched in 1992 to lay the foundation for a nationwide neonatal home visiting program. Initiated by the National Committee to Prevent Child Abuse, in partnership with the Ronald McDonald Children's Charities, Healthy Families proposes to establish intensive home visitor programs in areas where parents lack education and support programs and to build onto existing programs wherever possible.

The need for such programs is particularly great where children are at greatest risk for abuse or neglect (that is, in communities with high percentages of low-birthweight babies, births to unmarried adolescents, and children living in poverty).

Community-based parent education and support programs exist in the United States, but few are statewide, comprehensive, and well-coordinated with other federal, state, and local programs. Healthy Families America intends to improve this situation. Efforts are under way in all fifty states to build a Healthy Families America system, and eleven states are operating small pilot programs. ○

Attempts at cost control may have unintended adverse effects on the quality of health care. The design or revision of a benefits package must take into account not only budgetary considerations and national priorities, but also scientific criteria for adequate health and medical care. Meaningful grievance procedures must enable consumers and providers to protest unfair practices or unintended consequences. To achieve this, consumers and clinicians must work with policymakers in defining what constitutes a child health care service.

Clearly, money is the main barrier between America's young children and the health services they require; but other *non*financial barriers must also be surmounted. These include

- *Capacity shortages.* Many communities do not have enough providers, especially pediatricians, family practitioners, and nurse practitioners.
- *Unfriendly services.* Even parents who are motivated to seek out health services sometimes find them unfriendly and hard to access.
- *Undervaluing of preventive services.* Many parents who obtain health care when their children are sick are unlikely to use preventive services like well-child visits or immunizations, particularly when these services are not easily available.
- *Lack of continuity.* Many young children do not have a primary health care provider.

Other barriers include the violence, drugs, and social isolation found in some impoverished inner-city neighborhoods—conditions associated with low levels of health care. Expectant mothers in these neighborhoods are

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far less likely to receive adequate prenatal care than those in more affluent locales; and preschool immunization rates are also low in these areas. Already overstressed, these children and their families should not have to add inadequate health care to their list of everyday life problems.

Provide Home Visiting. One promising way of improving health outcomes among families with young children is home visiting. For more than a century, home visiting has existed in the United States as a strategy for delivering health care, information, and support services to pregnant woman and families with young children. Today, home visiting services are drawing attention as a promising preventive strategy.

The current practice of early hospital discharge after the birth of the newborn makes home visiting an attractive strategy during the first six weeks of life. In addition to providing education and advice, the home visitor can be an important link between the family and community services and supports. Some states now offer voluntary home visiting services to all new parents and provide more intensive services to at-risk families with young children.

Especially effective are comprehensive prenatal and infant services, in which trained nurses or paraprofessionals visit unmarried, adolescent, uneducated, or low-income mothers and their children. These programs have successfully encouraged expectant mothers to stop smoking, eat a balanced diet, use the WIC nutrition supplementation program, and seek childbirth education. In families that have been visited, the incidence of low-birthweight babies, child abuse and neglect, and childhood injuries has decreased. Home visiting programs are also cost-effective. In one study, by the time the children had reached the age of four, the government had saved $1,722 per child for the entire sample and $3,488 per child for low-income families.

The task force recommends that home visiting services be offered on a voluntary basis as part of comprehensive health services to all first-time parents and their newborns. More intensive home visiting services would have the greatest benefit if offered to all families in communities with high rates of poverty and large numbers of single, young mothers. These voluntary services could help those most likely to benefit without singling out any particular mother or child in the neighborhood.

Protect Young Children from Injury and Promote Their Health

Unintentional injuries remain the leading cause of death among children aged one to four. Children growing up in poverty are more likely to die from an unintentional injury than children from better-off families. While many childhood injuries do not result in death, they may result in disability or disfigurement and may compromise a child's future development, well-being, and achievement. Because most of these injuries are preventable, the task force recommends new public strategies to reduce the incidence of unintentional injuries to young children. These strategies must include broad-based community efforts to encourage the use of child safety seats, fire alarms, window guards, and flame-retardant sleepwear, and to reduce the temperature of tap water in homes and child care settings.

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Safeguarding Children

A napping baby sprawled on the back seat of a car; a toddler who picks at the paint on the kitchen wall and then eats it; an infant teething on a sharp-edged toy—they're all in danger. Many young children risk injury or illness all day long without venturing far from their normal routines.

The good news is that concerted efforts to childproof homes and reduce risks in the car and the neighborhood do work. Risk reduction requires parent education, so that new mothers and fathers (and other caregivers) can learn to spot possible hazards and prevent injuries; at the same time, policymakers, manufacturers, and community groups, must take a proactive approach to safeguarding children.

One effort to create injury-free environments for children is Communities for Child Safety, a program administered by the National 4-H Council. This program defines injury broadly to include intentional, unintentional, physical, and emotional harm. It brings together people who work in injury control and those who work in child abuse and neglect.

Begun in 1987 in Chicago, Communities for Child Safety sends two-person teams into neighborhoods to collect information on hazards, to develop networks with key organizations and support groups, to educate local residents, and to persuade local government and organizations to change their policies and approaches.

Teams urge communities to hold child safety fairs, to assess home safety, to offer infant/child CPR classes for parents, to educate parents in child safety, to establish fire safety programs, to work to prevent child abuse and neglect, and to clean up vacant lots and playgrounds. The goal is a community injury prevention plan. O

Promoting young children's health is a responsibility shared by parents, other caregivers, educators, the community, and health officials at all levels of government. But how can we best support parents' own efforts to promote their children's health? First, community leaders can identify what needs to be known by parents and others in the community. Second, programs to teach health-promoting behaviors to parents can be started in accessible settings at convenient hours. Third, religious, civic, business, and other community organizations can communicate information about children's health, setting as their highest priority the good health of every neighborhood child.

Create Safe Environments for Young Children

Although most research and public debate about violence have focused on school-aged children and adolescents, violence also affects pregnant women, infants, and toddlers. Women face the highest risk of violence by a male partner during their childbearing years, and most particularly during pregnancy. The abuse of pregnant women leads to serious risks for the infant, including low birthweight, birth defects, prematurity, and even such grave consequences as stillbirths and infant mortality.

Very young children are also victims of abuse. Of the two million children who experience physical abuse or neglect each year, more than a third are infants under one year of age. In 1990, almost 90 percent of those children who died as a result of abuse were under the age of five; 53 percent were less than a year old.

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There is no doubt that repeated exposure to violence threatens children's healthy physical, intellectual, and emotional development. Parents, too, are affected by a climate of violence; they often lose confidence and are so traumatized that they find it difficult to be emotionally responsive to their children. The task force concludes that this nation must make a clear commitment to the right of all young children to grow up in safe homes and neighborhoods. Parents would benefit from family-centered approaches to help them understand the profound effects of violence in the home and in the community on young children. Energy and resources must be directed toward preventing violence in children's lives and dealing with the damage that has already occurred. The task force recommends these interventions:

- *Adopt family-centered approaches.* The strongest buffer for young children living in dangerous environments is a supportive relationship with parents. Parent education and family support programs can help parents understand their critical role in the lives of their children. Parents should have access to proven programs that prevent child abuse and neglect and must be taught skills in nonviolent conflict resolution. Supportive networks and individual counseling should be available to parents when necessary.
- *Initiate community-based efforts.* Increased funding must be made available for community programs that address violence prevention, such as partnerships between child and family services and law enforcement agencies. For maximum effectiveness programs must be implemented locally. Such efforts convey to families that they are not alone—that society is committed to addressing violence in their communities.
- *Control access to guns.* Ridding our communities of violence requires nothing less than the removal of all guns, except those lawfully registered under stringent controls. Parents must be made to understand that possession of a gun for protection actually increases the chances of their children being injured or killed. Clearly, however, before parents can accept this understanding and act on it, they must be confident that their communities are safe.

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Mobilize Communities to Support Young Children and Their Families

Take a walk around the neighborhood, virtually any neighborhood, in the late morning, when most Americans are at school or work. That's when infants and toddlers seem to be out in force—lifted from car seat to shopping cart, carried or wheeled down Main Street, or set loose in a sandbox. The adults who care for them have ventured out to do errands, visit the doctor, calm a fussy baby, or perhaps just to escape the isolation of solitary child care.

Some find themselves in a community that responds to their needs and those of their children; its institutions, both public and private, are designed in ways that weave young children and their caregivers into the social fabric. But most communities are far more responsive to the needs of their "working" residents—those who hold jobs outside the home—than to the needs of adults caring for small children. This is no accident. For the most part, new parents tend to have less influence than other community members; overwhelmed and isolated by the demands of home and work responsibilities, they often have less financial clout, less involvement in community affairs, and less say in setting priorities.

For these and other reasons, the community services available to most families with young children are few and fragmentary. Most communities do not adequately support a healthy start for our youngest children, and our nation has not mobilized the resources or the will to meet their needs. This is the quiet crisis that threatens the stability of community and family life across this nation.

A growing body of research supports the premise that community characteristics do indeed affect individual outcomes for children. We can now say with more confidence that a family's effectiveness as a childrearing system is bolstered by the existence of a supportive social network that includes people outside the immediate family. There is also increasing evidence that when people feel responsible for what happens in their neighborhoods, children benefit. At the same time, social disorganization, in combination with urban poverty, can lead to low birthweight, child abuse and neglect, intellectual impairment, and adjustment problems.

These findings strengthen the task force's conviction that families can benefit from improved community supports—in particular, when communities are able to develop a broad, coherent approach that makes sense for their population of families with young children. This a daunting challenge, requiring the good ideas and hard work of people across the nation: government officials, business leaders, agency staff, the media, community workers, religious organizations, parents, and volunteers. But the long-term payoffs will be substantial. A good start in life measurably decreases the risk that individuals will drop out of school, swell the welfare rolls, or shuttle in and out of the criminal justice system.

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To help communities meet the needs of families with young children, our nation must

- Promote a culture of responsibility in communities
- Move toward family-centered communities
- Reinvent government in ways that strengthen families and communities

Promote a Culture of Responsibility

The task force recommends that every community in America focus attention on the needs of children under three and their families, beginning in the prenatal period. We urge leaders to marshal resources on their behalf, to learn from effective, innovative models, to plan carefully, and to measure and report the results of these efforts to the public. Because many American families with young children face multiple risk factors—including poverty, unemployment, inadequate housing, and violence—we recommend that special attention be given to services and supports that benefit those most in need.

The problems of young children and their families do not lend themselves to one-size-fits-all solutions. Communities need to develop their own approaches to creating family-centered communities, based on a strategic planning process that involves all sectors of the community. This kind of broad-based effort demands strong local leadership. In some communities, a citizens group or a private/public partnership may already be addressing issues of education, health care, or family services, and can broaden or refocus its agenda to address the specific needs of very young children and their families. In other communities, forming such a group will be the first step.

The process should begin with a community assessment, examining the needs of young children and families, especially those with multiple risk factors, and the capacity of existing programs to meet those needs. Planners should ask such questions as

- What kinds of preparation for parenthood, parent education and support, and family planning services are available?
- What kinds of prenatal care are available, and how many expectant mothers do they reach?
- How much infant and toddler child care is available in the community, and what is its quality?
- Which public and voluntary agencies serve families with young children? Are they meeting local needs? To what extent are their services coordinated?
- Which factors and resources in the community promote or inhibit the development of social networks among families with young children?

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Setting Goals for Effective Community Planning

By undertaking a comprehensive assessment or "audit" of the status of families with children under the age of three, a community-based planning group can document not only a community's problems, but also its strengths. During the planning process, this group should actively encourage public input and discussion in a variety of community forums. Reports summarizing major findings should be issued periodically to inform the community, inspire voluntary commitment, and influence public policy.

During the planning process, the group should

- Gather data that answer basic questions about the characteristics and needs of families with young children, including their numbers, geographic distribution, income, family composition, ethnicity and race, and environmental risks. What trends are observable over the past several years?
- Interview parents, program staff, service providers, and public school teachers to pinpoint key challenges in their particular community.
- Determine the scope and accessibility of services and supports now available to families, including family planning, parenting and family life education, child care, and pre- and postnatal health care.
- Analyze the public and private sector policies that affect parents' ability to balance work and family commitments.
- Survey community resources available to families with young children, including housing, parks, libraries, recreation and drop-in centers, health care and child care facilities, voluntary agencies, places of worship, and informal assistance.
- Establish clear goals and priorities, and recommend interventions that meet those goals.
- Create an ongoing mechanism to monitor the implementation of its recommendations.
- Throughout the process, promote collaboration among the many institutions and individuals who work with families and young children. ○
- What funds are available from public and private sources? How are they being expended to serve families with young children? How can we improve funding mechanisms and achieve greater cost-effectiveness?
- What additional resources can be leveraged from business, volunteers, and the private, nonprofit sector?

As they look at existing resources, communities are likely to find that some programs are effective, or would be with relatively minor adjustments. It is important not to dismantle programs that work or to disrupt networks that have been painstakingly established. Other programs will prove to be less effective. Many are understaffed or are staffed by individuals who lack sufficient experience or training.

Perhaps the most serious weakness the community planning process will uncover is insufficient coordination among programs serving the same families. Forging links among these programs should be a top priority. These linkages provide a more comprehensive, family-centered system of supports for young children and their families, and can help to seal the cracks through which many young children now slip.

Once the assessment is completed and documented, the leadership group needs to reach consensus on goals, and to define the specific interventions that will meet those goals. A strong plan will probably include elements that benefit families with young children directly and those that benefit them indirectly by reinforcing social cohesion within the community. A key challenge at this stage is establishing credibility by building program performance measures into the plans. These measures would define quantitative and qualitative results.

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Move Toward Family-Centered Communities

The task force envisions a strategic planning process that would move communities toward a family-centered approach—a cluster of resources and services linked together so that more parents can, with efficiency and dignity, gain access to essential information and services and fulfill their responsibilities to their children.

Each community or neighborhood would evolve a network of services geared to the needs of its families. This network of services can and will take many forms, but we anticipate that in each community, a single institution would become the hub of the network, offering support, information, and referrals to families and providers. The task force encourages broad experimentation with a comprehensive approach through the development of neighborhood family and child centers. Two approaches appear to be particularly promising: creating or strengthening neighborhood family and child centers; and adapting and expanding Head Start to meet the needs of families with children under age three.

Neighborhood family and child centers can move toward providing a full spectrum of services, including

- Parenthood education and ongoing family support groups
- One-stop access to information about child care, schools, health care, social services, and a wide range of other community resources
- Outreach to families with multiple risk factors
- Professional development and technical assistance for caregivers and service providers

Some communities may establish new family and child centers; others may choose to expand an existing program. In fact, a family and child center could be built on any credible community institution and could be financed through the expansion and redirection of government funds, private support, and parent fees. Each community should establish its own strategy for administering these centers, but it is essential that parents and other neighborhood residents be involved in their development and management.

In many communities, existing Head Start programs are a logical starting point for the provision of comprehensive services and supports for infants and toddlers and their families. Historically, Head Start has served primarily three- to five-year-old children from low-income families. In 1992, Head Start served only one out of every twenty economically eligible children under age three.

We recommend that the comprehensive, family-friendly, and community-based services that have characterized Head Start now be expanded to provide appropriate services and supports for younger children and to be a source of consistent support between the prenatal period and school entry. Beginning with the most disadvantaged families, the new program for children under three should include home visits, immunizations, linkages to prenatal and other health care, parent education and support, and developmentally sound child care, as well as nutrition and social services. This new program would equip parents to be the effective first teachers of their young

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State Councils Lead Action for Families and Young Children

Today, a growing number of states are emphasizing early childhood development as a significant new "front-end" investment. Most states have embraced the importance of getting children "ready for school" and are now emphasizing ways to prevent social, health, and educational problems before they have serious and costly consequences. State coordinating councils can be an effective way to focus resources and attention on these issues. With sustained gubernatorial or legislative leadership, a state council can provide impetus for community action.

- In 1987, Colorado's governor Roy Romer established a pioneering early childhood initiative called "First Impressions." The initiative's purpose was to ensure that all of Colorado's children enter kindergarten ready to learn. The state has developed a comprehensive plan and has established statewide and community councils. The initiative takes advantage of the public education power of Colorado's First Lady, Bea Romer, who has attended numerous community events and meetings. Technical assistance is provided to local communities to help them develop new programs, pool existing funding to achieve better results, and build local leadership capacity among parents and advocates.

  The governor has also created a Families and Children Cabinet Council that has broad authority over program planning for young children. The group consists of high-level representatives from the departments of education, social services, health, and mental health. As part of Colorado's Strategic Plan for Families and Children, neighborhood family centers that combine health, education, and human services in a single location are now being established. Local planning teams select the programs and services to be offered at the center and work with state agencies to combine their resources to implement the plan. A dozen communities have organized comprehensive centers, and an evaluation is under way to determine how well they work.

- In West Virginia, the Governor's Cabinet on Children and Families was created in 1990 to enhance the ability of families to "protect, nurture, educate, and support the development of their children." Chaired by the governor, the cabinet includes directors of relevant executive agencies, state legislators, and representatives from higher education. Its mission is to "reinvent government" by changing the current service delivery system from "deficit models to ones that promote health, development, and well-being within the family," and by shifting from "crisis oriented services to those that focus on prevention and early intervention." The cabinet forges partnerships among citizens, community organizations, business, labor groups, local and state government bodies, advocacy groups, and members of the religious, education, and legal communities.

  The primary vehicle used by the cabinet to reform services and supports for young families is the local family resource network. Operating with the support of a broadly representative leadership group, these networks serve thirty-four of West Virginia's fifty-five counties. They direct the planning and implementation of an improved system of services and supports geared to the specific needs of local children and families.

  While the cabinet coordinates day-to-day improvements in children and family services, the Governor's Early Childhood Implementation Commission is developing a long-term plan to ensure the availability of high-quality early childhood services to all children, from before birth through age five. These services include health and nutrition, family support, and early childhood development and education. Working with professional groups, child advocates, business leaders, and the media, the commission is also charged with rallying broad public and professional support for the plan through periodic reports. ○

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children, and could link up with adult job training, drug treatment, housing, and economic development programs. Head Start programs for younger children could be associated with schools, settlement houses, existing Head Start programs, or other community institutions. We concur with the Advisory Committee on Head Start Quality and Expansion, formed in 1993, that the quality of services must be a first priority. The passage of federal legislation in May 1994 to strengthen the quality of the Head Start program and expand services to families is a very promising development.

Reinvent Government to Strengthen Families and Communities

Federal and state governments can help communities improve their services and supports to families with young children by mounting systematic efforts to support local change, by removing obstacles created by outmoded funding patterns and cumbersome regulations, and by mobilizing other sectors, including business and the media, to make the needs of families with young children a high priority.

In order to focus the leadership and resources of the federal government much more sharply on the needs of young children and their families, we urge the President to appoint a high-level group to coordinate federal agency support for programs for families with young children. In addition, current efforts to "reinvent government," through such federal mechanisms as the National Performance Review and the newly established Community Enterprise Board, represent opportunities to create a more coherent, more efficient delivery system for human services, including those directed at families with young children.

States play a critical role by establishing a framework for community action. They provide support for key services such as child care, health care, family life education, and staff training. States also play a vital role in establishing program regulations, collecting data, and allocating funds. The task force recommends that governors and state legislatures establish mechanisms, such as those in Colorado, North Carolina, New Mexico, West Virginia, and several other states, to implement comprehensive program plans that focus on the prenatal period and the first three years of life.

The changes in community planning and government initiative envisioned by the task force will take time. Our hope rests with the spirit and commitment that the American people demonstrate whenever a crisis threatens to block our path toward an important goal. We size up the problem, mobilize our citizenry, and get to work. In the next chapter, the task force offers recommendations and a detailed action plan through which all sectors of society can work together to support families with young children.

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Recommendations and Call to Action

The quiet crisis of families with children under age three requires immediate and far-reaching action. Persuaded that strong families and communities are essential to the healthy development of our youngest children, the task force calls for action in four key areas. These four areas constitute vital starting points for both children and their families.

Promote Responsible Parenthood

Our nation must foster both personal and societal responsibility for having and raising children. To enable women and men to plan and act responsibly, the task force recommends

- Expanding education about parenthood in families, schools, and communities, beginning in the elementary school years but no later than early adolescence
- Providing comprehensive family planning, pre-conception, prenatal, and postpartum services and support as part of a minimum health care reform package
- Delaying adolescent pregnancy through the provision of services, counseling, support and age-appropriate life options
- Ensuring that all couples, when considering the possibility of having children, assess their age, health, and resources in order to avoid unnecessary risks and to provide a healthy environment for raising a child
- Directing state and local funds to initiate and expand community-based parent education and support programs for families with infants and toddlers

Guarantee Quality Child Care Choices

For healthy development, infants and toddlers need a continuing relationship with a few caring people in safe and predictable settings. To guarantee good child care choices in children's homes and child care settings, the task force recommends

- Strengthening the Family and Medical Leave Act of 1993 by expanding coverage to include employers with fewer than fifty employees, extending the twelve-week leave to four to six months, and providing partial wage replacement
- Adopting family-friendly workplace policies such as flexible work schedules and assistance with child care
- Channeling substantial new federal funds into child care to ensure quality and affordability for families with children under three and making the Dependent Care Tax Credit refundable for low- and moderate-income families
- Providing greater federal incentives to states to adopt and monitor child care standards of quality
- Developing community-based networks linking all child care programs and providers offering parents a variety of child care settings

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- Allocating federal and state funds to provide training opportunities so that all child care providers have a grounding in the care and development of children under three
- Improving salary and benefits for child care providers

Ensure Good Health and Protection

When young children are healthy, they are more likely to succeed in school and in time form a more productive workforce and become better parents. Being healthy means young children are able to grow up in safe homes and neighborhoods. To ensure good health and protection, the task force recommends

- Making comprehensive primary and preventive care services, including immunizations, available to infants and toddlers as part of a minimum benefits package in health care reform
- Offering home visiting services to all first-time parents with a newborn and providing comprehensive home visiting services by trained professionals to all families who are at risk for poor maternal and child health outcomes
- Expanding the Women, Infants and Children (WIC) nutritional supplementation program to serve all eligible women and children
- Making the reduction of unintentional injuries to infants and toddlers a national priority
- Expanding proven parent education, support, and counseling programs to teach parents nonviolent conflict resolution in order to prevent child abuse and neglect, and implementing community-based programs to help families and children cope with the effects of living in unsafe and violent communities
- Enacting stringent national, state, and local laws to control possession of guns

Mobilize Communities to Support Young Children and Their Families

Broad-based community supports and services are necessary to ensure that every family with a child under three is linked to a source of comprehensive health care, quality child care, and parenting support. To mobilize communities to support young children and their families, the task force recommends

- Focusing the attention of every community in America on the needs of children under three and their families, by initiating a community-based strategic planning process
- Experimenting broadly with the creation of family-centered communities through two promising approaches: creating family and child centers to provide services and supports for all families; and expanding and adapting the Head Start model to meet the needs of low-income families with infants and toddlers

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- Creating a high-level federal group, directed by the President to coordinate federal agency support on behalf of young children and to remove the obstacles faced by states and communities in their attempts to provide more effective services and supports to families with young children
- Funding family-centered programs through the Community Enterprise Board in order to strengthen families with infants and toddlers
- Establishing mechanisms, at the state level, to adopt comprehensive policy and program plans that focus on the period from before birth through the first three years of a child's life

A Call to Action

The task force calls upon all sectors of American society to join together to offer a decent start in life to all children under the age of three.

- We ask the *President* to direct a high-level federal group to review the findings of this report, and to ensure the adequacy, coherence, and coordination of federal programs for families with young children. We urge him to introduce legislation to strengthen the Family and Medical Leave Act, to include pregnant women and young children in health care reform, and to channel new money into quality child care for families with children under three.
- We call upon *Congress* to enact legislation that focuses resources more sharply on the needs of children under age three and their families. We urge Congress to enact legislation that strengthens the Family and Medical Leave Act and that provides increased resources for quality child care and parent education and support. Congress should ensure that pregnant women and all children under three are the first to be included in health care reform.
- In the spirit of "reinventing government," we urge *federal agencies* to identify and remove the obstacles that states and communities encounter as they implement federally funded programs or test innovative solutions.
- We call upon *states* to convene or form child and family councils to review this report and consider its implications for children under age three in each state and its communities. We urge every state to review its legislative and regulatory framework, particularly standards in child care, with a view toward raising the quality of existing services and creating incentives for local innovation.
- We call upon *community leaders* to assess the adequacy of existing services for families with young children (especially those with multiple risks), to recommend specific steps to improve and coordinate services, and to introduce mechanisms for monitoring results. We ask them to create or strengthen existing neighborhood family and child centers in order to meet the needs of families with young children. We urge community leaders to work toward creating communities that are safe and healthy for young children and their families.

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- We call upon the ***private and philanthropic sectors,*** including foundations, to pay more attention to families with children under three, and to expand their support of initiatives that give our youngest children a decent start in life. We urge community foundations to support local efforts to direct attention and resources to meet the needs of children under three.
- We urge ***educators,*** working with other community agencies, to incorporate services to children under age three in their plans for the schools of the twenty-first century. We urge a substantial expansion of efforts to educate young people about parenthood. We ask educators in secondary schools and community colleges to provide more training and technical assistance to child care providers.
- We call upon ***health care decision makers*** to include, in any plan for national health care reform, family planning services, comprehensive prenatal care for expectant mothers and universal primary and preventive care for young children. We ask them to give serious consideration to a specific standard of coverage and service for young children.
- We urge ***service providers*** in child care, health, and social services to take a family-centered approach to meeting the needs of young children and the adults who care for them. We ask them to offer staff, parents, and other caregivers opportunities to learn more about the needs of families with young children, about child development, and about promoting children's health and safety.
- We call upon ***business leaders*** to support policies that result in family-friendly workplaces, in particular strengthening the Family and Medical Leave Act of 1993, introducing flexible work schedules, and providing assistance with child care. We ask corporate leaders who are on the cutting edge of these policy innovations to help businesses of every size to adopt family-friendly policies. We ask them to participate in local efforts to promote family-centered communities.
- We call upon the ***media*** to deliver strong messages about responsible motherhood and fatherhood and to portray family life in ways that further society's understanding of the importance of the first three years. We urge them to expand coverage of the quiet crisis and of the requirements for healthy development in these early years. We urge the media to publicize information about preventing injuries—the leading cause of death and disability of children under age four.
- Perhaps most important, we call upon ***mothers and fathers*** to do everything in their power to secure the knowledge and resources they need to plan and raise children responsibly. When these resources are not available, we urge them to make their needs known to government representatives, community leaders, and service providers. We urge parents to participate in community child and family councils.

All Americans must work together, in their homes, workplaces, and communities, to ensure that children under the age of three—our most vulnerable citizens—are given the care and protection they need and deserve. Nothing less than the well-being of our society and its vital institutions is at stake.

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Carnegie Task Force on Meeting the Needs of Young Children

Richard W. Riley
Chairman (until February 1993)*
Former Governor
State of South Carolina

Eleanor E. Maccoby
Co-Chairman (from February 1993)
Professor
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Stanford University
Stanford, California

Julius B. Richmond
Co-Chairman (from February 1993)
John D. MacArthur Professor of Health Policy Emeritus
Department of Social Medicine
Harvard University Medical School
Boston, Massachusetts

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Los Angeles, California

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Seattle, Washington

Owen Bradford Butler
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Northern Telecom Ltd.
Denver, Colorado

Ramon C. Cortines
(through April 1993)+
Chancellor
New York City Board of Education

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Director, Bush Center for Child Development and Social Policy, and Sterling Professor of Psychology
Yale University
New Haven, Connecticut

Barry Zuckerman
Professor and Chairman
Department of Pediatrics
Boston University School of Medicine
Boston, Massachusetts

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* Served as chairman of the task force until his nomination by President Clinton as Secretary of Education in February 1993.

\+ Served as a member of the task force until his appointment as Chancellor of the New York City Board of Education.

‡ Served as a member of the task force until her designation by President Clinton as Associate Director, Human Resources, Office of Management and Budget, February 1993.

§ Served as a member of the task force until his appointment as Deputy General Counsel, Office of the General Counsel, Department of Health and Human Services, July 1993.

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Staff of the Carnegie Task Force on Meeting the Needs of Young Children

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(through September 1993)

Kathryn Taaffe Young
Director of Studies

Jeannette L. Aspden
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Jeanmarie Holtsford
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(through July 1993)

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PE002 176018 Folder #2 [Kagan, Elena]

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S	86	7	5	3

RESUME

THE WHITE HOUSE

April 10, 1996

Geoffrey R. Stone, Provost
The University of Chicago
5801 Ellis Avenue
Chicago, Illinois 60637-2786

Dear Geof:

Thank you for your recent letter recommending Elena Kagan for the position of Assistant Attorney General for the Office of Legal Counsel. I value your endorsement and have forwarded a copy of your letter to the Office of Presidential Personnel for consideration.

Thanks, too, for your invitation to visit the University. I look forward to seeing you again and hope there will be an opportunity to do so during the coming months.

With warm regards, I remain

Sincerely yours,

Hillary

Hillary Rodham Clinton

cc: Bob Nash
Presidential Personnel

THE UNIVERSITY OF CHICAGO
OFFICE OF THE PROVOST
5801 Ellis Avenue
CHICAGO • ILLINOIS 60637-2786

RESUME

Geoffrey R. Stone, Provost
Harry Kalven, Jr. Distinguished Service Professor of Law

TELEPHONE: (312) 702-8810
FAX: (312) 702-2732

March 25, 1996

Attorney General Janet Reno
United States Department of Justice
5111 Main Justice Building
10th Street and Constitution, NW
Washington, D.C. 20530

Dear Attorney General Reno:

I recently learned from a colleague that Elena Kagan may be under consideration for appointment as Assistant Attorney General for the Office of Legal Counsel. In the hope that this is true, I am writing to put in my two cents in support of her appointment.

I first met Elena some six years ago when I was Dean of the University of Chicago Law School and she was a young lawyer at Williams & Connolly. I had heard wonderful things about her from a variety of sources, including Ab Mikva, a graduate of Chicago, for whom Elena had clerked. I set about trying to recruit her to join the faculty. In our very first meeting, I saw in Elena all the qualities that Ab and others already had described -- she was a tough, independent, smart lawyer with a clear academic bent. After a year of cultivation, she joined the faculty in the fall of 1991. She has been a great success as a teacher, scholar and colleague.

Elena has focused most of her teaching in the fields of constitutional law, labor law and civil procedure. She is a rigorous, engaging and lively teacher. She demands the best from her students, and they delight in meeting her expectations. She probes, challenges and tests her students' assumptions, and she encourages them to challenge hers. From her very first course, she was regarded by the students as a simply brilliant teacher. Indeed, in only her third year on the faculty she received the Law School's annual award for Excellence in Teaching -- the first and only untenured member of the faculty ever to receive that honor.

Elena has also flourished as a scholar. Most of her research arises out of her interest in freedom of expression. Because this is also my field of study, I am intimately familiar with her work. In her short time on the faculty, she has completed two major articles, as well as several lesser pieces. In her first major work, published in *The Supreme Court Review,* Elena offered a careful, innovative and powerful analysis of the Court's decision in *R.A.V.* (the cross-burning case). In this article, Elena dissected the opinions of the Court and put forth an original and already influential reinterpretation of the central issue presented in the case.

In her second major work, soon to be published in *The University of Chicago Law Review,* Elena sets forth an ambitious and novel understanding of the Court's overall First Amendment jurisprudence. In this article, Elena surveys the entire corpus of First Amendment doctrine and demonstrates that most, if not all, of this doctrine can be explained by the Court's concern with improper governmental motivation -- that is, with its concern that laws regulating speech may consciously or unconsciously be the result of governmental favoritism for or hostility to particular ideas and viewpoints. This is an innovative and provocative thesis which persuasively challenges most of the accepted understandings of existing First Amendment jurisprudence. This article will inform and, indeed, shape academic and legal discourse about freedom of speech for years to come. On the basis of these articles, Elena was promoted last year to the rank of full Professor, with tenure.

It is important to understand that Elena is not one of those all-too-common legal scholars whose primary interest is in abstract theory, divorced from legal doctrine. To the contrary, Elena is a lawyer's scholar. She takes courts, precedents and doctrine seriously. She believes that law matters. She writes in the best tradition of Paul Freund, Harry Kalven and Thomas Emerson. I am confident that, when she returns to the Law School and again turns her energy and curiosity to scholarly research, she will emerge as one of the leading constitutional voices of her generation.

Finally, I should note that Elena is a valued colleague. In only a few short years she has come to be regarded as a central figure in the Law School's decision making structure. As Dean, I sought her advice regularly on a broad range of issues, including faculty appointments, student concerns and institutional policies. She is strikingly forthright, honest and direct. She has wisdom beyond her years, and always offers thoughtful and sensible advice. She listens. She is a person of integrity, independence and commitment to principle. I trust her completely, and I know that every one of my colleagues

-- regardless of seniority or ideology -- shares that trust. It is thus no surprise that, when we speculate about the future, Elena is invariably mentioned as a possible future Dean of the Law School.

Last year, Ab Mikva -- borrowing back what he first "gave" us -- persuaded Elena to take a leave of absence from the faculty to join him in the office of Counsel to the President. I trust that Elena has performed well in that role, and that her colleagues in that office, as well as others who have worked with her in the past year, will confirm all I have said above.

Although Elena may be on the young side for the position under consideration, she is a truly remarkable person. She is a serious individual who cares deeply about the law, and she has the intellectual and personal skills to fulfill her responsibilities to the very highest degree. Although I would hate to see her remain away from the Law School any longer (I miss her), I am compelled in good conscience to recommend her enthusiastically and without qualification for the position of Assistant Attorney General for the Office of Legal Counsel. She would be a treasure.

If I can be of any further assistance in this matter, please feel free to call or write me at any time.

With warm best wishes.

Sincerely yours,

Geoffrey R. Stone

GRS:cm

NLWJC - KAGAN

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001a. note	From: Bill Clinton To: Elena; RE: Service (1 page)	07/14/1999	P6/b(6)
001b. note	From: Elena To: Nancy; RE: Service (1 page)	07/07/1999	P6/b(6)
001c. note	From: Elena To: President Clinton; RE: Service (2 pages)	07/07/1999	P6/b(6)

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. note	From: Elena To: Nancy; RE: Service (1 page)	07/07/1999	P6/b(6)

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RESTRICTION CODES

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001c. note	From: Elena To: President Clinton; RE: Service (2 pages)	07/07/1999	P6/b(6)

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FOIA Number: Kagan1

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S	87	7	8	2

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CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☐ I - INCOMING
Date Correspondence Received (YY/MM/DD) 95/08/21

Name of Correspondent: Jim Payne

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: A piece American Journal is going to do on the President

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
CU Mika	ORIGINATOR	95/08/23	WS	C	95/08/23
	Referral Note:				
CU AT 26 Kagan	E	95/08/24	WS		/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
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	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:
A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure
I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:
A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

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Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

5/81

Social Office

AMERICAN JOURNAL

127990C

Elena -
Should this go to David Kendall, Bob Bennett, Press office or circular file?

James

William Jefferson Clinton
President of the United States
1600 Pennslyvania Avenue
Washington, DC 20500

6 July 1995

Dear Mr. President,

American Journal is preparing a report regarding Gennifer Flowers and her book "Passion and Betrayal".

In that book, are allegations of a 12 year affair with then Attorney General and then Govenor Bill Clinton.

In fairness to the President, American Journal would like to offer the opportunity for him to respond to these allegations.

We understand the President is extremely busy. If your schedule does not permit an interview, perhaps you could respond to some written questions or have a surrogate respond on his behalf.

Please contact me at your earlist convenience. We are expecting to go to air with the Flowers story in the next couple weeks.

Sincerely,

Jim Paymar

Jim Paymar

cc: Pam Browne

402 East 76th Street • New York, New York 10021 • (212) 737-3399 • FAX (212) 737-4983

NLWJC - KAGAN

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THE WHITE HOUSE

WASHINGTON

June 3, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: TODD STERN
PHIL CAPLAN

SUBJECT: Cloning Policy Options -- Report of National Bioethics Advisory Committee

The attached Gibbons/Kagan memo (Bruce Reed is recused) urges you to follow the recommendation of the NBAC to submit legislation banning human cloning but permitting cloning of human tissue, including embryos. NBAC's cloning report is to be released Saturday, though the Washington Post reported on a leaked draft today. Jack/Elena also recommend that the U.S. support a modified version of a French proposal for a cloning paragraph in the G-8 communique.

NBAC Report/Legislation. NBAC concludes that it is morally unacceptable for anyone to try to create a child using the cloning technology that created Dolly. But NBAC finds that other forms of "human cloning" -- e.g., of DNA sequences, cell lines, tissues, embryos -- are appropriate and scientifically important, as is animal cloning. Therefore, NBAC calls for narrowly worded legislation barring anyone from trying to create a child through somatic cell nuclear transfer techniques. The legislation would sunset and, prior to the sunset, an oversight body would report on the state of the technology and social/ethical issues.

Likely Reaction. While there is a broad consensus emerging (including AMA and World Medical Association) that cloning humans is wrong, biotech and pharmaceutical industries will strongly oppose legislation as they fear it will impede research. The right-to-life community will oppose on the ground that the ban should extend further -- to the cloning of human embryos for research. *This issue, incidentally -- whether to allow the cloning of embryos for research -- is exactly what the Post honed in on this morning.* (Currently, the Administration bars the creation of embryos for federally funded research only, and has opposed legislation on the subject.)

Jack/Elena recommend that you announce your support for NBAC-type legislation and that you propose specific legislative language. (A possible event where you could accept the NBAC report and announce your position is under consideration for Monday, June 9.) *Rahm concurs.*

Approve ✓ Disapprove___ Discuss___

G-8 Communique. France proposes a paragraph embracing national and international bans on reproductive cloning. Jack/Elena recommend that we support this proposal, but with critical modifications along the lines of the NBAC proposal. If you approve, Dan Tarullo will seek to negotiate specific language, but cautions that agreement by all eight countries may be difficult.

Approve ✓ Disapprove___ Discuss___

PHOTOCOPY WJC HANDWRITING

THE WHITE HOUSE

WASHINGTON

'97 JUN 3 AM8:28

May 29, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: JACK GIBBONS
Assistant to the President for Science and Technology

ELENA KAGAN
Deputy Assistant to the President for Domestic Policy

SUBJECT: CLONING POLICY OPTIONS

Two upcoming events create the need to develop a position on legislation banning the cloning of human beings. First, the National Bioethics Advisory Commission (NBAC) is about to complete the review you requested of the ethical and legal issues associated with cloning human beings. On Saturday, June 7, at its final public meeting, NBAC is expected to vote in favor of a legislative ban. Second, France has proposed that the Denver Summit communique include a paragraph urging countries to pass domestic legislative bans and to work together toward a global ban.

We recommend: (1) that you support domestic legislation banning human cloning, and that you announce specific legislation at the top of your June 10th press conference; and (2) that the U.S. support the gist of France's proposed cloning paragraph while insisting on critical modifications.

NBAC's Findings and Recommendations

In its draft final report, NBAC unanimously concludes that "it is morally unacceptable for anyone . . . to attempt to create a child" using the technology that created Dolly the sheep: somatic cell nuclear transfer -- that is, the transfer of the nucleus from an adult somatic (non egg or sperm) cell into an enucleated egg. NBAC bases this conclusion on safety concerns, finding that the technology is "likely to involve substantial risk to the potential child." The report also states that "serious ethical concerns... require a great deal more widespread and careful thought and public deliberation before this technology should be used."

NBAC also concludes, however, that other forms of "human cloning" -- such as the cloning of DNA sequences, cell lines, and tissues (which do not involve the creation of entire human beings) -- are scientifically important and not ethically problematic. Moreover, NBAC finds that animal cloning is ethically acceptable and promises important benefits. The Commission thus cautions that restrictions on cloning not impede these activities.

The Commission notes that current restrictions effectively prohibit federally funded and regulated entities from attempting to clone a human being through somatic cell nuclear transfer. However, fertility clinics and other privately-funded clinical and research establishments face no prohibition on human cloning, and NBAC questions whether some of these organizations will adhere to a voluntary moratorium.

Accordingly, NBAC's draft final report calls for carefully-worded national legislation prohibiting anyone from "attempting to create a child through somatic cell nuclear transfer techniques." The Commission specifies that the legislation should include a sunset provision and that, prior to the sunset date, an oversight body should review and report on the status of somatic cell nuclear transfer technology and the ethical and social issues associated with its use in humans. NBAC also recommends that the U.S. cooperate with other countries to enforce mutually-supported cloning restrictions.

National Legislation

We recommend that you embrace NBAC's proposal to establish a narrowly crafted time-limited legislative moratorium. Legislation is the only way to establish a comprehensive, enforceable prohibition on cloning entire human beings in all publicly and privately funded research and clinical activities. If carefully written, the ban will not preclude important research.

Reaction to proposed legislation will be mixed. A national and international consensus is emerging that attempting to apply the technology used to clone Dolly to humans is morally wrong. The American Medical Association has conveyed this view to NBAC, and the World Medical Association has issued a similar statement. Given NBAC's recommendation, we expect many in the scientific and ethics communities to accept a legislative moratorium.

But some who agree that cloning a human being using somatic cell nuclear transfer is morally unacceptable will oppose a legislated moratorium. In particular, the biotechnology and pharmaceutical industries strongly oppose legislation. These two industries are deeply concerned that a legislative debate will produce broadly drawn language that impairs critical research. Some academic researchers may share this view. Fertility clinics also may oppose legislation, but to date have not signaled a position.

Finally, some in the right-to-life community will argue from the other side that NBAC's proposed approach does not go far enough. This community will push for a comprehensive ban on the creation of embryos, through any means, for research purposes (i.e., not for the purposes of creating a child). The Administration has applied this restriction to federally-funded research, but opposed legislation on the subject. This is an issue NBAC declined to review, and we do not recommend revisiting it in this context.

We recommend that you announce your support for legislation and propose specific legislative language on June 10, at your scheduled press conference, three days after NBAC's

recommendation will become public. We anticipate that the release of NBAC's report will prompt Congressional hearings and legislative proposals. By acting quickly you can maintain your leadership on the issue and carefully frame the legislative debate, making clear the value of biotechnology research and the danger of overly broad regulation, while calling for the prohibition of an unethical use of a specific technology.

Approve ___ Disapprove ___

Group of Eight Statement on Cloning

France has proposed a paragraph for inclusion in the G-8 communique embracing national and international bans on "reproductive human cloning." Germany will support the statement; Canada will support it with some modification.

The U.S. biotechnology and pharmaceutical industries strongly oppose including any paragraph on cloning in the communique. They fear that it will not be carefully drafted and may inadvertently extend to the cloning of DNA, cells, and tissues as well as entire human beings. Further, industry is concerned that a statement on cloning ultimately could provide cover for protectionist efforts to restrict U.S. biotechnology products and activities.

Nevertheless, we recommend that the Administration support the French proposal with critical modifications. Specifically, we suggest that the U.S. insist on changes to: (1) affirm the potential medical and agricultural benefits of cloning technology; (2) limit the prohibition to the use of somatic cell nuclear transfer technology; and (3) propose a time-limited moratorium instead of a ban. USDA and HHS support this position.

Approve ___ Disapprove ___

NLWJC - KAGAN

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SP230-98 243965SS

FOIA Number: Kagan

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Subgroup/Office of Origin: Records Management - SUBJECT FILE

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OA/ID Number: 14030

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SP230-98

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SP 230-98

Nov. 25, 97- State of the Union Ideas

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12-1-97

'97 NOV 25 PM 10:0

THE WHITE HOUSE

WASHINGTON

November 25, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
GENE SPERLING
ELENA KAGAN

SUBJECT: State of the Union Ideas

As you requested, this memorandum provides a brief description of new ideas we are seriously considering for the State of the Union. Most of these ideas involve increased spending, and you will have to make choices among them as you consider the FY 99 budget. Options relating to social security and tax reform are not included in this memo.

Education

1. Class size / 100,000 teachers: We are working with the Vice President's office and others on an ambitious initiative to reduce class sizes in the early grades by providing money to hire up to 100,000 new teachers, perhaps paid for by reducing the federal work force by another 100,000 positions. We estimate that 100,000 new teachers in grades 1-3 would reduce average class size from roughly 21 to roughly 18. The initiative would have three main elements: 1) grants to help states or communities hire new teachers (as in the COPS program, these grants would be time-limited (3-4 years) and the federal share would be 50-75%); 2) funds for teacher training, with a special emphasis on reading; and 3) provisions to ensure accountability, such as requiring testing of new teachers and/or ensuring the removal of bad teachers from the classroom. A serious proposal along these lines would cost $5-10 billion over five years, depending on the size of the federal match and the target date for reaching 100,000. We also would need to accompany the proposal with a school construction initiative (see below).

2. Education Opportunity Zones: As we outlined in an earlier memo on policy proposals for the race initiative, we are working with the Education Department on a plan that would reward 10-15 poor inner city and rural school districts for agreeing to adopt a school reform agenda that includes: ending social promotions, removing bad teachers, reconstituting failing schools, and adopting district-wide choice and/or public school vouchers. Our goal is to give school districts incentives to hold students, teachers, and schools accountable, in essentially the way Chicago has done. In our working proposal, each urban grant would be worth $10-25 million and each rural grant would be worth up to $2 million, for a total request in FY99 of $320 million.

3. National Public School Choice Law: We are exploring the possibility of proposing

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12-1-97

legislation to require that states and communities allow public school choice as a condition of receiving federal education funding. Together with a strong endorsement of bipartisan charter school legislation (bound to pass next year), this measure will show that we firmly support choice and competition. We are also looking into the concept of a parents' right-to-know law that would require states and communities to make key information on school performance available, so that parents can make informed choices.

4. University-School Partnerships: As we also outlined in our earlier memo on the race initiative, we are working on a grant program to promote strong partnerships between colleges and high-poverty middle and high schools, with the goal of enabling more youth to go on to college. This initiative would encourage colleges to adopt the Eugene Lang model for helping disadvantaged youngsters. Colleges would encourage students to take demanding courses, while providing academic enrichment and intensive mentoring, tutoring, and other support services. The students would receive special certificates for participating in the program, somewhat along the lines of Chaka Fatah's proposal. The Department of Education has requested $200 million for FY 99 for this initiative.

5. Campaign on Access to Higher Education: We are preparing to conduct an intensive publicity campaign on the affordability of higher education. The goal of the campaign would be to make every family aware that higher education is now universally accessible, as well as to reiterate that higher education is the key to higher earnings.

6. School Construction: We will need to re-propose a school construction initiative this year. We are currently considering the appropriate size and duration of this initiative, as well as the possibility of structuring this initiative as a tax credit.

7. Teacher Training for Technology: We are currently weighing several options on training teachers to use educational technology. These include (1) expanding various innovation grants to ensure that within four years, all new teachers will be ready to use educational technology, or (2) using the Technology Literacy Challenge Fund to train and certify at least one "master teacher" in every school, who can then train other teachers in the use of educational technology.

8. Hispanic Education Dropout Plan: We have developed a plan to improve educational opportunities for Hispanic Americans (or limited English proficient students generally), with the goal of decreasing the current disparity in dropout rates. The draft plan includes a number of administrative actions, as well as targeted investments of roughly $100 million to programs for migrant, adult, and bilingual education.

9. "Learning on Demand": We are developing an initiative, related to some of Governor Romer's ideas, to encourage the use of technology (e.g., the internet, CD-ROM, interactive TV) for lifelong learning. The initiative will begin the process of giving all Americans "anytime, anywhere" access to affordable and high-quality learning opportunities. The initiative is still in the developmental stage, and at this time we recommend only a small investment.

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THE PRESIDENT HAS SEEN
12-1-97

from the misuse of new advances in genetics; and (3) privacy protection legislation, which would establish strong federal standards to ensure the confidentiality of medical records. Although these consumer protections would benefit the entire population, women's health advocates are especially supportive of them, because the Consumer Bill of Rights would ensure direct access to OB/GYNs and our genetic anti-discrimination legislation would protect women who undergo new tests for the breast cancer gene.

2. Medicare Reform and Program Improvements: To build on the Medicare reforms in the balanced budget agreement, we are considering two reform initiatives: additional anti-fraud initiatives (perhaps providing $2-3 billion in savings over five years) and an income related premium (providing another $7-8 billion in savings assuming it kicks in at an income around $50,000). We are also considering a number of Medicare improvements to which we could apply the above savings: (1) a Medicare (or COBRA) buy-in for pre-65 year olds (or some targeted subset of this age group), the cost of which would depend on whether we decide to subsidize this benefit; (2) Medicare coverage of cancer clinical trials, which could substantially increase investment in the treatment and cure of cancer, including prostate cancer; and (3) a new mechanism to provide Medicare beneficiaries with information about private long-term care insurance that meets appropriate standards.

3. Doubling the NIH Research Budget with Proceeds from Tobacco Legislation: We (along with the Republicans) are considering a proposal to double the NIH budget, which would cost about $20 billion over five years. Such an investment could lead to breakthroughs in research that would greatly improve our ability to prevent and treat diseases like diabetes and cancer -- and substantially lessen the costs associated with these diseases. Because the discretionary caps are so tight, the only realistic way to pay for such an initiative is through dedicated savings from the tobacco agreement. This link between tobacco legislation and health research should resonate strongly with the public.

4. Other Coverage Options -- Children's Health, Workers In-Between Jobs, Voluntary Purchasing Cooperatives: We are working on a public/private outreach effort to ensure that every child eligible for health insurance under Medicaid or our new program actually gets covered. The public side of this effort could include proposals to: give bonuses for enrolling more children in Medicaid; expand the kinds of places where children can enroll; and simplify eligibility processes. In addition, we are considering whether to propose a demonstration of our old policy to provide coverage to workers who are in-between jobs. Finally, we are continuing to pursue proposals relating to voluntary purchasing cooperatives, as a way to help small business gain access to and afford health insurance coverage.

5. Racial Disparities in Health Care: We are working on a proposal to address racial disparities in six carefully selected areas of health care: infant mortality, breast and cervical cancer, heart disease and stroke, diabetes, AIDS, and immunization. This proposal will include nationwide actions to reduce these disparities, as well as focused pilot projects in thirty communities (say, a project on diabetes on an Indian reservation or a project on AIDS in an inner

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THE PRESIDENT HAS SEEN
12-1-97

Reserve to obtain more data on reasons for home mortgage loan denials (OCC and OTS already collect such information); and collection of race and income data as part of the Equal Credit Opportunity Act/CRA small business and small farm lending reporting requirement.

3. Downpayment Reduction: We are working on a proposal to increase homeownership by reducing the barriers to buying a new home. Many low- and moderate-income families find a downpayment the largest hurdle to buying a new home; this initiative would lower this cost and help more families become homeowners. In 1992, Congress authorized the National Homeownership Trust, but never appropriated any money. We are investigating whether we should request money for this program or whether it is better policy to expand the existing HOME program (which serves a similar purpose).

Labor/Workforce

1. Child Labor: We are working on a comprehensive Child Labor Action Plan, anchored by a $100 million commitment to the International Program on the Elimination of Child Labor (IPEC) -- a voluntary program of the International Labour Organization which is dedicated to the elimination of child labor. The funds, which would be managed by the Department of Labor in accordance with criteria we would develop, would go to programs attacking the most intolerable forms of child labor. The initiative also might include a stepped up Customs program to enforce U.S. law banning the import of goods made with forced or bonded child labor; increased support for the Migrant Education Program to support elementary and secondary education to the hardest-to-serve migrant children; and a call for prominent organizations, such as the Boy Scouts and Girls Scouts, to adopt a "No Sweat" code for uniforms and an accompanying label.

2. Pensions: We have developed an expanded pension coverage initiative that focuses on a simplified defined benefit plan for small businesses, based on the SAFE plan proposed by the American Society of Pension Actuaries (ASPA). We are also looking at a payroll deduction IRA proposal, a three-year vesting requirement for employer matching contributions in 401(k) plans, a women's pension initiative, and a pension right-to-know proposal.

3. Community Adjustment: As part of the Fast Track debate, we proposed the creation of the Office of Community and Economic Adjustment (OCEA). As you know, this office will be modeled after the Defense Department's Office of Economic Adjustment (OEA) -- the Administration's first point of contact with communities experiencing a military base closure or defense plant closing. The OCEA would coordinate the Administration's response to regions impacted by a major plant closing or trade, by working with Labor, Commerce, SBA, HUD, Treasury, and other government entities. This group would provide planning grants and expertise to help communities develop comprehensive economic adjustment strategies. Since this program will be part of the Economic Development Administration (EDA), we are investigating whether we could initiate this proposal by executive memorandum, while awaiting Congressional appropriations.

Yes - V. much if can do before bringing up Fast Track again +

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THE PRESIDENT HAS SEEN
12-1-97

Climate Change

1. Tax Incentive and R&D Package: You already have committed to a $5 billion package over five years for tax incentives and R&D to promote low-carbon technologies. The Treasury Department is working on a possible package of tax incentives to be included in the FY 1999 budget, and DOE has a proposal on the expenditure side. We are working to develop final options.

Race

A number of the above proposals -- e.g., education opportunity zones, university-school partnerships, housing vouchers -- can be presented as part of the race initiative, because they target predominantly minority areas or provide disproportionate benefits to members of minority groups. Other proposals described above -- the Hispanic dropout plan and the race and health initiative -- have obvious and explicit race connections. In addition:

1. Civil Rights Enforcement Initiative: We are working on a coordinated package of reforms for the EEOC and the civil rights offices at DOJ, HUD, HHS, Education, and DOL. Among other things, this proposal would expand dramatically the EEOC's mediation program, substantially increasing the average speed of resolving complaints and reducing the EEOC's current backlog. Similarly, the proposal would promote the increased use of non-adversarial techniques by the agencies' civil rights offices. The proposal also would provide a mechanism for better coordination among the various civil rights offices.

Yes - worth doing
Something big to present
to press

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THE WHITE HOUSE
WASHINGTON

November 13, 1997

'97 NOV 13 PM5:21

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLES F.C. RUFF
ELENA KAGAN

SUBJECT: Importation of Modified Semiautomatic Assault Type Rifles

As you requested, attached is a redraft of the directive. The directive now includes a more detailed discussion of the predicate for the actions to be taken by the Secretary. We have also separated the action of suspending existing permits from the discussion regarding the review process and pending applications.

Attachment

PHOTOCOPY WJC HANDWRITING

THE WHITE HOUSE

WASHINGTON

November 14, 1997

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

SUBJECT: Importation of Modified Semiautomatic Assault-Type Rifles

The Gun Control Act of 1968 restricts the importation of firearms unless they are determined to be particularly suitable for or readily adaptable to sporting purposes. In 1989, the Department of the Treasury (the Department) conducted a review of existing criteria for applying the statutory test based on changing patterns of gun use. As a result of that review, 43 assault-type rifles were specifically banned from importation. However, manufacturers have modified many of those weapons banned in 1989 to remove certain military features without changing their essential operational mechanism. Examples of such weapons are the Galil and the Uzi.

In recent weeks Members of Congress have strongly urged that it is again necessary to review the manner in which the Department is applying the sporting purposes test, in order to ensure that the agency's practice is consistent with the statute and current patterns of gun use. A letter signed by 30 Senators strongly urged that modified assault-type weapons are not properly importable under the statute and that I should use my authority to suspend temporarily their importation while the Department conducts an intensive, expedited review. A recent letter from Senator Dianne Feinstein emphasized again that weapons of this type are designed not for sporting purposes but for the commission of crime. In addition, 34 Members of the House of Representatives signed a letter to Israeli Prime Minister Binyamin Netanyahu requesting that he intervene to stop all sales of Galils and Uzis into the United States. These concerns have caused the Government of Israel to announce a temporary moratorium on the exportation of Galils and Uzis so that the United States can review the importability of these weapons under the Gun Control Act.

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orig. to mailroom for dispatch via receipt. WH courier: 11/17/97

ET

The number of weapons at issue underscores the potential threat to the public health and safety that necessitates immediate action. Firearms importers have obtained permits to import nearly 600,000 modified assault-type rifles. In addition, there are pending before the Department applications to import more than 1 million additional such weapons. The number of rifles covered by outstanding permits is comparable to that which existed in 1989 when the Bush Administration temporarily suspended import permits for assault-type rifles. The number of weapons for which permits for importation are being sought through pending applications is approximately 10 times greater than in 1989. The number of such firearms for which import applications have been filed has skyrocketed from 10,000 on October 9, 1997, to more than 1 million today.

My Administration is committed to enforcing the statutory restrictions on importation of firearms that do not meet the sporting purposes test. It is necessary that we ensure that the statute is being correctly applied and that the current use of these modified weapons is consistent with the statute's criteria for importability. This review should be conducted at once on an expedited basis. The review is directed to weapons such as the Uzi and Galil that failed to meet the sporting purposes test in 1989, but were later found importable when certain military features were removed. The results of this review should be applied to all pending and future applications.

The existence of outstanding permits for nearly 600,000 modified assault-type rifles threatens to defeat the purpose of the expedited review unless, as in 1989, the Department temporarily suspends such permits. Importers typically obtain authorization to import firearms in far greater numbers than are actually imported into the United States. However, gun importers could effectively negate the impact of any Department determination by simply importing weapons to the maximum amount allowed by their permits. The public health and safety require that the only firearms allowed into the United States are those that meet the criteria of the statute.

Accordingly, as we discussed, you will:

1) Conduct an immediate expedited review not to exceed 120 days in length to determine whether modified semiautomatic assault-type rifles are properly importable under the statutory sporting purposes test. The results of this review will govern action on pending and future applications for import permits, which shall not be acted upon until the completion of this review.

2) Suspend outstanding permits for importation of modified semiautomatic assault-type rifles for the duration of the 120-day review period. The temporary suspension does not constitute a permanent revocation of any license. Permits will be revoked only if and to the extent that you determine that a particular weapon does not satisfy the statutory test for importation, and only after an affected importer has an opportunity to make its case to the Department.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release November 14, 1997

November 14, 1997

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WILLIAM J. CLINTON

# # #

OFFICE OF THE EXECUTIVE CLERK
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TITLE: IMPORTATION OF UZI AND GALIL FIREARMS

TYPE DOCUMENT:

PROCLAMATION	LETTER(S)
EXECUTIVE ORDER	MESSAGE TO THE CONGRESS/SENATE
(MEMORANDUM)	STATEMENT BY THE PRESIDENT
DECISION MEMORANDUM	SIGNING STATEMENT
DETERMINATION (numbered)	TREATY/CONVENTION/AGREEMENT, etc.

OTHER: _____

RECEIVED: (Advance: 10/21/97 Time: 3:50 a.m./(p.m.)) In final: 11/12/97 Time: 8 a.m./(p.m.)

SENT TO CORRESPONDENCE FOR TYPING IN FINAL:

(Advance: 10/21/97 Time: 4:15 a.m./(p.m.)) In final: 11/12/97 Time: 8 a.m./(p.m.)

TO TODD STERN'S OFFICE:

(For staffing: 10/21/97 Time: 5:20 a.m./(p.m.)) In final: 11/13/97 Time: 11:30 a.m./(p.m.)

*INFO, INCLUDING STENCIL AND DISC, TO PRESS OFFICE:

Date: 11/14/97 Time: 5:00 a.m./(p.m.)
POSTED: 11/14/97 Time: a.m./(p.m.)

NOTIFICATIONS:

_____ (Person/time) — NSC, when appropriate -- Desk Officer; W.H. Situation Room -- x6-9425.

_____ (Person/time) — _____ (Other)

_____ (Person/time) — _____ (Other)

_____ (Person/time) — _____ (Other)

OTHER INFORMATION:
(per Phil, probably for Thursday -- (Friday)

Write 6
10-22-97

THE WHITE HOUSE

WASHINGTON

ORM OPTICAL DISK NETWORK

ID# 24236355

____ Hardcopy pages are in poor condition (too light or too dark).

_X_ Remainder of case not scanned.

____ Oversize attachment not scanned.

____ Report not scanned.

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____ Proclamation not scanned.

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Comments:

THE WHITE HOUSE

WASHINGTON

November 14, 1997

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

SUBJECT: Importation of Modified Semiautomatic Assault-Type Rifles

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My Administration is committed to enforcing the statutory restrictions on importation of firearms that do not meet the sporting purposes test. It is necessary that we ensure that the statute is being correctly applied and that the current use of these modified weapons is consistent with the statute's criteria for importability. This review should be conducted at once on an expedited basis. The review is directed to weapons such as the Uzi and Galil that failed to meet the sporting purposes test in 1989, but were later found importable when certain military features were removed. The results of this review should be applied to all pending and future applications.

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Accordingly, as we discussed, you will:

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VP

THE WHITE HOUSE

WASHINGTON

November 13, 1997

'97 NOV 13 PM5:

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLES F.C. RUFF
ELENA KAGAN

SUBJECT: Importation of Modified Semiautomatic Assault Type Rifles

As you requested, attached is a redraft of the directive. The directive now includes a more detailed discussion of the predicate for the actions to be taken by the Secretary. We have also separated the action of suspending existing permits from the discussion regarding the review process and pending applications.

Attachment

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WASHINGTON

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GUNS (auto/semi-auto)

President's position: See Background Briefing by Senior Administration Official on 5/15/89. Updates the 3/14/89, Treasury import ban on certain assault weapons, and goes on to define President's proposals to combat violent crime, drug crimes using these weapons.

THE WHITE HOUSE

WASHINGTON

November 14, 1997

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

SUBJECT: Importation of Modified Semiautomatic Assault Type Rifles

The Gun Control Act of 1968 restricts the importation of firearms unless they are determined to be particularly suitable for or readily adaptable to sporting purposes. In 1989, the Dept. of the Treasury ~~Department~~ conducted a review of existing criteria for applying the statutory test based on changing patterns of gun use. As a result of that review 43 assault type rifles were specifically banned from importation. However, manufacturers have modified many of those weapons banned in 1989 to remove certain military features without changing their essential ~~operational~~ operating mechanism. Examples of such weapons are the Galil and the Uzi.

In recent weeks Members of Congress have strongly urged that it is again necessary to review the manner in which the Dept. of the Treasury ~~Department~~ is applying the sporting purposes test to ensure that the agency's practice is consistent with the statute and current patterns of gun use. A letter signed by 30 Members of the Senate strongly urged that modified assault-type weapons are not properly importable under the statute and that I should use my authority to suspend temporarily their importation while the Dept. of the Treasury ~~Department~~ conducts an intensive, expedited review. A recent letter from Senator Feinstein emphasized again that weapons of this type are designed not for sporting purposes but for the commission of crime. In addition, 34 Members of the House of Representatives signed a letter to Israeli Prime Minister Binyamin Netanyahu requesting that he intervene to stop all sales of Galils and Uzis into the United States. These concerns have caused the Government of Israel to announce a temporary moratorium on the exportation of Galils and Uzis so that the United States can review the importability of these weapons under the Gun Control Act.

The number of weapons at issue underscores the potential threat to the public health and safety that necessitates immediate action. Firearms importers have obtained permits to import nearly 600,000 modified assault-type rifles. In addition, there are pending before the Dept. of the Treasury ~~Department~~ applications to import more than one million additional such weapons. The number of rifles covered by outstanding permits is comparable to that which existed in 1989 when the Bush Administration temporarily suspended import permits for assault-type rifles. The number of weapons for which permits for importation are being sought through pending applications is approximately ~~ten~~ 10 times greater than in 1989. The number of such firearms for which import applications have been filed has skyrocketed from 10,000 on October 9, ~~1997,~~ to more than one million today.

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This Administration is committed to enforcing the statutory restrictions on importation of firearms that do not meet the sporting purposes test. It is necessary that we ensure that the statute is being correctly applied and that the current use of these modified weapons is consistent with the statute's criteria for importability. This review should be conducted at once on an expedited basis. The review is directed to weapons such as the Uzi and Galil that failed to meet the sporting purposes test in 1989, but were later found importable when certain military features were removed. The results of this review should be applied to all pending and future applications.

The existence of outstanding permits for nearly 600,000 modified assault type rifles threatens to defeat the purpose of the expedited review unless, as in 1989, the Treasury Department temporarily suspends such permits. Importers typically obtain authorization to import firearms in far greater numbers than are actually imported into the United States. However, gun importers could effectively negate the impact of any Treasury Department determination by simply importing weapons to the maximum amount allowed by their permits. The public health and safety require that the only firearms allowed into the United States are those that meet the criteria of the statute.

Accordingly, as we discussed, you will:

1) Conduct an immediate expedited review not to exceed 120 days in length to determine whether modified semiautomatic assault-type rifles are properly importable under the statutory sporting purposes test. The results of this review will govern action on pending and future applications for import permits, which shall not be acted upon until the completion of this review.

2) Suspend outstanding permits for importation of modified semiautomatic assault-type rifles for the duration of the 120 day review period. The temporary suspension does not constitute a permanent revocation of any license. Permits will be revoked only if and to the extent that you determine that a particular weapon does not satisfy the statutory test for importation, and only after an affected importer has an opportunity to make its case to the Department.

Statement on the Implementation of the National Voter Registration Act of 1993

September 12, 1994

This law creates the opportunity to include millions of Americans in the political process who have previously been excluded because of difficult and confusing voting rules. I urge all Americans of all political parties to register to vote, and I urge the voter registration groups to continue and expand their efforts to ensure as many of our citizens as possible are registered.

NOTE: This statement was included in a White House statement announcing that the President signed Executive Order 12926—Implementation of the National Voter Registration Act of 1993.

Executive Order 12926—Implementation of the National Voter Registration Act of 1993

September 12, 1994

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3, United States Code, and in order to ensure, as required by section 7(b) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg) ("the Act"), that departments, agencies, and other entities of the executive branch of the Federal Government cooperate with the States in carrying out the Act's requirements, it is hereby ordered as follows:

Section 1. *Assistance to States.* To the greatest extent practicable, departments, agencies, and other entities of the executive branch of the Federal Government that provide, in whole or in part, funding, grants, or assistance for, or with respect to the administration of, any program of public assistance or services to persons with disabilities within the meaning of section 7(a) of the Act shall: (a) provide, to State agencies administering any such program, guidance for the implementation of the requirements of section 7 of the Act, including guidance for use and distribution of voter registration forms in connection with applications for service;

(b) assist each such State agency administering any such program with the costs of implementation of the Act, consistent with legal authority and the availability of funds, and promptly indicate to each State agency the extent to which such assistance will be made available; and

(c) designate an office or staff to be available to provide technical assistance to such State agencies.

Sec. 2. *Armed Forces Recruitment Offices.* The Secretary of Defense is directed to work with the appropriate State elections authorities in each State to develop procedures for persons to apply to register to vote at Armed Forces recruitment offices as required by section 7(c) of the Act.

Sec. 3. *Acceptance of Designation.* To the greatest extent practicable, departments, agencies, or other entities of the executive branch of the Federal Government, if requested to be designated as a voter registration agency pursuant to section 7(a)(3)(B)(ii) of the Act, shall: (a) agree to such a designation if agreement is consistent with the department's, agency's, or entity's legal authority and availability of funds; and

(b) ensure that all of its offices that are located in a particular State will have available to the public at least one of the national voter registration forms that are required under the Act to be available in that State.

William Jefferson Clinton

The White House,
September 12, 1994.

[Filed with the Office of the Federal Register, 11:21 a.m., September 13, 1994]

NOTE: This Executive order was published in the *Federal Register* on September 14.

Remarks on Signing the Violent Crime Control and Law Enforcement Act of 1994

September 13, 1994

I think we ought to give the Vice President a hand for all the work that he has done. [*Applause*] Thank you, Mr. Vice President, for your introduction and for your labors on this bill.

Most of the introductions have been made, but I want to join what has been said. I want to thank the members of my Cabinet, General Reno and Secretary Bentsen and all the others who worked so hard on this. I want to thank all these mayors here, Mayor Giuliani, Mayor Webb, Mayor Rice, Mayor Daley, Mayor James. Mayor Rendell all the other mayors. I'd like to ask—and there are some county officials here—I'd like to ask all the local leaders who are here to please stand up; they didn't all stand—I'd like to ask them all to stand and be recognized. Mayor Golding, Susan, good to see you. Mayor Schmoke, Mayor Helmke, Mayor Abramson who got cauliflower ear from making his phone calls. [*Laughter*] I'd also like to ask, even though many of them have been introduced, I would like to ask the people without whom we would not be here today, all the Members of the Congress who are here, Republicans and Democrats, to please stand and be acknowledged; every one of them, I'd like for them to stand up. Thank you.

And let me say to all the representatives of the victims groups and the citizens groups how grateful we are to you; to all the leaders of the law enforcement groups; to all the rank-and-file folks who worked so hard; to all the leaders of the community groups of people who wanted to give our kids something to say yes to and to prevent crime before it occurs; to all the ministers—to all of you, I thank you for being here and for making this day possible.

The American people have been waiting a long time for this day. In the last 25 years, half a million Americans have been killed by other Americans. For 25 years, crime has been a hot political issue, used too often to divide us while the system makes excuses for not punishing criminals and doing the job, instead of being used to unite us to prevent crime, punish criminals, and restore a sense of safety and security to the American people.

For the last 6 years, children have become the most likely victims of violent crime and its most likely perpetrators. And for 6 years, Washington debated a crime bill without action while more and more children died and more and more children became criminals and foreclosed a productive life for themselves.

In the last 2 years, Meghan Sposato lost a mother she had only begun to know; Polly Klaas lost her life to a felon who should never have been back on the streets; and James Darby wrote his President a letter because he was so afraid, only to lose his life walking home before anybody could erase his fears. And still, some people in this town tried to keep this day from happening. But today, at last, the waiting ends.

Today the bickering stops, the era of excuses is over, the law-abiding citizens of our country have made their voices heard. Never again should Washington put politics and party above law and order.

From this day forward, let us put partisanship behind us, and let us go forward—Democrats, Republicans and independents, law enforcement, community leaders, ordinary citizens—let us roll up our sleeves to roll back this awful tide of violence and reduce crime in our country. We have the tools now. Let us get about the business of using them.

One of the reasons that I sought this office is to get this bill because if the American people do not feel safe on their streets, in their schools, in their homes, in their places of work and worship, then it is difficult to say that the American people are free.

Not so long ago, kids grew up knowing they'd have to pay if they broke a neighbor's window playing ball. I know; I did it once. [*Laughter*] They knew they'd be in trouble if they lied or stole because their parents and teachers and neighbors cared enough to set them straight. And everybody knew that anybody who committed a serious crime would be caught and convicted and would serve their time in jail. The rules were simple, the results were predictable, and we lived better because of it. Punishment was swift and certain for people who didn't follow the rules, and the rewards of America were considerable for those who did.

Now, too many kids don't have parents who care. Gangs and drugs have taken over our streets and undermined our schools. Every day we read about somebody else who has literally gotten away with murder. But the American people haven't forgotten the

difference between right and wrong. The system has. The American people haven't stopped wanting to raise their children in lives of safety and dignity, but they've got a lot of obstacles in their way.

When I sign this crime bill, we together are taking a big step toward bringing the laws of our land back into line with the values of our people and beginning to restore the line between right and wrong. There must be no doubt about whose side we're on. People who commit crimes should be caught, convicted, and punished. This bill puts Government on the side of those who abide by the law, not those who break it; on the side of the victims, not their attackers; on the side of the brave men and women who put their lives on the line for us every day, not the criminals or those who would turn away from law enforcement. That's why police and prosecutors and preachers fought so hard for this bill and why I am so proud to sign it into law today.

When this bill is law, "three strikes and you're out" will be the law of the land; the penalty for killing a law enforcement officer will be death; we will have a significant—[*applause*]—we will have the means by which we can say punishment will be more certain. We will cut the Federal work force over a period of years by 270,000 positions to its lowest level in 30 years and take all that money to pay for this crime bill. The savings will be used to put 100,000 police officers on the street, a 20 percent increase. It will be used to build prisons to keep 100,000 violent criminals off the street. It will be used to give our young people something to say yes to, places where they can go after school where they are safe, where they can do constructive things that will help them to build their lives, where teachers replace gang leaders as role models. All of these things should be done and will be done.

This bill makes it illegal for juveniles to own handguns and, yes, without eroding the rights of sports men and women in this country, we will finally ban these assault weapons from our street that have no purpose other than to kill.

But my friends, let us be frank with each other: Even this great law, the toughest and smartest crime bill in our history, cannot do the job alone. By its own words, it is still a law. It must be implemented by you, and it must be supplemented by you. Even when we put a new police officer on your block, the officer can't make you safe unless you come out of your home and help the officer do his or her job. Even when we keep our schools open late and give our children an alternative to drugs and gangs, your children won't learn the difference between right and wrong unless you teach them and they're in those schools when they're open. Our country will not truly be safe again until all Americans take personal responsibility for themselves, their families, and their communities. This day is the beginning, not the end, of our effort to restore safety and security to the people of this country.

Here in Washington there is more that we can do. Today I am naming Vice President Gore, whose reinventing Government report first proposed the cuts in the bureaucracy that will pay for this bill, to head the President's Prevention Council. I want him to work with every Department to make this a coherent and cost-effective effort to give communities the tools they need to prevent crime from occurring in the first place. In a few weeks I will name the head of our program to put 100,000 new police on the street. And early next month, the Justice Department will award grants to put new police on the street in 150 more cities and towns that applied last year.

Last Sunday, I was in Maryland, and Senator Sarbanes told me that already one of our community policing grants had resulted in the capture of a serious felon in a community in his State. This will make a difference. And I want to commend the Attorney General and the Justice Department for being determined to do this right, to get this money out to the grassroots so that we can hire the police and get on with the job.

Thirdly, in the coming months the Vice President and I will hold forums on crime and violence all across our country, with all kinds of people from all walks of life, leading up here to a meeting at the White House next year to launch a national effort at the grassroots level in each and every community to implement the crime bill properly, to enshrine the values and common sense the

crime bill represents, and to do something about this terrible scourge of violence that is especially gripping our children and robbing them of their future. We intend to continue the fight, and we want you to keep working with us.

Today we remember the thousands of officers who gave their lives to make our Nation safer, whose names are inscribed in a stone memorial just a mile away from here. We remember the innocent victims whose lives were lost and whose families were shattered by the scourge of violent crime. We remember three, James Darby, Polly Klaas, and Jody Sposato, whose deaths literally galvanized this Nation and shamed our political system into action. It is in their memories that I dedicate this bill. I hope this law will always be remembered in their names. And I hope, too, that we will remember what the Vice President said, "The ultimate victory of this law will be in the salvation of the children whose names we will never know."

Early in 1992, I was walking through one of the countless kitchens of a hotel lobby in New York on my way to a dinner when a waiter working there came up to me and grabbed me, and he said, "Mr. President"—he didn't call me Governor then—he said, "My 10-year-old boy is studying this election in school, and he says I should vote for you." But he said, "I want to tell you something first, I came here as an immigrant, and the place where I lived was very poor, and we were very poor. But at least we were free. Now we live here, and we have more money, but we are not free. We are not free because my boy can't walk across the street and play in the park unless I am with him. We are not free because my boy cannot walk to school unless I am with him. Make my boy free."

On the day after the crime bill was signed, I received a letter carefully typed from a very young man who is the son of a member of our administration. It was so eloquent. He said, "I live in a good neighborhood. I go to a nice school. You wouldn't think people like me would care about this crime bill, but I have been keeping up with it every day because every time I go out with my friends at night to a movie or to a game, I think someone might shoot me before I get home. Now I feel so much better."

My fellow Americans, this is about freedom. Without responsibility, without order, without lawfulness, there is no freedom. Today the will of the American people has triumphed over a generation of division and paralysis. We've won a chance to work together.

So in that spirit, let us rededicate ourselves today to making this law become the life of our country, to restoring the sense of right and wrong that built our country, and to make it safe, not in words but in fact, in the lifeblood of every child and every citizen of this country who believes in the promise of America. Let us make it real.

Thank you, and God bless you all.

NOTE: The President spoke at 10:48 a.m. on the South Lawn at the White House. In his remarks, he referred to Mayors Rudolph Giuliani of New York City; Wellington E. Webb of Denver, CO; Norman Rice of Seattle, WA; Richard M. Daley of Chicago, IL; Sharpe James of Newark, NJ; Edward Rendell of Philadelphia, PA; Susan Golding of San Diego, CA; Kurt Schmoke of Baltimore, MD; Paul Helmke of Fort Wayne, IN; and Jerry Abramson of Louisville, KY. H.R. 3355, approved September 13, was assigned Public Law No. 103-322.

Memorandum on the Ounce of Prevention Council

September 13, 1994

Memorandum for the Vice President, the Secretary of the Treasury, the Attorney General, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Labor, the Secretary of Health and Human Services, the Secretary of Housing and Urban Development, the Secretary of Education, the Director of the Office of Management and Budget, the Director of National Drug Control Policy, the Assistant to the President for Domestic Policy

Subject: The Ounce of Prevention Council

The Federal Government must administer its programs and deliver services to the American people in the most efficient, effective, and economical ways possible. To that end, this Administration is committed to

— *DRAFT* —
(10/17/97...6pm)

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

Subject: Importation of Uzi and Galil Firearms

The historic Violent Crime Control and Law Enforcement Act of 1994 banned 19 specific assault weapons, duplicates of those 19 firearms, and certain other semiautomatic weapons possessing various military-style features. The Administration and Congress worked to ban these deadly firearms because -- as the weapon of choice for gangs and drug dealers -- they were being recovered at numerous crime scenes and resulting in criminals being better armed than some of the nation's law enforcement officers. Last year, in part as a result of the ban on assault weapons, fewer police officers were slain in the line of duty than in any year since 1960, and fewer law enforcement officers were killed by assault weapons.

In addition to the prohibitions contained in the 1994 ban on assault weapons, the 1968 Gun Control Act further restricts the importation of firearms unless they are determined to be particularly suitable for or readily adaptable for sporting purposes. To enforce this law, the Treasury ~~Department~~ has developed a factoring system to determine whether handguns meet this sporting purposes test and are thus importable. The Department also determined that semiautomatic assault-type rifles do not meet the sporting purposes test and are not importable.

I am now informed that 2 of the 19 assault weapons that were specifically banned from importation in 1989, the Galil and the Uzi, have been redesigned in order to circumvent the ban. The Galil and Uzi, which are manufactured by Israel Military Industries, were banned because -- in their military configurations -- they were found to have no legitimate sporting purpose. It is now appropriate to determine whether the redesigned weapons would have legitimate sporting purposes in this country and are suitable for continued importation under the provisions of the Gun Control Act of 1968.

My Administration has aggressively enforced all applicable laws to keep non-sporting firearms and other munitions posing a threat to public safety from entering the country. Therefore, I direct you to:

1) Take the necessary steps to reexamine and determine whether the sporting purposes test should be modified with respect to the importation of the Galil, Uzi, and any other firearms that have been similarly adapted or re-engineered since the 1989 ban on the importation of semiautomatic assault rifles or the 1994 ban on semiautomatic assault weapons;

2) Effective immediately, suspend action on pending and future applications to import these weapons until this review is complete.

Nothing herein shall be construed to require actions contrary to applicable provisions of law.

Option 1

(Same version as we were earlier given)

Option #1

October 31, 1997

ME[redacted]CRETARY OF THE TREASURY

Subject: Importation of Uzi and Galil Firearms ? the

The historic Violent Crime Control and Law Enforcement Act of 1994 banned 19 specific assault weapons, duplicates of those 19 firearms and certain other semiautomatic weapons possessing various military style features. The Administration and Congress worked to ban these deadly firearms because -- as the weapon of choice for gangs and drug dealers -- they were being recovered at numerous crime scenes and resulting in criminals being better armed than some of the nation's law enforcement officers. Last year, in part as a result of the ban on assault weapons, fewer police officers were slain in the line of duty than in any year since 1960, and fewer law enforcement officers was killed by assault weapons. were

In addition to the prohibitions contained in the 1994 ban on assault weapons, the 1968 Gun Control Act further restricts the importation of firearms unless they are determined to be particularly suitable for or readily adaptable for sporting purposes. To enforce this law, the Treasury Department has developed a factoring system to determine whether handguns meet this sporting purposes test and are thus importable. The Department also determined that semiautomatic assault type rifles do not meet the sporting purposes test and are not importable.

I am now informed that 2 of the 19 assault weapons that were specifically banned from importation in 1989, the Galil and the Uzi, have been redesigned in order to circumvent the ban. The Galil and Uzi, which are manufactured by Israeli Military Industries, were banned because -- in their military configurations -- they were found to have no legitimate sporting purpose. It is now appropriate to determine whether the redesigned weapons would have legitimate sporting purposes in this country and are suitable for continued importation under the provisions of the Gun Control Act of 1968.

My Administration has aggressively enforced all applicable laws to keep non-sporting firearms and other munitions posing a threat to public safety from entering the country. Therefore, I direct you to:

1) Take the necessary steps to reexamine and determine whether the sporting purposes test should be modified with respect to the importation of the Galil, Uzi and any other firearms that have been similarly adapted or re-engineered since the 1989 ban on the importation of semiautomatic assault rifles or the 1994 ban on semiautomatic assault weapons; and

2) Effective immediately, suspend action on pending and future applications to import these weapons until this review is complete.

Nothing herein shall be construed to require actions contrary to applicable provisions of law.

Option 2

Option #2

October 31, 1997

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

Subject: Importation of Modified Assault-Type Weapons ?

The historic Violent Crime Control and Law Enforcement Act of 1994 banned 19 specific assault weapons, duplicates of those 19 firearms and certain other semiautomatic weapons possessing various military style features. The Administration and Congress worked to ban these deadly firearms because -- as the weapon of choice for gangs and drug dealers -- they were being recovered at numerous crime scenes and resulting in criminals being better armed than some of the nation's law enforcement officers. Last year, in part as a result of the ban on assault weapons, fewer police officers were slain in the line of duty than in any year since 1960, and fewer law enforcement officers were killed by assault weapons.

In addition to the prohibitions contained in the 1994 ban on assault weapons, the 1968 Gun Control Act further restricts the importation of firearms unless they are determined to be particularly suitable for or readily adaptable for sporting purposes. To enforce this law, the Treasury Department has developed a factoring system to determine whether handguns meet this sporting purposes test and are thus importable. The Department also determined that semiautomatic assault type rifles do not meet the sporting purposes test and are not importable.

I am now informed that 2 of the 19 assault weapons that were specifically banned from importation in 1989, the Galil and the Uzi, have been redesigned in order to circumvent the ban. The Galil and Uzi, which are manufactured by Israel Military Industries, were banned because -- in their military configurations -- they were found to have no legitimate sporting purpose. It is now appropriate to determine whether the redesigned weapons would have legitimate sporting purposes in this country and are suitable for continued importation under the provisions of the Gun Control Act of 1968.

My Administration has aggressively enforced all applicable laws to keep non-sporting firearms and other munitions posing a threat to public safety from entering the country. Therefore, I direct you to:

1) Take the necessary steps to reexamine and determine whether the sporting purposes test should be modified with respect to the importation of the Galil, Uzi and any other firearms that have been similarly adapted or re-engineered since the 1989 ban on the importation of semiautomatic assault rifles or the 1994 ban on semiautomatic assault weapons;

Effective immediately, suspend action on pending and future applications to import these weapons until this review is complete; and

3) During this review period, closely monitor the continued importation and criminal use of these modified assault-type weapons, and -- if you determine that circumstances warrant additional action -- take any other appropriate action including the suspension of existing permits.

Nothing herein shall be construed to require actions contrary to applicable provisions of law.

Option #3

October 31, 1997

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

Subject: Importation of Modified Assault Weapons ?

The historic Violent Crime Control and Law Enforcement Act of 1994 banned 19 specific assault weapons, duplicates of those 19 firearms and certain other semiautomatic weapons possessing various military style features. The Administration and Congress worked to ban these deadly firearms because -- as the weapon of choice for gangs and drug dealers -- they were being recovered at numerous crime scenes and resulting in criminals being better armed than some of the nation's law enforcement officers. Last year, in part as a result of the ban on assault weapons, fewer police officers were slain in the line of duty than in any year since 1960, and fewer law enforcement officers were killed by assault weapons.

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My Administration has aggressively enforced all applicable laws to keep non-sporting firearms and other munitions posing a threat to public safety from entering the country. Therefore, I direct you to:

1) Take the necessary steps to reexamine and determine whether the sporting purposes test should be modified with respect to the importation of the Galil, Uzi and any other firearms that have been similarly adapted or re-engineered since the 1989 ban on the importation of semiautomatic assault rifles or the 1994 ban on semiautomatic assault weapons;

2) Effective immediately, suspend all existing permits and action on pending and future applications for permits to import these weapons until this review is complete.

Nothing herein shall be construed to require actions contrary to applicable provisions of law.

per phd
10/31/97
S.188

Bill,
Take a quick look;
then return to me.
Thx.
Tim

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

SUBJECT: Importation of Uzi and Galil Firearms

The historic Violent Crime Control and Law Enforcement Act of 1994 banned 19 specific assault weapons, duplicates of those 19 firearms, and certain other semiautomatic weapons possessing various military-style features. My Administration and the Congress worked to ban these deadly firearms because -- as the weapon of choice for gangs and drug dealers -- they were being recovered at numerous crime scenes, and resulting in criminals being better armed than some of the Nation's law enforcement officers. Last year, in part as a result of the ban on assault weapons, fewer police officers were slain in the line of duty than in any year since 1960, and fewer law enforcement officers were killed by assault weapons.

In addition to the prohibitions contained in the 1994 ban on assault weapons, the 1968 Gun Control Act restricts the importation of firearms unless they are determined to be particularly suitable for or readily adaptable for sporting purposes. To enforce this law, the Department of the Treasury has developed a factoring system to determine whether handguns meet this sporting purposes test and are thus importable. The Department also has determined that semiautomatic assault type rifles do not meet the sporting purposes test and are not importable.

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NoMcG 10-22-97

My Administration [has] continues to aggressively enforced all applicable laws to keep nonsporting firearms and other munitions posing a threat to public safety from [entering] being imported into the country. Therefore, I direct you to:

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(1) Take the necessary steps to reexamine and determine whether the sporting purposes test should be modified with respect to the importation of the Galil, Uzi, and any other firearms that have been similarly adapted or re-engineered since the 1989 ban on the importation of semiautomatic assault rifles or the 1994 ban on semiautomatic assault weapons; and

(2) Effective immediately, suspend action on pending and future applications to import these weapons until this review is complete.

Nothing herein shall be construed to require actions contrary to applicable provisions of law.

— *DRAFT* —
(10/17/97...6pm)

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Nothing herein shall be construed to require actions contrary to applicable provisions of law.

Phillip Caplan

10/21/97 03:37:00 PM

Record Type: Record

To: G. Timothy Saunders/WHO/EOP

cc:
Subject: Directive on Modified Assault Weapons -- Uzi and Galil

Could you have this put in typing and then brought over. I'd like to circulate it as soon as possible. Thanks.

---------- Forwarded by Phillip Caplan/WHO/EOP on 10/21/97 03:36 PM ----------

Jose Cerda III 10/21/97 03:30:00 PM

Record Type: Record

To: Phillip Caplan/WHO/EOP

cc: See the distribution list at the bottom of this message
Subject: Directive on Modified Assault Weapons -- Uzi and Galil

Phil:

Attached please find a proposed directive that DPC, Treasury and WH Counsel have been working on to respond to concerns that Senator Feinstein raised to the President in a recent meeting -- and to letters from some 30 Senators and 30 Members. The directive calls on Treasury to temporarily suspend the importation of certain modified assault weapons, including the Uzis and Galils that have been highlighted in press reports. About 35.000 of these weapons have come into the country over the past 2 years. The directive also asks Treasury to re-examine whether or not these weapons meet the "sporting purposes" test in the 1968 Gun Control Act. If -- after review -- they do not, they will be permanently banned from importation. This is the same action that President Bush took with assault rifles (like the AK-47) in 1989, and that President Clinton took in 1993 with respect to assault pistols.

Rahm asked me to get this to you forthwith. You can call him if you have any timing/process questions. Leanne and I would be happy to answer any other questions you may have from a policy perspective.

Jose'

ASSAULT.DI6

Message Copied To:

Michelle Crisci/WHO/EOP
Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Karen A. Popp/WHO/EOP
Tracey E. Thornton/WHO/EOP
Peter G. Jacoby/WHO/EOP
Leanne A. Shimabukuro/OPD/EOP

THE WHITE HOUSE

Office of the Press Secretary

Embargoed For Release
Until 10:06 A.M. EST
Saturday, November 15th, 1997

November 14, 1997

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

SUBJECT: Importation of Modified Semiautomatic Assault-Type Rifles

The Gun Control Act of 1968 restricts the importation of firearms unless they are determined to be particularly suitable for or readily adaptable to sporting purposes. In 1989, the Department of the Treasury (the Department) conducted a review of existing criteria for applying the statutory test based on changing patterns of gun use. As a result of that review, 43 assault-type rifles were specifically banned from importation. However, manufacturers have modified many of those weapons banned in 1989 to remove certain military features without changing their essential operational mechanism. Examples of such weapons are the Galil and the Uzi.

In recent weeks Members of Congress have strongly urged that it is again necessary to review the manner in which the Department is applying the sporting purposes test, in order to ensure that the agency's practice is consistent with the statute and current patterns of gun use. A letter signed by 30 Senators strongly urged that modified assault-type weapons are not properly importable under the statute and that I should use my authority to suspend temporarily their importation while the Department conducts an intensive, expedited review. A recent letter from Senator Dianne Feinstein emphasized again that weapons of this type are designed not for sporting purposes but for the commission of crime. In addition, 34 Members of the House of Representatives signed a letter to Israeli Prime Minister Binyamin Netanyahu requesting that he intervene to stop all sales of Galils and Uzis into the United States. These concerns have caused the Government of Israel to announce a temporary moratorium on the exportation of Galils and Uzis so that the United States can review the importability of these weapons under the Gun Control Act.

The number of weapons at issue underscores the potential threat to the public health and safety that necessitates immediate action. Firearms importers have obtained permits to import nearly 600,000 modified assault-type rifles. In addition, there are pending before the Department applications to import more than 1 million additional such weapons. The number of rifles covered by outstanding permits is comparable to that which existed in 1989 when the Bush Administration temporarily suspended import permits for assault-type rifles. The number of weapons for which permits for importation are being sought through pending applications is approximately 10 times greater than in 1989. The number of such firearms for which import applications have been filed has skyrocketed from 10,000 on October 9, 1997, to more than 1 million today.

more

(OVER)

My Administration is committed to enforcing the statutory restrictions on importation of firearms that do not meet the sporting purposes test. It is necessary that we ensure that the statute is being correctly applied and that the current use of these modified weapons is consistent with the statute's criteria for importability. This review should be conducted at once on an expedited basis. The review is directed to weapons such as the Uzi and Galil that failed to meet the sporting purposes test in 1989, but were later found importable when certain military features were removed. The results of this review should be applied to all pending and future applications.

The existence of outstanding permits for nearly 600,000 modified assault-type rifles threatens to defeat the purpose of the expedited review unless, as in 1989, the Department temporarily suspends such permits. Importers typically obtain authorization to import firearms in far greater numbers than are actually imported into the United States. However, gun importers could effectively negate the impact of any Department determination by simply importing weapons to the maximum amount allowed by their permits. The public health and safety require that the only firearms allowed into the United States are those that meet the criteria of the statute.

Accordingly, as we discussed, you will:

1) Conduct an immediate expedited review not to exceed 120 days in length to determine whether modified semiautomatic assault-type rifles are properly importable under the statutory sporting purposes test. The results of this review will govern action on pending and future applications for import permits, which shall not be acted upon until the completion of this review.

2) Suspend outstanding permits for importation of modified semiautomatic assault-type rifles for the duration of the 120-day review period. The temporary suspension does not constitute a permanent revocation of any license. Permits will be revoked only if and to the extent that you determine that a particular weapon does not satisfy the statutory test for importation, and only after an affected importer has an opportunity to make its case to the Department.

WILLIAM J. CLINTON

# # #

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FOIA Number: Kagan

FOIA MARKER

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THE PRESIDENT HAS SEEN
1-30-97

THE WHITE HOUSE
WASHINGTON

January 29, 1997

MR. PRESIDENT:

The attached memo from Bruce Reed and Elena Kagan reflects a joint recommendation from DPC and HHS on how to proceed with implementing the portion of the maintenance-of-effort provision in the welfare law that restricts how states can spend these funds.

Erskine, Sylvia, Rahm and Marcia concur in the approach and OMB has no objections to the memo.

In order for the plan to be rolled-out to various Governors in advance of the NGA meeting, Bruce/Elena and IGA would appreciate your action as soon as possible.

Phil Caplan Phil

Will coordinate
Tom

copied
Reed
Kagan

'97 JAN 29 PM5:48

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
1-30-97

January 28, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED BR
ELENA KAGAN EK

SUBJECT: WELFARE LAW IMPLEMENTATION ISSUE

Before the NGA meeting, we need to give states an answer to the question of whether a state must comply with the welfare law's requirements in order to get maintenance-of-effort credit for a state expenditure. States would like to spend their money in separate, non-TANF programs, free from all federal restrictions, but still counting toward the maintenance-of-effort standard. Allowing them to do so, however, may deprive the federal government of a great deal of money and may undermine the law's work requirements. This memo contains a joint HHS and DPC recommendation as to the proper Administration approach to this issue.

Background and analysis

As you know, the maintenance-of-effort provision of the welfare law requires states to spend each year a set percentage of their FY 1994 welfare expenditures. Each state meeting its work participation rate must spend 75 percent of FY 1994 expenditures; any state failing to meet its rate must spend 80 percent of that sum. If a state fails to spend this amount of money, its next year's block grant is reduced accordingly.

The question here concerns the restrictions that apply to expenditure of these "maintenance-of-effort funds." (All agree that no federal restrictions apply to state monies for which the state is not seeking maintenance-of-effort credit.) The law is clear that certain restrictions -- the limits on benefits to aliens and the five-year time limit -- do not apply to maintenance-of-effort funds. The law is far less clear as to whether other requirements apply. But it is difficult, as a legal matter, to pick and choose among these remaining requirements: HHS cannot, for example, say that work requirements, but not reporting requirements, apply.

The governors have argued vehemently that applying federal restrictions to state maintenance-of-efforts funds would impede state innovation. And because the advocacy groups would like to undermine some of the federal requirements -- particularly regarding work -- they have joined the states in taking this position.

But a completely "hands-off" approach -- which would allow the states to set up wholly independent programs, free of all federal restrictions, with maintenance-of-effort dollars -- poses two significant problems. First, states could place the families most likely to make child support

PHOTOCOPY WJC HANDWRITING

payments in the state-only program and thereby avoid sharing child support collections with the federal government. OMB estimates that the amount of money at stake could exceed $1 billion per year.

Second, such an approach could seriously undermine the work provisions of the welfare law. As you know, the law requires states to show, on pain of financial penalty, that a certain percentage of families receiving assistance under TANF are engaged in work. The governors' approach would allow states to get around this requirement by transferring their hardest-to-employ welfare recipients from the TANF program (where they would count as part of the denominator in calculating the percentage) to a separate state program funded by maintenance-of-effort dollars (where they would not so count). Indeed, under one interpretation of the law, such a transfer might count as the kind of "reduction in caseload" that operates to reduce the minimum participation rate applicable to the state. Hence by the simple device of shifting beneficiaries from one program to another, a state could simultaneously make it easier to meet the existing participation rate and lower the participation rate applicable in the future.

Recommendation

To provide the states with needed flexibility, protect the government's share of child support collections, and maintain the integrity of the law's work participation requirements -- and to do all this in a legally defensible way -- HHS and the DPC recommend the following actions:

1. Interpret the law so as to give the states far-reaching discretion and flexibility over maintenance-of-effort funds. Under this interpretation, states can set up programs that are free of any of the welfare law's prohibitions and requirements.

2. Advise states that they should not use their own programs to appropriate child support collections that otherwise would go to the federal government; issue regulations authorizing HHS to collect the data necessary to monitor whether states are using their programs for this purpose; and work with both the governors and Congress to ensure that states do not do so. Conversations with Governors have suggested a willingness to work cooperatively on this issue. We also have every reason to think that Congress -- which in assessing the budgetary impact of the bill, did not envision a reduction in federal child support collections -- would legislate a remedy if that is necessary.

3. Issue a regulation providing that a state cannot receive a reduction in its participation rate for reducing its caseload unless the state shows that the caseload reduction is real and not simply the result of transferring beneficiaries from TANF into a separate state program. Such a regulation, which rejects the interpretation of the law most beneficial to states, will prevent states from decreasing their obligation to put people to work through making purely formal changes in the structure of assistance programs.

4. Issue a regulation providing that a state cannot receive any good cause consideration --

i.e., any mitigation in penalty for failure to meet work participation rates -- unless the state shows that it has not used its own program to escape the force of work participation rates. This regulation will create a disincentive for states to use their own programs as dumping grounds for hard-to-place beneficiaries.

5. Issue a regulation providing that HHS will look at a state's overall work effort -- i.e., its success in putting to work the beneficiaries of both TANF and separate state programs -- in determining whether the state qualifies for a high-performance bonus. This regulation too will encourage states to make real efforts to place in work activities those individuals who receive assistance from separate state programs.

6. Work with Congress and the Governors to enact a legislative clarification to ensure that states do not use their discretion over maintenance-of-effort funds to evade the participation requirements. Specifically, we will seek language making clear that calculation of whether a state has met the applicable participation rate shall take into account the state's success in placing in work activities the participants in both the TANF program and any separate state program that counts toward the maintenance-of-effort standard.

Together, these steps should give governors broad flexibility to run their own programs without giving them perverse incentives to evade the work requirements. Please let us know if this resolution of the issue meets with your approval. If it does, we would like to roll out this program prior to the NGA meeting.

Document No._____

WHITE HOUSE STAFFING MEMORANDUM

DATE: 1/29 ACTION/CONCURRENCE/COMMENT DUE BY: 1/29 5:00pm

SUBJECT: Welfare implementation issue

	ACTION	FYI		ACTION	FYI
VICE PRESIDENT	✓		McCURRY		✓
BOWLES	✓		McGINTY		
McLARTY			NASH		
PODESTA	✓		QUINN		
MATHEWS	✓		RASCO		
RAINES	✓		REED		
BAER	✓		SOSNIK	✓	
			LEWIS		
EMANUEL	✓		YELLEN		
GIBBONS			STREETT		
HALE	✓		SPERLING	✓	
HERMAN			HAWLEY		
HIGGINS			WILLIAMS		
HILLEY	✓		RADD	✓	
KLAIN	✓		Aptel	✓	
BERGER			Vervcer	✓	
LINDSEY					

REMARKS: Please advise

RESPONSE:

Staff Secretary
Ext. 6-2702

Welfare Law
Implementation
Issue

THE WHITE HOUSE

WASHINGTON

January 28, 1997

'97 JAN 29 AM 10:57

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: WELFARE LAW IMPLEMENTATION ISSUE

Before the NGA meeting, we need to give states an answer to the question of whether a state must comply with the welfare law's requirements in order to get maintenance-of-effort credit for a state expenditure. States would like to spend their money in separate, non-TANF programs, free from all federal restrictions, but still counting toward the maintenance-of-effort standard. Allowing them to do so, however, may deprive the federal government of a great deal of money and may undermine the law's work requirements. This memo contains a joint HHS and DPC recommendation as to the proper Administration approach to this issue.

Background and analysis

As you know, the maintenance-of-effort provision of the welfare law requires states to spend each year a set percentage of their FY 1994 welfare expenditures. Each state meeting its work participation rate must spend 75 percent of FY 1994 expenditures; any state failing to meet its rate must spend 80 percent of that sum. If a state fails to spend this amount of money, its next year's block grant is reduced accordingly.

The question here concerns the restrictions that apply to expenditure of these "maintenance-of-effort funds." (All agree that no federal restrictions apply to state monies for which the state is not seeking maintenance-of-effort credit.) The law is clear that certain restrictions -- the limits on benefits to aliens and the five-year time limit -- do not apply to maintenance-of-effort funds. The law is far less clear as to whether other requirements apply. But it is difficult, as a legal matter, to pick and choose among these remaining requirements: HHS cannot, for example, say that work requirements, but not reporting requirements, apply.

The governors have argued vehemently that applying federal restrictions to state maintenance-of-efforts funds would impede state innovation. And because the advocacy groups would like to undermine some of the federal requirements -- particularly regarding work -- they have joined the states in taking this position.

But a completely "hands-off" approach -- which would allow the states to set up wholly independent programs, free of all federal restrictions, with maintenance-of-effort dollars -- poses two significant problems. First, states could place the families most likely to make child support

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payments in the state-only program and thereby avoid sharing child support collections with the federal government. OMB estimates that the amount of money at stake could exceed $1 billion per year.

Second, such an approach could seriously undermine the work provisions of the welfare law. As you know, the law requires states to show, on pain of financial penalty, that a certain percentage of families receiving assistance under TANF are engaged in work. The governors' approach would allow states to get around this requirement by transferring their hardest-to-employ welfare recipients from the TANF program (where they would count as part of the denominator in calculating the percentage) to a separate state program funded by maintenance-of-effort dollars (where they would not so count). Indeed, under one interpretation of the law, such a transfer might count as the kind of "reduction in caseload" that operates to reduce the minimum participation rate applicable to the state. Hence by the simple device of shifting beneficiaries from one program to another, a state could simultaneously make it easier to meet the existing participation rate and lower the participation rate applicable in the future.

Recommendation

To provide the states with needed flexibility, protect the government's share of child support collections, and maintain the integrity of the law's work participation requirements -- and to do all this in a legally defensible way -- HHS and the DPC recommend the following actions:

1. Interpret the law so as to give the states far-reaching discretion and flexibility over maintenance-of-effort funds. Under this interpretation, states can set up maintenance-of-effort programs that are free of any of the welfare law's prohibitions and requirements.

2. Advise states that they should not use maintenance-of-effort programs to appropriate child support collections that otherwise would go to the federal government -- and work with both the governors and Congress to ensure that states do not in fact use their programs for this purpose. Conversations with Governors have suggested a real willingness to work cooperatively on this issue. If states do not make good on these promises, we have every reason to think that Congress -- which in assessing the budgetary impact of the bill, did not envision a reduction in federal child support collections -- will legislate a remedy.

3. Issue a regulation providing that a state cannot receive a reduction in its participation rate for reducing its caseload unless the state shows that the caseload reduction is real and not simply the result of transferring beneficiaries from TANF into a separate state program. Such a regulation, which rejects the interpretation of the law most beneficial to states, will prevent states from decreasing their obligation to put people to work through making purely formal changes in the structure of assistance programs.

4. Issue a regulation providing that a state cannot receive any good cause consideration -- i.e., any mitigation in penalty for failure to meet work participation rates -- unless the state shows

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6. Work with Congress and the Governors to enact a legislative clarification to ensure that states do not use their discretion over maintenance-of-effort funds to evade the participation requirements. Specifically, we will seek language making clear that calculation of whether a state has met the applicable participation rate shall take into account the state's success in placing in work activities the participants in both the TANF program and any separate state program that counts toward the maintenance-of-effort standard.

Together, these steps should give governors broad flexibility to run their own programs without giving them perverse incentives to evade the work requirements. Please let us know if this resolution of the issue meets with your approval. If it does, we would like to roll out this program prior to the NGA meeting.

THE WHITE HOUSE

WASHINGTON

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THE WHITE HOUSE
WASHINGTON

Date 4-4-97

To: The Vice President

From: The Staff Secretary

The President has asked that the attached document be forwarded to you per your discussion.

Copied
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THE PRESIDENT HAS SEEN
4-3-97

THE WHITE HOUSE
WASHINGTON

March 27, 1996

MR. PRESIDENT:

The attached memo from Bruce Reed and Elena Kagan outlines two issues: 1) whether states can privatize certain administrative functions of the Food Stamp and Medicaid programs; and 2) whether worker protection laws -- particularly the minimum wage -- apply to work programs under the new welfare law.

These issues are not being presented for your decision now, so this memo should be considered strictly informational. But Bruce and Elena thought you should know the current state of thinking in advance of your meeting with Sweeney, McAntee et al tomorrow.

On privatization, you will be presented with a decision shortly. Therefore, you should probably not give any indication in your meeting how we will come out. On worker protection, you can give the labor leaders some indication that our interpretation of the law is consistent with their thinking. Given that this issue is essentially a legal interpretation, it may not rise to the level where a decision is required from you.

Phil Caplan Phil

PHOTOCOPY WJC HANDWRITING

THE PRESIDENT HAS SEEN
4-3-97

THE WHITE HOUSE

WASHINGTON

'97 MAR 27 PM 7:12

March 27, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: WELFARE REFORM -- PRIVATIZATION AND MINIMUM WAGE

We must soon provide guidance on two welfare reform issues of importance both to States and labor unions: (1) whether states can privatize certain administrative functions of the Food Stamp and Medicaid programs and (2) whether worker protection laws -- particularly the minimum wage (Fair Labor Standards Act) -- apply to work programs under the new welfare law. This memorandum outlines recommended approaches to dealing with these issues. The recommendation on privatization will give states part of what they want while angering unions; the recommendation on worker protection laws will please the unions while angering states.

Privatizing Food Stamp and Medicaid Administration

The new welfare law explicitly allows states to contract with private entities to administer Temporary Assistance to Needy Families (TANF). The Administration now must decide how to respond to two requests to privatize administration of other federally funded benefit programs. Texas wants to contract out, on a statewide basis, administration of both the Food Stamps and Medicaid programs; Wisconsin wants to privatize administration of the Food Stamps program in a number of counties, though the need for an administrative decision on this plan is not as pressing. Federal approval of these requests will establish a policy for other states as well.

States that want to privatize believe that a competitive contracting process will result in greater program efficiencies while adequately protecting program recipients. (Because Medicaid and Food Stamps remain federal entitlements, private contractors determining eligibility for the programs would have to follow federal eligibility rules.) Organized labor is concerned that privatizing government functions will displace state and local government workers (with a resulting loss of union membership). They also charge that privatization will harm recipients because contractors will "cut corners" in determining eligibility for benefits.

All the relevant agencies and White House offices (HHS, USDA, OMB, DPC, and NEC) believe that allowing some privatization makes sense: the question is how much. Below, after some additional background information, we outline a consensus recommendation.

Background

Federal agencies and the state of Texas have been negotiating since June 1996 over the

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state's proposal to privatize the administration of TANF, Medicaid, Food Stamps, and certain other federally-funded nutrition programs. The state legislature passed the plan with bipartisan support, with endorsements from Lt. Gov. Bob Bullock and other leading Democrats. Under the Texas plan, private contractors would collect information about applicants (including by conducting interviews) and make eligibility determinations. The State would retain control over the appeals and quality control processes. An estimated 15,000 state jobs would be eliminated or transferred to the private sector. The state would require bidders to comment on whether they plan to hire displaced government workers. Such companies as Lockheed, EDS, and Arthur Anderson have indicated an interest in bidding.

Texas has argued that it cannot proceed with plans to contract out TANF (as allowed by the welfare law) unless the Administration allows private contracting for Food Stamps and Medicaid, because maintaining separate eligibility systems for these programs creates administrative difficulties. To take the most obvious problem, a dual system would require many individuals to go to one location to apply for TANF and another location to apply for Food Stamps and Medicaid. Texas wants a one-stop eligibility center.

Texas state officials are becoming increasingly impatient with HHS and USDA for not having ruled on their proposal. In a recent letter to HHS, state officials threatened to proceed with the project without Federal approval. State officials also point out that they have pledged to reinvest the savings from their plan in additional health and human services programs, and that these savings could provide health coverage for 150,000 Texas children. Rep. Charlie Stenholm, one of the Administration's strongest welfare reform allies, complained about the delay to Frank Raines in a February 24th letter, saying the state of Texas is "willing to make accommodations to address administration concerns." Secretary Shalala has promised Texas an answer by early April. Most recently, we heard from Rep. Stenholm's office and from Gary Mauro that Texas would accept modifications of its proposal as long as we allow the State to go forward with releasing a "request for offers" ("RFO") to potential bidders.

Labor leaders would like us to refuse the Texas request entirely. They see even limited privatization as a dangerous precedent and have made clear that they view this decision as critically important to public employee unions.

Recommendation

All the relevant agencies and White House offices agree that the Administration should draw the line on the basis of our existing Medicaid policy, which allows privatization of some but not all administrative functions. Under this approach, the application, interview, and other information-gathering can be done by private employees; the eligibility determination itself, as well as appeals and quality control, must remain in the hands of public employees. In addition, the Administration should ensure that contracts protect against the possibility that private firms will use procedures that lead to inappropriate denials -- or, as OMB notes, inappropriate grants -- of program benefits.

This general approach has both strong precedent and good sense behind it. The Medicaid program already allows private hospital workers to do intake and eligibility work, up to the point

of actually determining eligibility. Allowing privatization of these functions, conditioned on appropriate contract incentives and safeguards, strikes the right balance between allowing states to explore innovative ways to deliver public services and ensuring that beneficiaries' rights are protected. There is little doubt that this approach will displace some state workers and displease public employee unions. But we have crossed this bridge already in Medicaid and other contexts; for example, the Department of Labor has granted a waiver to Massachusetts to contract out all employment services and is prepared to do the same for other states as well.

In line with this view, we recommend that we inform Texas of the principles we will apply in reviewing any privatization scheme and give formal permission to the State to issue its RFO. Once the State accepts a bid, we will review whether the contract appropriately accords with our principles. This approach gives Texas less than it asked for, but allows the State to proceed with some reforms. It preserves a role for public employees, but will still anger the unions.

II. Application of Labor Laws

As states begin to redesign their work programs to meet the work participation rates in the new welfare law, a critical question for both the labor movement and the states is whether worker protection laws -- particularly the minimum wage law (Fair Labor Standards Act) -- protect welfare recipients who take part in workfare or subsidized employment programs. The answer the Administration is ready to announce on this issue -- that as a matter of law, worker protections apply to welfare recipients as they do to other employees -- will mostly please the unions and displease the States.

Recommended Administration Position

A review conducted by the White House and relevant agencies has concluded that current law requires applying the minimum wage law and other worker protections to welfare recipients engaged in work activities. The new welfare law contains no exemptions from worker protection statutes for these individuals, leaving these protective statutes to operate as they would for any other worker. States therefore cannot, as they partly could before, set up and run work programs independent of labor laws. (The Family Support Act exempted workfare programs from the FLSA, but required work hours to be based on the minimum wage.)

The FLSA, when applied to people in workfare and wage supplementation programs, usually will require payment of the minimum wage. As long as participants in such programs count as "employees" under the Act, they will qualify for the minimum wage. A State could try to structure its program so that participants will count instead as "trainees" under the Act, because "trainees" are not entitled to the minimum wage. It will be extremely difficult, however, for states to construct programs in which participants will count as "trainees" under the FLSA and also count as performing work activities (and therefore counting toward work participation rates) under the new welfare law. As a result, application of the FLSA will usually mean that the State must pay the minimum wage to individuals in workfare programs.

The food stamp law gives states the ability to count food stamps as part of the minimum wage for some individuals engaged in workfare programs. Specifically, the state can count food stamps toward the minimum wage for welfare recipients without a child under the age of six, but not for welfare recipients with such a child. (We are checking now whether there is a legal way to allow states to count food stamps toward the minimum wage in all cases, but suspect we will not find any.) The state will be able to count the value of other benefits (child care, housing, or transportation) toward the minimum wage only when the FLSA allows the counting of such benefits for workers generally -- which is only in unusual circumstances.

In addition to the minimum wage law, the Occupational Safety and Health Act, unemployment insurance laws, and anti-discrimination laws usually will protect welfare workers; in addition, the NLRA usually will give them organizing rights. More uncertain is how the tax code will apply to individuals in workfare and wage supplementation programs. The Treasury Department is still considering whether monies paid to welfare recipients will be subject to FICA and other taxes or would qualify for the EITC. Our 1994 and 1996 welfare bills prohibited recipients from receiving the EITC or being subject to FICA.

Anticipated State and Congressional Response

We should expect the announcement of Administration policy to provoke strong criticism from the states and Congress. On March 3rd, Governor Whitman wrote in a letter to you that applying minimum wage laws to workfare participants would "end welfare reform as we know it" by placing states in the position of either failing to meet the law's work requirements or incurring large new costs. Even The New York Times editorial board, in discussing union plans to organize workfare participants, has opined that "what they are doing does not amount to a job" -- a view consistent with what many States and members of Congress will be saying.

The reason states will protest is obvious: applying minimum wage laws will increase the cost of running workfare programs. (Of course, requiring the minimum wage will not make it more expensive for states to help welfare recipients find unsubsidized private sector jobs or to subsidize private sector jobs.) In 36 states, the current cash welfare benefit for a family of three will fall short of a minimum wage salary even for a 20-hour work week. As the work requirement in the law increases to 25 and then to 30 hours, and as the minimum wage also increases, 48 states (all but Hawaii and Alaska) will discover that their welfare grants are insufficient. (See attached document.)

Counting the value of food stamps will ease this difficulty, to the extent that states can do so. (As noted above, states may not be able to count food stamps for individuals with children under six.) But even if both TANF and food stamp benefits are counted toward the minimum wage, Mississippi will immediately come up short. As the minimum wage increases and the work requirements increase to 30 hours, a total of twenty states will find themselves in this position.

This policy is a mixed blessing for recipients. The increased expense of public

employment will encourage state efforts to find private sector jobs for welfare recipients -- a policy we believe is desirable. But that same expense also may encourage states to cut recipients from the welfare rolls sooner, rather than place them in public sector jobs.

There is little doubt that once we announce our reading of the law, efforts will begin in Congress to exempt workfare programs from worker protection laws entirely or to enact more limited "fixes." We will have to track these efforts carefully and decide, as we gain more information, how to respond to them.

IMPACT ON STATES
OF PAYING MINIMUM WAGE FOR WORKFARE[1]
Example: Family of Three

Minimum Wage Costs

The monthly cost of a $5.15 minimum wage for 20 hours a week is $443 and for 30 hours a week is $664. The welfare law's work rates for single parent families are currently 20 hours a week; they rise to 30 hours in the year 2000.[2]

If States Use TANF Funds as "Wages"

In 36 states, current TANF benefits are not enough to pay for 20 hours a week at the minimum wage. In 48 states (all but Alaska and Hawaii), current TANF benefits are too low to pay for 30 hours per week of work at the minimum wage.

If States Use TANF and Food Stamps Funds as "Wages"

In one state, Mississippi, the combined TANF and food stamp grants are not enough to pay for 20 hours a week of work at the minimum wage. In 20 states, the combined benefits are not enough to pay for 30 hours a week of work. These states are:

Nevada	Oklahoma	North Carolina	Louisiana
Arizona	Florida	Kentucky	Texas
Ohio	Missouri	West Virginia	Tennessee
Delaware	Indiana	Arkansas	Alabama
Idaho	Georgia	South Carolina	Mississippi

New legislation may be required to count food stamps as wages for certain families.[3]

---

[1] This table points out the potential shortfall for workfare programs, in which public funds would be the only source of wages for the recipient. In a wage subsidy program, the shortfall would be filled by a contribution from the employer. Thus, the application of the minimum wage will likely encourage states to have work subsidy, rather than workfare, programs.

[2] The new law requires for single parent families a minimum of 20 hours of work a week in 1997 and 1998, 25 hours in 1999 and 30 hours in 2000. The minimum for two parent families is 30 hours a week for all years. These calculations assume an average of 4.3 weeks per month.

[3] New legislation would likely be required to count food stamps as wages for most families, because the Food Stamp Act contains a prohibition against requiring individuals with children under age 6 to participate in work activities. This prohibition may be only partially waivable. Approximately 62% of families subject to the TANF work requirements have children under age six.

NLWJC - KAGAN

WHORM - BOX 003 - FOLDER 027

WE 213507

FOIA Number: Kagan1

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: 14113

Scan ID: 213507

Document Number:

Folder Title:
WE

Stack:	Row:	Section:	Shelf:	Position:
S	88	5	8	2

ID# 213507

THE WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

INCOMING

DATE RECEIVED: APRIL 08, 1997

NAME OF CORRESPONDENT: THE HONORABLE MARY LU JORDAN

SUBJECT: WRITES RESPONDING TO THE PRESIDENT'S MAR 8 '97 MEMO TO ALL HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES REGARDING GOVERNMENT EMPLOYMENT FOR WELFARE RECIPIENTS

ROUTE TO: OFFICE/AGENCY (STAFF NAME)	ACTION: ACT CODE	ACTION: DATE YY/MM/DD	DISPOSITION: TYPE RESP	DISPOSITION: C D	DISPOSITION: COMPLETED YY/MM/DD
KATHRYN "KITTY" HIGGINS	ORG	97/04/08			
REFERRAL NOTE:					
REFERRAL NOTE:					
REFERRAL NOTE:					
REFERRAL NOTE:					
REFERRAL NOTE:					

COMMENTS:

ADDITIONAL CORRESPONDENTS: MEDIA:L INDIVIDUAL CODES:

MI MAIL USER CODES: (A) (B) (C)

ACTION CODES:	DISPOSITION	OUTGOING CORRESPONDENCE:
A-APPROPRIATE ACTION	A-ANSWERED	TYPE RESP=INITIALS OF SIGNER
C-COMMENT/RECOM	B-NON-SPEC-REFERRAL	CODE = A
D-DRAFT RESPONSE	C-COMPLETED	COMPLETED = DATE OF OUTGOING
F-FURNISH FACT SHEET	S-SUSPENDED	
I-INFO COPY/NO ACT NEC		
R-DIRECT REPLY W/COPY		
S-FOR-SIGNATURE		
X-INTERIM REPLY		

REFER QUESTIONS AND ROUTING UPDATES TO CENTRAL REFERENCE (ROOM 75,OEOB) EXT-2590
KEEP THIS WORKSHEET ATTACHED TO THE ORIGINAL INCOMING LETTER AT ALL TIMES AND SEND COMPLETED RECORD TO RECORDS MANAGEMENT.

5

213507

FEDERAL MINE SAFETY AND HEALTH REVIEW COMMISSION

1730 K STREET NW, 6TH FLOOR
WASHINGTON, D.C. 20006

OFFICE OF THE CHAIRMAN

March 25, 1997

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

This letter is in response to your March 8, 1997 memorandum for Heads of Executive Departments and Agencies regarding Government Employment for Welfare Recipients.

The Federal Mine Safety and Health Review Commission is an independent adjudicatory agency that provides administrative trial and appellate review of legal disputes arising under the Federal Mine Safety and Health Amendments Act. The Commission is concerned solely with the adjudication of these disputes.

Currently, the Commission has 49 employees. The majority of the Commission's staff are administrative law judges, attorneys, or Schedule C appointees. Routine hiring is presently curtailed to assure completion of Streamlining Initiatives and to comply with the Federal Workforce Restructuring Act of 1994.

Recently, a receptionist position, which had been filled under the Student Educational Employment Program, became vacant. We had planned to again use this program to fill the position. However, the position could be suitable for a qualified welfare recipient.

Because of its small size, the Commission has a continuing contractual arrangement with the U.S. Department of Agriculture for its personnel services. This arrangement permits the Commission to access personnel programs developed and implemented by a major Cabinet agency and to participate in Administration initiatives not otherwise readily available to us. As a result, we intend to utilize USDA's recruitment and qualification programs to expand consideration for our receptionist position to include not only applicants in the Stay in School program but also to include qualified welfare recipients. Once a candidate has been selected, we would also use USDA's plan for mentoring and assisting the employee in performance and job retention.

APR 2

With respect to other aspects of your March 8, 1997 Directive, the Commission will:

(1) upon receipt from the Secretary of Treasury, notify all employees of Earned Income Tax eligibility,

(2) amend our Federal Fare Subsidy Program in accordance with GSA instructions, and

(3) make available to low income employees information on Federal agency sponsored child care centers.

This letter will also serve as the Commission's Government Employment for Welfare Recipients Plan. If there are further questions regarding this plan, please have a member of your staff contact the Commission's Executive Director, Richard Baker at (202)653-5625.

Respectfully,

Mary Lu Jordan

Mary Lu Jordan
Chairman

NLWJC - KAGAN

WHORM - BOX 004 - FOLDER 001

WE003 159823CU

FOIA Number: Kagan1

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: 14117

Scan ID: 159823CU

Document Number:

Folder Title:
WE003

Stack:	Row:	Section:	Shelf:	Position:
S	88	5	10	3

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Address (Partial) (1 page)	04/01/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM Subject File-General
WE-003
OA/Box Number: 14117

FOLDER TITLE:
[159823CU]

2009-1006-F
kc161

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]
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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]
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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]

ID # 159823 CU
WEOU3

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☑ I - INCOMING
Date Correspondence Received (YY/MM/DD) 96/04/01

Name of Correspondent: Bob + Ann Dussault

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Partial Birth Abortions - wants the President not to veto the Congressional Bill

ROUTE TO: Office/Agency (Staff Name)	ACTION: Action Code	Tracking Date YY/MM/DD	DISPOSITION: Type of Response	Code	Completion Date YY/MM/DD
CU Quinn	ORIGINATOR	96/04/02		C	96/04/02
WATZE (Kagan)	Referral Note: A	96/04/03		C	96/04/09
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:
A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure
I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:
A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents:_____ Media: _____ Individual Codes: __.____ __.____ __.____

Prime Subject Code: __ ____.__ Secondary Subject Codes: __ ____.__ __ ____.__
__ ____.__ __ ____.__
__ ____.__ __ ____.__

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __ __	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence
- n - **0** - Unknown
- n - **1** - William J. Clinton
- n - **2** - Bill Clinton
- n - **3** - Bill

CLn - First Lady 's Correspondence
- n - **1** - Hillary Rodham Clinton
- n - **2** - Hillary Clinton
- n - **3** - Hillary
- n - **4** - Mrs. Hillary Clinton

CBn - Presidential & First Lady's Correspondence
- n - **1** - Hillary & Bill Clinton
- n - **2** - Hillary & Bill

MEDIA CODES:

- **B** - Box/package
- **C** - Copy
- **D** - Official document
- **F** - FAX
- **G** - Message
- **H** - Handcarried
- **L** - Letter
- **M** - Mailgram
- **O** - Memo
- **P** - Photo
- **R** - Report
- **S** - Sealed
- **T** - Telegram
- **V** - Telephone
- **X** - Miscellaneous
- **Y** - Study

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Address (Partial) (1 page)	04/01/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM Subject File-General
WE-003
OA/Box Number: 14117

FOLDER TITLE:
[159823CU]

2009-1006-F
kc161

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]
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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)]

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159823C4
[001]

Robert G. Dussault

P6/(b)(6)

April 1, 1996

The White House
Washington, DC

Dear Mr President,

My wife and I request you not to veto the Congressional Bill to ban partial birth abortions in our nation. We find the procedure unbelievably terrible and totally inconsistent with the oath Doctors take and the majority will of the American people. Our land has already lessened the value of life in the world. We stop killing viable babies and return to a strong government support for the sanctity of life values which, for so long, made our nation the world standard and an example way of life for many nations. Please, let our light continue to shine in the world because we believe in life, liberty and the pursuit of happiness even for babies.

Sincerely,

Bob & Ann Dussault

NLWJC - KAGAN

WHORM - BOX 004 - FOLDER 002

WE003 159824CU

FOIA Number: Kagan1

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: 14117

Scan ID: 159824CU

Document Number:

Folder Title:
WE003

Stack:	Row:	Section:	Shelf:	Position:
S	88	5	10	3

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. fax	Phone No. (Partial) (1 page)	03/29/1996	P6/b(6)
001b. fax	Phone No. and Address (Partial) (1 page)	03/29/1996	P6/b(6)
001c. fax	Address (Partial) (1 page)	03/29/1996	P6/b(6)
001d. fax	Phone No. and Address (Partial) (1 page)	03/29/1996	P6/b(6)
001e. fax	Address (Partial) (1 page)	03/29/1996	P6/b(6)
001f. fax	Phone No. and Address (Partial) (1 page)	03/30/1996	P6/b(6)
001g. fax	Phone No. and Address (Partial) (1 page)	03/30/1996	P6/b(6)
001h. fax	Phone No. and Address (Partial) (1 page)	03/29/1996	P6/b(6)
001i. fax	Phone No. and Address (Partial) (1 page)	03/29/1996	P6/b(6)
001j. fax	Phone No. and Address (Partial) (1 page)	03/30/1996	P6/b(6)
001k. fax	Phone No. (Partial) (1 page)	04/01/1996	P6/b(6)
001l. fax	April Rose to President Clinton, Veto of Partial Birth Abortion Ban [partial] (2 pages)	04/01/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM Subject File-General
WE-003
OA/Box Number: 14117

FOLDER TITLE:
[159824CU]

2009-1006-F
kc163

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]
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ID # 159824 CU

WEW 3

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☑ I - INCOMING
Date Correspondence Received (YY/MM/DD) 96/04/01

Name of Correspondent: [See attached letters]

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Opposes Presidential veto to Partial Birth Abortion

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
WHQ	ORIGINATOR	96/04/01		C	96/04/01
	Referral Note:				
WHT 26 (Kagan)	A	96/04/03		C	96/04/09
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
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ACTION CODES:
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D - Draft Response
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FOR OUTGOING CORRESPONDENCE:
Type of Response = Initials of Signer
Code = "A"
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Comments: _____

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
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5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents:_____ Media: _____ Individual Codes: __.____ __.____ __.____

Prime Subject Code: __ ___.__ Secondary Subject Codes: __ ___.__ __ ___.__

__ ___.__ __ ___.__

__ ___.__ __ ___.__

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __	_____	Time: _____	P-_____
DSP	_____	Time: _____	Media: _____

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- **P** - Photo
- **R** - Report
- **S** - Sealed
- **T** - Telegram
- **V** - Telephone
- **X** - Miscellaneous
- **Y** - Study

To CORRESPONDENCE -

All of these should get the basic form letters.

Thanks.

Elena Kagan

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. fax	Phone No. (Partial) (1 page)	03/29/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM Subject File-General
WE-003
OA/Box Number: 14117

FOLDER TITLE:
[159824CU]

2009-1006-F
kc163

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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[001a]
159824cu

Fax Transmission

Date: Friday, March 29, 1996
Time: 6:29:01 PM
Pages: 1

To:

Name: Secretary Council
Company: Fedral Govt
Fax Number: P6/(b)(6)
Voice Number:

From:

Name: Paul Fraleigh
Company:
Fax Number: P6/(b)(6)
Voice Number:

Note:

To President William Clinton:

Mr. President please sign the bill to ban partial birth abortion it is a barbaric act for a supposedly civilized country. A President who professes to have such compassion for those who can not help themselves and good in government permitting the demise of babies possibly within days of birth by having their brains sucked out. I pray for your souls but I don't know how you can live with yourself permitting such a gruesome deeds.

Clinton Library Photocopy

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. fax	Phone No. and Address (Partial) (1 page)	03/29/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM Subject File-General
WE-003
OA/Box Number: 14117

FOLDER TITLE:
[159824CU]

2009-1006-F
kc163

RESTRICTION CODES

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[001b]

FAX TRANSMISSION

JONATHAN A. RUDE

P6/(b)(6)

To: The President of the United States
c/o The White House Offices

Date: March 29, 1996

Fax #: (202)456-2397
(202)456-6279
(202)456-7500
(202)456-6205
(202)456-7125
(202)456-6685

Pages: 1 , including this cover sheet.

From: Jonathan Rude

Subject: Partial Birth Abortion Ban, It should be signed! NO VETO!!!

COMMENTS:

I would like to take this opportunity to voice my constituency regarding Partial Birth Abortion Ban Bill (HR 1833). I encourage you to sign this document into LAW. Ban this gruesome practice!!!

In a civil society we are obligated to protect those who are incapable of defending themselves. I am confident that you will agree, the banning of this barbarous procedure has little to do with a question of choice. I am a husband and a father, and I knew that my little one was one of a kind with his own personality well before he was born. What kind of man would allow a baby's brain to be pithed like a dissected frog? Please sign to protect the lives of these little ones from this butchery.

Congress has shown its moral integrity and the final stroke should be your signature to demonstrate you as a true moral leader of this nation. Where do you stand? How can you turn your back on this issue? This procedure should not be a choice.

I will hold you up in my prayers. Please be convinced and convicted of the negative moral consequences this great nation will face if practices of abortion are allowed in the name of medical science or convenience. Thank you for your time.

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001c. fax	Address (Partial) (1 page)	03/29/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM Subject File-General
WE-003
OA/Box Number: 14117

FOLDER TITLE:
[159824CU]

2009-1006-F
kc163

RESTRICTION CODES

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BIRTH.TXT

[00(c)]

P6/(b)(6)

Friday, March 29, 1996

President Bill Clinton
The White House
Washington, DC

Mr. President:

Please sign the bill banning partial birth abortions, or whatever you wish to call it. Our Congress has demonstrated strong support for the measure, in both houses. The people have demonstrated overwhelming agreement with the purpose of this measure, which is to end one more vestige of the willful, arbitrary ending of human life that abortion represents. Surely you have noted the massive influx of support for this legislation that has flooded your offices. And finally, there can be no rational reason for failing to approve a law that protects the innocent and defenseless from those who would take their lives in a manner so cruel and inhumane that our society no longer permits even remotely similar practices in the treatment of animals.

I admit that I did not vote for you, and I can think of virtually no circumstance in which I could be persuaded to in the future. Nonetheless, as a citizen of the United States and a member of the Naval Reserve, willing to be mobilized and serve in defense of my country and our way of life, I demand that you consider the implications of your veto on this bill. You claim to believe in God; you have heard his Word preached; surely you must realize that God alone has the prerogative of controlling the death of the innocent. God instituted human government to preserve order, to protect the weak from the strong, and to punish those who violate certain of His laws. He has permitted you to be our President. Show that you understand His sovereign will, that the government He allows you to lead will protect i

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[001d]

Dear Mr. Peneda,

I am writing about the upcoming part of the bill the President is planning to veto. I suggest that he **NOT** veto the partial birth abortion law. We the people of this country have spoken and our congressmen and senators have listened, why doesn't the president listen. Partial birth is just that, a **LIVE** baby is partially born and then it is killed. How can the leader of this Nation believe this is a good thing? Perhaps you could ask him to take a moment to talk to a nurse or a doctor that has performed or attended one of these "procedures" , they can describe how the baby is born **ALIVE** up to the neck and then with a pair of scissors is stabbed in the throat and **KILLED** and the brain sucked out. This is a horrible way for an innocent child to die!!! Maybe he could talk to a distraught mother that has had the "procedure" performed and realized she made a mistake only it was too late.

I am so sad that I have to plead with you and with my president about such issues. This is a clear choice it is obviously a terrible, terrible thing to kill a baby, but this is worse than anyone could even dream.

Please, I beg of you, take my letter to President Clinton. He can **NOT** veto this. This form of abortion is a crime against all mankind. Our president **NEEDS** to listen to the people, and we are crying out in masses!!!! **DO NOT LET THIS KIND OF KILLING CONTINUE TO HAPPEN!!!!!!!.**

Please let our voices be heard,
Sincerely,
Michele and Eric Blanco
P6/(b)(6)

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Friday, March 29, 1996

President Bill Clinton
The White House
Washington, DC

Mr. President:

Please sign the bill banning partial birth abortions, or whatever you wish to call it. Our Congress has demonstrated strong support for the measure, in both houses. The people have demonstrated overwhelming agreement with the purpose of this measure, which is to end one more vestige of the willful, arbitrary ending of human life that abortion represents. Surely you have noted the massive influx of support for this legislation that has flooded your offices. And finally, there can be no rational reason for failing to approve a law that protects the innocent and defenseless from those who would take their lives in a manner so cruel and inhumane that our society no longer permits even remotely similar practices in the treatment of animals.

I admit that I did not vote for you, and I can think of virtually no circumstance in which I could be persuaded to in the future. Nonetheless, as a citizen of the United States and a member of the Naval Reserve, willing to be mobilized and serve in defense of my country and our way of life, I demand that you consider the implications of your veto on this bill. You claim to believe in God; you have heard his Word preached; surely you must realize that God alone has the prerogative of controlling the death of the innocent. God instituted human government to preserve order, to protect the weak from the strong, and to punish those who violate certain of His laws. He has permitted you to be our President. Show that you understand His sovereign will, that the government He allows you to lead will protect i

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ts
weakest members, children who are not yet born or are in the process of being born.

You chose to ascend to the position you now hold. Know for certain that you will be held accountable, not only by the electorate, but by God Himself. Hear the Honorable Mr. Hyde and understand that he leads the nation in imploring you to do what is right. There are no parties on the veto side of this bill who will incur any hurt, any pain that compares to the pain of the child who dies on his or her way into this world.

A sincere and obedient citizen,
Earl Charles Bennett, III

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[001F]

FAX

Michael and Alison Colton
P6/(b)(6)

Date 03/30/96

Number of pages including cover sheet 1

To: White House Counsellor

Phone

Fax Phone 202-456-6279

CC:

From: Alison Colton

Phone P6/(b)(6)

Fax Phone

REMARKS:

☒ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Dear Mr. Counsellor, Please pass this message to President Clinton.

Dear Mr. Pesident,

When you hear of all the miracles doctors perform these days saving premature babies, how can you defend the procedure of partial birth abortion? A few more inches out of the womb and down the birth canal, and this child would have all the rights of an American citizen. Then ending this life would be murder. Please reconsider your veto of the bill banning this procedure.

Respectfully,

Alison Colton

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Michael and Alison Colton
P6/(b)(6)

Date 03/30/96

Number of pages including cover sheet 1

To: President William J. Clinton

Phone

Fax Phone 202-456-6279

CC:

From: Michael D. Colton

Phone P6/(b)(6)

Fax Phone

REMARKS:

☒ Urgent ☐ For your review ☐ Reply ASAP ☐ Please comment

Dear Mr. President,

Doctors perform miracles these days saving premature babies. Therefore, how can I defend the procedure of partial birth abortion? A few more inches out of the womb and down the birth canal, and this child has all the rights of an American citizen. He doesn't have the right to vote, but I do. There are just some things more important than continuing my support of the Democratic Party.

Respectfully,

Mike Colton

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[0014]

MATTHEW SMALL

P6/(b)(6)

FACSIMILE COVER SHEET

To: ***Counsel to the President***

From: ***Matt Small***

Date: ***29 March 1996***

Pages (including cover): ***One***

Number called: ***202-456-6279***

Remarks: ***Partial birth abortion is an ABOMINATION and must be outlawed. I strongly urge the President NOT to veto this crucial legislation. This is not about choice. It is about basic human decency.***

Matt Small

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[0011]

ELIZABETH M. SMALL

P6/(b)(6)

FACSIMILE COVER SHEET

To: Counsel to the President

From: Betti Small

Date: 29 March 1996

Pages (including cover): One

Number called: 202-456-6279

Remarks: Partial birth abortion is an ABOMINATION and must be outlawed. I strongly urge the President NOT to veto this crucial legislation. This is not about choice. It is about basic human decency.

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[001j]

WINDY LION FARM

P6/(b)(6)

March 30, 1996

Mr. William Clinton
President
1600 Pennsylvania Avenue
Washington, D.C.

Dear Mr. President:

I am writing you concerning the Partial Birth Abortion Bill that has been passed by Congress. My husband, Paul, and I hope and pray that you do NOT vote this piece of legislation. We feel that this is a terrible death for a tiny little baby, that would be classified a preemie if allowed to travel three more inches down the birth canal.

Please reconsider your promise to vote this legislation. These little humans have no way to protect themselves. Is not this the Government's duty, to protect the weak from the strong??

My husband and I will continue to pray that you will sign the Partial Birth Abortion Bill into law.

Sincerely,

Jeanette M. Lion

Jeanette M. Lion

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March 29, 1996

Mr. Leon Panetta
Chief of Staff
White House
Washington, DC

Dear Mr. Panetta:

I am greatly disturbed and disappointed in hearing that the President has vowed to veto the so-called "Partial Birth Abortion" bill.

The President needs to show true moral leadership to his country by affirming what the people of the United States believe -- this procedure is the most despicable and repugnant procedure imaginable. To speak of the "health" of the mother is a transparent smokescreen to attempt to eviscerate this bill. What does he think of the baby that is mutilated and killed in a most violent and painful death. I believe it is not an exaggeration to say that the most heinous of Adolf Hitler's crimes does not exceed in brutality this procedure.

The President needs to know that this is a watershed issue for the American people. If he comes down on the side of brutality and murder of these innocent lives, the American people will call him to account. Needless to say, so will the Creator of life.

I appeal to all that is good and moral in our President to NOT veto this bill. It will be a dark day in our country's history if he does.

Owen Pigott

Herndon, VA

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Leon Panetta - Chief of Staff

April 1-1996

[001K]

We do NOT want President Clinton to Veto the Partial-Birth Abortions bill

Bonnie Rondabush

Donnie Rondabush

Brent Rondabush

Chris Gray

John S. Rondabush

Randall E Mclelvey

Kevin Rondabush

Jerry Turner

I just found out about this yesterday. If I had known about it earlier, I would have collected alot more names against the Veto

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FAX Transmission

From:	Fletcher Honemond	Your Company
Questions?	Call Your Phone Fax Your Fax	Address City, State ZIP
To:	Recipient Name	
Company:	Company	Fax, Phone
Address:	Address	City, State ZIP
Date:	April 1, 1996	
Time:	9:55 AM	Pages: Pages (including this one)

Message:

Mr President,

Please sign the Partial Birth Abortion Bill!

Thank You!

Fletcher Honemond

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
0011. fax	April Rose to President Clinton, Veto of Partial Birth Abortion Ban [partial] (2 pages)	04/01/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM Subject File-General
WE-003
OA/Box Number: 14117

FOLDER TITLE:
[159824CU]

2009-1006-F
kc163

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]
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[001L]

APRIL 1,1996

PRESIDENT BILL CLINTON
VICE PRESIDENT ALBERT GORE
CHIEF OF STAFF LEON PANETTA
SENIOR ADVISOR TO THE PRESIDENT,
GEORGE STEPHANOPOLOUS
WHITE HOUSE
WASHINGTON, DC

RE:PROPOSED VETO OF THE PARTIAL-
BIRTH ABORTION BAN

DEAR SIRS,

I AM WRITING TODAY TO URGE YOU TO RECONSIDER YOUR PROMISE TO VETO THE BAN OF THE RECENTLY PASSED PARTIAL BIRTH ABORTION BAN.

THIS TYPE OF ABORTION IS ONE OF THE MOST HORRENDOUS PROCEDURES THAT I HAVE EVER HEARD OF. IN YOUR DEEPEST HEART, POLITICS ASIDE, YOU MUST AGREE THAT THIS IS NOT A PROCEDURE THAT ANYONE WOULD WANT TO PUT THEIR STAMP OF APPROVAL ON. IF YOU CHOOSE TO VETO THIS BILL - YOU WILL GO DOWN IN HISTORY AS THE PRESIDENT WHO BELIEVED IT IS ACCEPTABLE TO FORCE A BABY FROM A MOTHER'S WOMB, UP TO THE CHILD'S HEAD, AND MURDER THE CHILD. THIS PROCEDURE IS IN FACT MURDER - IF THIS CHILD WAS BORN A FEW INCHES FURTHER, IT WOULD BE A LIVING, BREATHING BABY BOY OR GIRL. IF A DOCTOR WAS TO PERFORM THIS SO-CALLED MEDICAL PROCEDURE THEN, THERE WOULD BE NO QUESTION AS TO WHETHER OR NOT A MURDER HAD JUST OCCURRED. I DO NOT SEE HOW YOU COULD POSSIBLY IN GOOD CONSCIENCE VETO A BILL THAT IN ESSENCE BANS LEGALIZED MURDER. SOMEONE MUST LOOK OUT FOR THE BASIC RIGHT TO LIFE OF THESE BABIES SINCE THEY CANNOT ASK FOR THEIR OWN RIGHT TO LIVE. YOU, AS OUR LEADER MUST STAND UP FOR SANCTITY OF LIFE - IT IS YOUR DUTY.

PLEASE THINK AND PRAY LONG AND HARD BEFORE YOU DO THIS. THINK OF YOUR OWN PRECIOUS DAUGHTER AND THE DAY SHE WAS BORN. ALL BABIES ARE PRECIOUS LIVES THAT DESERVE THE BASIC RIGHT TO A LIFE. THEY ARE A LIFE FROM THE MOMENT THEY ARE CONCEIVED. I AM AN ADOPTED CHILD OF WONDERFUL PARENTS

P6/(b)(6) P6/(b)(6) P6/(b)(6) P6/(b)(6)

[0011]

P6/(b)(6)

P6/(b)(6) PLEASE GIVE THESE BABIES THAT CHANCE.

IN CLOSING, I WOULD ALSO LIKE FOR YOU TO CONSIDER THE TERRIBLE, PAINFUL DEATH THAT THESE BABIES ARE BEING PUT THROUGH. THEY ARE NOT "TISSUE". THEY ARE LIVING, MOVING, REAL BABIES WHO BUT FOR A FEW INCHES AND MINUTES MORE, WOULD BE BREATHING, CRYING, LAUGHING AND SMILING. CAPABLE OF LOVE, AND CAPABLE OF FEAR. HOW SAD TO HAVE THEIR ONLY EXPERIENCE AT LIFE BE ONE OF PAIN AND DEATH. I URGE YOU TO DO THE RIGHT THING - DON'T VETO THIS BILL AND SAVE THE LIVES OF COUNTLESS BABIES.

YOUR JOB AS PRESIDENT IS TO DO THE WILL OF THE MAJORITY. THAT IS WHY CONGRESS HAS VOTED FOR THIS BAN - 3 TIMES NOW - AND HAS GIVEN AN OVERWHELMING MAJORITY IN FAVOR OF THIS BAN. DO THE RIGHT THING - DO THE WISH OF THE PEOPLE IN THIS COUNTRY. DON'T VETO THIS BILL. IF YOU DO I FOR ONE WOULD NOT CONSIDER EVER VOTING FOR YOU IN NOVEMBER - AND I CAN PROMISE YOU THE SAME GOES FOR MANY, MANY PEOPLE.

THANK YOU FOR YOUR CONSIDERATION IN THIS MATTER. IF YOU HAVE ANY QUESTIONS OR COMMENTS, FEEL FREE TO CALL ME AT P6/(b)(6).

SINCERELY,

April Rose

APRIL R. ROSE

P6/(b)(6)

NLWJC - KAGAN

WHORM - BOX 004 - FOLDER 003

WE003 160823CU

FOIA Number: Kagan1

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: 14117

Scan ID: 160823CU

Document Number:

Folder Title:
WE003

Stack:	Row:	Section:	Shelf:	Position:
S	88	5	10	3

ID # 160823 CU

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

P-300 F
cc: Counsel
WE003

☐ O - OUTGOING
☐ H - INTERNAL
☑ I - INCOMING
Date Correspondence Received (YY/MM/DD) 96/04/08

Name of Correspondent: Owen Pigott

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Partial Birth Abortion - opposed text

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
M Quinn	ORIGINATOR	96/04/08	NS	C	96/04/08 DC
	Referral Note:				
WHAT26 (Kagan)	A	96/04/10	NS	C	96/08/19 DC
	Referral Note:		P-300F Sent		
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
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ACTION CODES:
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FOR OUTGOING CORRESPONDENCE:
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Comments:

SCANNED

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Send all routing updates to Central Reference (Room 75, OEOB).
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5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents:_____ Media: _____ Individual Codes: __.___ __.___ __.___

Prime Subject Code: __ ___.__ Secondary Subject Codes: __ ___.__ __ ___.__

__ ___.__ __ ___.__

__ ___.__ __ ___.__

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __	_____	Time: _____	P-_____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence
- n - **0** - Unknown
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- n - **2** - Bill Clinton
- n - **3** - Bill

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- n - **1** - Hillary Rodham Clinton
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- **T** - Telegram
- **V** - Telephone
- **X** - Miscellaneous
- **Y** - Study

160823CU

P-300f
sem

April 5, 1996

President Clinton
The White House
Washington, DC

Dear President Clinton:

This is a particularly sacred time of year for those of us who call themselves Christians. It is a time when the death of our Savior has made it possible that we may have life. I am encouraged when I hear that you identify yourself as a Christian as was reported recently that this time is also sacred to you as a Christian.

I continue to be deeply saddened and preplexed however by your stance on the Partial Birth Abortion bill. Only the God you say you serve can know your heart's motives - I cannot judge what I cannot see. But, Mr. President, I can judge what you DO. It is as clear as any issue that has ever faced a nation that this particular brand of abortion is barbaric. We as a people wouldn't even treat our animals in the way our cultlure permits us to treat our precious unborn infants. The animal rights activists would be all over Washington. The Post and New York Times would editorialize about the "heinous acts of barbarism". Why in the Name of the Great and Almighty Giver of Life do we cast aside the sacred lives of these little ones, all in the name of "protecting the health of the mother"??? Our Lord, Jesus Christ, has shown us how much He esteems children in the Scriptures when He said "I tell you the truth, unless you change and become like little children, you will never enter the kingdom of heaven".

Mr. President, I must tell you your argument against this bill to protect the "health of the mother" is unconvincing, and frankly transparent. What about the health of the infant, who is not just inconvenienced, but murdered in the most brutal and painful torture imaginable??? THIS QUESTION CRIES OUT FOR AN ANSWER!! WHAT IS YOUR RESPONSE??? WHERE IS JUSTICE FOR THESE SLAUGHTERED INNOCENTS??? If we as a people permit this to continue, then never again can we rise up against ANY nation and accuse them of war crimes or atrocities. The blood of these little ones will weigh so heavy on our national conscience, that our national shame will be evident to the world.

Mr. President, this is not an issue for national polls, nor of politics. This is an issue of JUSTICE. Even if you lose all else, stand for what is RIGHT and JUST. I know you may lose your liberal political base, but God requires no less of you.

I will pray for you, Mr. President, that by some miracle, God will change your mind on this issue. You have said you have prayed about this as well. Well, I would respectfully ask that you continue in prayer, because the answer you have received could not possibly have come from the God I serve.

> " With what shall I come before the LORD and bow down before the exalted God?
> Shall I come before him with burnt offerings, with calves a year old?
> Will the LORD be pleased with thousands of rams, with ten thousand rivers of oil? Shall I offer my firstborn for my transgression, the fruit of my body for the sin of my soul?
> He has showed you, O man, what is **good**. And what does the LORD require of you? **To act justly and to love mercy and to walk humbly with your God."** (Micah 6:6ff)

Respectfully,

Owen Pigott

Herndon, VA

NLWJC - KAGAN

WHORM - BOX 004 - FOLDER 004

WE003 160846CU

FOIA Number: Kagan1

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Subseries:

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S	88	5	10	3

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. fax	Phone No. (Partial) (3 pages)	04/05/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM Subject File-General
WE-003
OA/Box Number: 14117

FOLDER TITLE:
[160848CU]

2009-1006-F
kc162

RESTRICTION CODES

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P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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ID # 160846 CU

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

WE003
P-300F
cc: Counsel

☐ O · OUTGOING
☐ H · INTERNAL
☑ I · INCOMING
Date Correspondence Received (YY/MM/DD) 96/04/08

Name of Correspondent: Hon. Michael A. Kirk - Oregon

☐ **MI Mail Report** **User Codes:** (A) _____ (B) _____ (C) _____

Subject: Supports the signing of the Partial Birth Abortion legislation

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- **S** - Sealed
- **T** - Telegram
- **V** - Telephone
- **X** - Miscellaneous
- **Y** - Study

THE WHITE HOUSE

WASHINGTON

DATE: _____

TO: Correspondence

FROM: White House Counsel
Room 125, OEOB, x6-7901

- ☐ FYI
- ☐ Appropriate Action
- ☐ Let's Discuss
- ☐ Per Our Conversation
- ☐ Per Your Request
- ☐ Please Return
- ☐ Other

Please send form letters.

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P6/(b)(6)

760846 cu

[001]

To: **Jack Quinn**, Counsel to the President

From: Hon. Michael A. Kirk-Duggan.

A Very Important FAX

Date: 04/05/96 10:55 AM

P6/(b)(6)

Subj: The **Partial Birth Abortion Bill**

I am a practicing Roman Catholic, who is a Eucharistic Minister, and a Lector at Holy Cross Catholic Church, an African-American Jesuit Mission Church in Durham, NC. I am also an Advocate for the Tribunal of the Diocese of Raleigh. I was also a Hot-Line volunteer for the Battered Women's Center in Austin for 4 years. My wife is an ordained minister, and Associate Pastor at Russell CME Church in Durham.

I believe, along with the President, that abortions should be safe, legal and **rare**.

There are good arguments for signing or vetoing the Partial Birth Abortion legislation. I am in favor of signing it, recognizing that it has significant faults.

No matter what the President does concerning this legislation, he will meet a storm of opposition, and will lose politically.

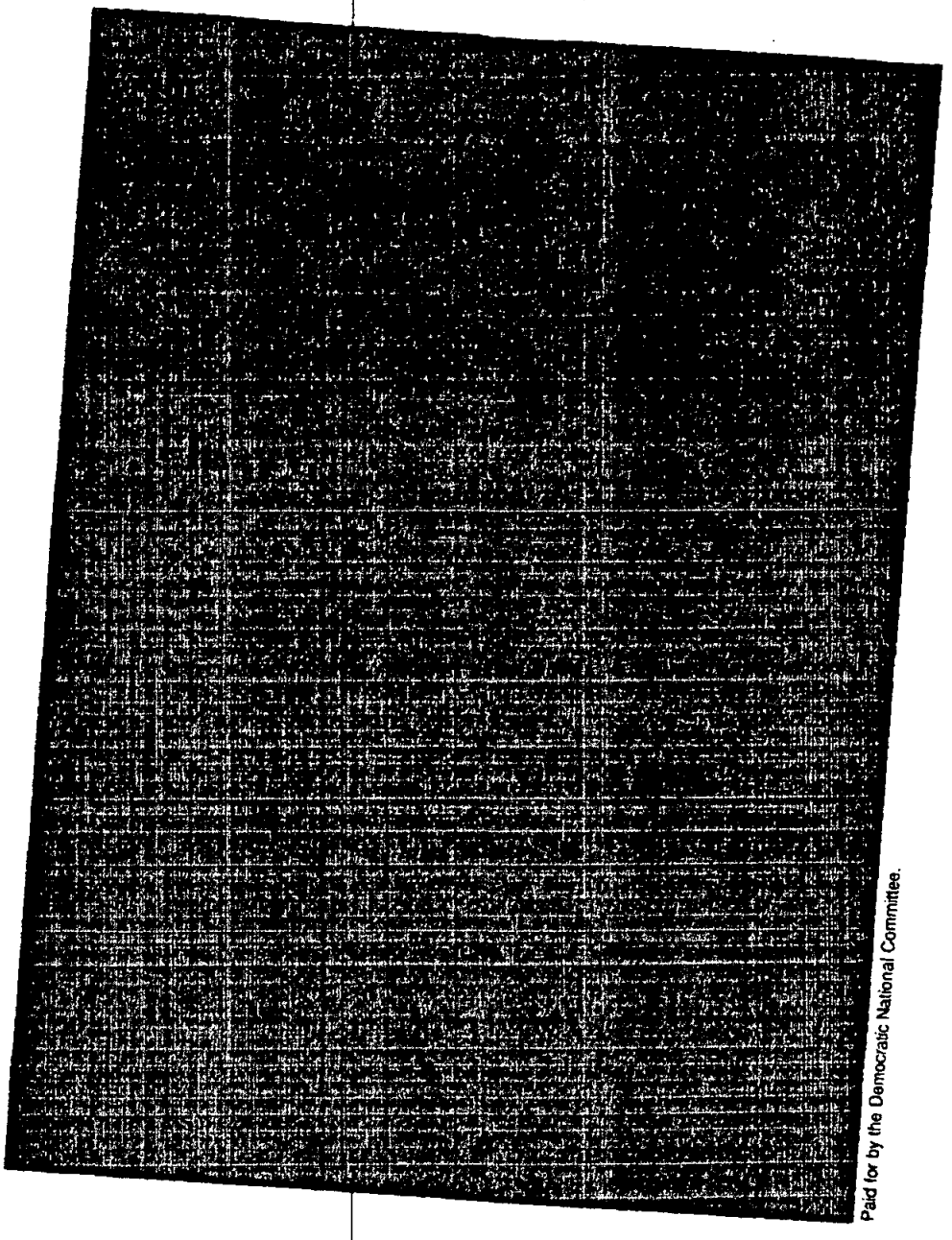
Therefore, may I suggest that, whatever decision he makes, he base it entirely on moral and ethical grounds. May I further suggest that those in the WH who favor or oppose this legislation state their views in 1-page memos, restricting their arguments to moral and ethical grounds.

If the President **justifies his decision on moral and ethical grounds**, I will continue to support him, even if I disagree with his conclusion. If he states the rationale for his actions upon other than moral or ethical grounds, then I will regard *Primary Colors* as an accurate measure of the President's character.

Best regards,

P6/(b)(6)

[001]



Paid for by the Democratic National Committee.

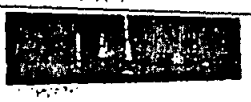
To Mike ~~Kris~~ Duggan,
your support and friendship during my first term
have meant much to me and our administration. Thank you.

Bill Clinton

P6/(b)(6)

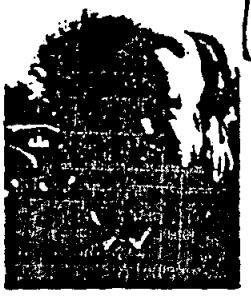
[001]

despite the economy's sighs, the Whitewater committee's growls, and this recent discovery: As reported in the infallible *Washington Times*, Our President took out a million-dollar insurance policy against personal legal claims three months before laying hands on Paula Corbin. The policy, costing $200 annually, recently paid out nearly the whole million to Mr. Clinton's lawyers. And the Clinton claque calls Hillary's cattle futures return spectacular! February also witnessed the first Republican primaries from which Mr. Steve Forbes and Mr. Pat Buchanan emerged as leading candidates, though the press urges caution. All manner of phenomena are pointed to as bad news, particularly for Buchanan.



РОССИЯ

"Yes, Comrade Andropov, I understand my orders"



A thirst for power: drinks on the house

Glad tidings on the disgusting sexual acts front! Dr. Leonard Jacob informed the annual meeting of the American Association for the Advancement of Science in Baltimore, Maryland, that various horrific sexually transmitted diseases and even plagues might successfully be combated by compounds gouged from the bodily remains of the dogfish shark and the African clawed frog. The substances, called magainins and squalamines, have already been used on some humans and near humans, though it is always difficult to induce the near humans to commit the disgusting sexual acts required to trigger these diseases. At any rate, the discoveries could prove to be a setback for the Buchanan campaign, for if America reverts to Fortress America, how will researchers ever have the opportunity to discover such benign aliens as the African clawed frog? In Little Rock, Arkansas, U.S. District Judge George Howard, Jr. announced that Our President, despite his busy schedule, must give evidence in the March trial of his former partners the McDougals and Governor Jim Guy Tucker. Mr. Clinton will not have to appear in person and can probably give his testimony by satellite or videotape, unaccompanied, alas, by polygraph.

There was jubilation at Harvard University among the faculty of the Department of Economics and within the Afro-

ally the consequence of [illegible] Penguin to market cheap editions of political classics to a British audience in a frenzy for political classics. Also doing very well are Machiavelli's *The Prince*, and Thomas More's *Utopia*. *Mein Kampf* might also be a bestseller, its author also having the distinction of being an economic lunatic and the inspiration for unparalleled carnage. The Pope visited Guatemala, Nicaragua, El Salvador, and Venezuela. His theme was peace and his constant companion, Kaopectate.

London officials are alarmed at the increasingly warlike tendencies of British vegetarians. Auspicating a vast and bellicose campaign against farmers and hamburgers in general, the Vegetarian Society is depicting the common cow as a "cocktail" of dangerous drugs — and one can only imagine the enmity towards the "cocktail" harbored by these bunny-food eaters. Also in February a very sickly man reeking of carrot juice and legumes, Mr. Steve Conner, represented himself as a spokesman for the Vegetarian Society and issued a chilling threat to all meat producers, saying that they had been "peddling their grisly wares for far too long." In fact, one of the Society's ads even panders to sexual perversion, featuring a rather grand picture of the hind quarters of a bull and focusing on a chandelier of flesh hanging between its legs. The ad insists that bovine testicles comprise a major ingredient in hamburgers, as do intestines, and rectums. In Los Angeles, California, a jury of his peers brought to flummox the state's case against Mr. Snoop Doggy Dogg on charges of assault and manslaughter. The 24-year-old rap artist and Haile Selassie look-alike whose fast-paced lifestyle has left him looking three times his age, displayed no emotion when, after two days of judgments, a spokesman for the jury pronounced Mr. Doggy Dogg not guilty of all charges against him in the past, the present, and the future. The decision was a disappointment to the Buchanan campaign, which had hoped Mr. Doggy Dogg would be incarcerated and limited in his capacity to campaign for Mr. Lamar Alexander.

Attn: Frank Monicalo, USCP

Its good to know that Buckley's Nat. Rev. [Mater, Sic. Magister No!] has a worthy successor for Papal-Bashing

Regards

Mike Kirby

NLWJC - KAGAN

WHORM - BOX 004 - FOLDER 005

WE003 160904CU

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Bill Clinton to Diane Reagan; RE: Address (partial) (1 page)	08/07/1996	P6/b(6)
002. letter	Diane Reagan to Office of the White House Counsel; RE: Address (partial) (1 page)	03/29/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
WE003
OA/Box Number: 14117

FOLDER TITLE:
160904cu

2009-1006-F
db1555

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]
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P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
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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.

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ID # 160904 CU

WE 003

P-300 E

cc: Counsel

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING

☐ H - INTERNAL

☑ I - INCOMING

Date Correspondence Received (YY/MM/DD) 96/04/08

Name of Correspondent: Diane C. Reagan

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Wants the President not to veto the partial birth abortion ban

ROUTE TO: Office/Agency (Staff Name)	ACTION: Action Code	Tracking Date YY/MM/DD	DISPOSITION: Type of Response	Code	Completion Date YY/MM/DD
WQuinn	ORIGINATOR	96/04/08		A	96/04/08
	Referral Note:				
WAT 26 (Reagan)	C	96/04/10	CP2A	A	96/08/09
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				
		/ /			/ /
	Referral Note:				

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure
I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:

A - Answered
B - Non-Special Referral
C - Completed
S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments: _____

SCANNED

Keep this worksheet attached to the original incoming letter.
Send all routing updates to Central Reference (Room 75, OEOB).
Always return completed correspondence record to Central Files.
Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents:_____ Media: _____ Individual Codes: __.____ __.____ __.____

Prime Subject Code: __ ___.__ Secondary Subject Codes: __ ___.__ __ ___.__

__ ___.__ __ ___.__

__ ___.__ __ ___.__

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence
- n - **0** - Unknown
- n - **1** - William J. Clinton
- n - **2** - Bill Clinton
- n - **3** - Bill

CLn - First Lady 's Correspondence
- n - **1** - Hillary Rodham Clinton
- n - **2** - Hillary Clinton
- n - **3** - Hillary
- n - **4** - Mrs. Hillary Clinton

CBn - Presidential & First Lady's Correspondence
- n - **1** - Hillary & Bill Clinton
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MEDIA CODES:

- **B** - Box/package
- **C** - Copy
- **D** - Official document
- **F** - FAX
- **G** - Message
- **H** - Handcarried
- **L** - Letter
- **M** - Mailgram
- **O** - Memo
- **P** - Photo
- **R** - Report
- **S** - Sealed
- **T** - Telegram
- **V** - Telephone
- **X** - Miscellaneous
- **Y** - Study

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
WE003
OA/Box Number: 14117

FOLDER TITLE:
160904cu

2009-1006-F
db1555

RESTRICTION CODES

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August 7, 1996

Ms. Diane C. Reagan

P6/(b)(6)

[001]

Dear Diane:

Thank you for your letter regarding H.R. 1833, the so-called "partial birth abortion ban." As you know, I have vetoed this bill, but I appreciate your sincerity and candor on this difficult issue. Because my position on this bill has been widely misunderstood, I'd like to explain it as clearly as I can.

I am against late-term abortions and have long opposed them, except, as the Supreme Court requires, where necessary to protect the life or health of the mother. As Governor of Arkansas, I signed into law a bill that barred third trimester abortions, with an appropriate exception for life or health, and I would sign a bill to do the same thing at the federal level if it were presented to me.

The particular procedure described in H.R. 1833 poses a difficult and disturbing issue, one which I studied and prayed about for many months. When I first heard a description of this procedure, I anticipated that I would support the bill. But after I studied the matter and learned more about it, I came to believe that this rarely used procedure is justifiable as a last resort when doctors judge it necessary to save a woman's life or to avert serious consequences to her health.

In April, I met several women who desperately wanted to have their babies and were devastated to learn that their babies had fatal conditions and would not live. These women wanted anything other than an abortion, but were advised by their doctors that this procedure was their best chance to avert the risk of death or grave harm which, in some cases, would have included an inability to bear children. For these women, this was not about choosing against having a child. Their babies were certain to perish before, during, or shortly after birth. The only question was how much grave damage the mother was going to suffer.

Clinton Library Photocopy

Some have raised the question whether this procedure is ever most appropriate as a matter of medical practice. The best answer to this question comes from the medical community, which broadly supports the continued availability of this procedure in cases where a woman's serious health interests are at stake. In those rare cases, I believe the woman's doctors should have the ability to determine, in the best exercise of their medical judgment, that the procedure is indeed necessary.

The problem with H.R. 1833 is that it provides an exception to the ban on this procedure only when a doctor believes that a woman's life is at risk, but not when the doctor believes that she faces real, grave risks to her health. I support an exception that takes effect only where a woman faces real, serious adverse health consequences. Some have cited cases where fraudulent health reasons are relied upon as an excuse -- excuses I could never condone. But people of good faith must recognize that there are also cases where the health risks facing a woman are deadly serious and real. It is in those cases that I believe an exception to the general ban on the procedure must be allowed.

That is why I implored Congress to add a limited exception for the small number of compelling cases where use of the procedure is necessary to avert serious adverse health consequences. Congress ignored my proposal, but I have continued to make it clear that if Congress will produce a bill that meets my concerns, I will sign it.

In short, I do not support the use of this procedure on demand or on the strength of mild health complaints. But I do believe that we cannot abandon women, like the women I spoke with, whose doctors advise them that they need the procedure to avoid serious injury. I continue to hope that a solution can be reached on this painful issue.

Once again, I appreciate hearing your views, and I am grateful that you took the time to write.

Sincerely, BILL CLINTON

BC/lynn (Corres. #3083047)
(p-300f)
(8-7p300f2)

cc: Counsel

960819

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. letter	Diane Reagan to Office of the White House Counsel; RE: Address (partial) (1 page)	03/29/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
WE003
OA/Box Number: 14117

FOLDER TITLE:
160904cu

2009-1006-F
db1555

RESTRICTION CODES

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16 0904 CU
P-300f
sem

DIANE C. REAGAN
ATTORNEY AT LAW

P6/(b)(6)

[002]

March 29, 1996

The Office of the White House Counsel
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Re: *Communication with the White House*

Dear Sir:

I tried to call the White House today and was shocked that I could not get through on any of the public numbers. I find it disgraceful that the White House has completely cut itself off from the voices of those of us who put this administration in office.

Presumably, the official response will be that the White House was too overwhelmed by calls to respond after Focus on the Family asked its listeners to voice their opinions regarding the partial birth abortion ban. It strains credulity to believe that the White House could not find a way to handle this communications problem with all of its resources. Couldn't some of the "full voicemails" have been rolled over to new tapes? Why were some of the numbers I called unanswered during regular business hours? Couldn't any of the federal government communications experts handle this problem? Is this another example of our tax dollars "at work"?

Was it really an unsolvable equipment problem or has the administration decided that once in Washington the opinions of other Americans don't count? Has the administration decided to only listen to the opinions of those with whom it agrees? It is obvious that you have decided to exclude the opinions of Focus on the Family listeners. I find this tact discriminatory and highly offensive.

I am hopeful that you have not instructed the postal service to "deep six" any mail directed to you within the next few days on the possibility that it could contain views different from yours.

Clinton Library Photocopy

I am writing to ask you to advise the President not to veto the partial birth abortion ban. The bill, as passed by Congress clearly reflects the views of the majority of Americans and provides ample safeguards for the protection of the life of the mother. To permit the killing of these partially born babies short of preservation of the life of the mother is to permit a monstrous evil.

Very truly yours,

By Diane C. Reagan
DIANE C. REAGAN

NLWJC - KAGAN

WHORM - BOX 004 - FOLDER 006

WE003 161325CU

FOIA Number: Kagan1

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: 14117

Scan ID: 161325CU

Document Number:

Folder Title:
WE003

Stack:	Row:	Section:	Shelf:	Position:
S	88	5	10	3

Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Bruce and Joan Dalman to Abner Mikva; RE: Address (partial) (1 page)	04/01/1996	P6/b(6)
002. paper	Bruce Dalman; RE: Address (partial) (1 page)	04/22/1996	P6/b(6)

COLLECTION:
Clinton Presidential Records
WHORM-Subject File-General
WE003
OA/Box Number: 14117

FOLDER TITLE:
161325cu

2009-1006-F
db1556

RESTRICTION CODES

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ID # 161325 CU

WE003

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☐ I - INCOMING
Date Correspondence Received (YY/MM/DD) 96/04/10

Name of Correspondent: Bruce + Jon Dalman

☐ **MI Mail Report** **User Codes: (A)** _____ **(B)** _____ **(C)** _____

Subject: Opposes the veto of the partial birth abortion bill

ROUTE TO: **ACTION** **DISPOSITION**

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
MQuinn	ORIGINATOR	96/04/10		C	96/04/10
	Referral Note:				
MAtze (Kagan)	A	96/04/17		C	/ /
	Referral Note:				
Tim Hooper	F	[illegible]		C	96/04/16
	Referral Note:				
COMADD SCANNED	A	96/04/22	File/NRN	C	96/04/22
	Referral Note:	p. 300 pending - 2/28/96 - See Quorum 274463			
		/ /			/ /
	Referral Note:				

WSWS

ACTION CODES:
A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet to be used as Enclosure
I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
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Comments: _____

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5/81

RECORDS MANAGEMENT ONLY

CLASSIFICATION SECTION

No. of Additional Correspondents:_____ Media: _____ Individual Codes: __.____ __.____ __.____

Prime Subject Code: __ ___.__ Secondary Subject Codes: __ ___.__ __ ___.__

__ ___.__ __ ___.__

__ ___.__ __ ___.__

PRESIDENTIAL REPLY

Code	Date	Comment	Form
C __	_____	Time: _____	P- _____
DSP	_____	Time: _____	Media: _____

SIGNATURE CODES:

CPn - Presidential Correspondence
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- n - **2** - Bill Clinton
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- n - **1** - Hillary Rodham Clinton
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- **X** - Miscellaneous
- **Y** - Study

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
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COLLECTION:
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WE003
OA/Box Number: 14117

FOLDER TITLE:
161325cu

2009-1006-F
db1556

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[OOD]

16 1325 CU

April 1, 1996

Quorum
2744630

Abner Mikva
Head Council
White House
Washington, DC

Dear Mr. Mikva,

I am writing to express my husbands and my great distress over the Presidents decision to veto the bill to ban partial birth abortions. Our position was eloquently expressed by Congressman Henry Hyde on Wednesday March, 27th on the House floor.

Our request is that you encourage the President not veto this bill which protects the life of viable, defenseless babies from a barbaric and inhumane death.

Sincerely,

Bruce and Joan Dalman

P6/(b)(6)

Clinton Library Photocopy

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. paper	Bruce Dalman; RE: Address (partial) (1 page)	04/22/1996	P6/b(6)

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OA/Box Number: 14117

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[002]

SCREEN COPY FOR USER GLORIAC PRINTED ON 12:04:13 Apr 22 1996

.....Constituent.Summary.View.....

Record: 3486058.A Revised: 03 Apr 96 Entered: 28 Feb 96

Mr. and Mrs. Bruce Dalman
Dear Joan and Bruce

P6/(b)(6)

No business address

No additional information

No affiliations

Group:

.Contact.Aide.Type..Code.....Status

.History.Aide.DateIn/Out..Letter/Subject.....

2744630	lhm	28 Feb 96	/ma/robo/p/p-300
		Pending	SOC.ABORTN.V.N

Please send form letter.

Clinton Library Photocopy

We only have a Presidential response for this issue - It is written to former W.H. Council MIKVA -- not to the President. Can't answer this one -

Gloria Chaka
Rm 58

Mary Lou:
I agree with Gloria! But see Jim's note.... can I include the ones below for a NOBO answer? Same deal - addressed to Staff -
THANKS! Jan

Please just send the same letter with Jack Quinn's name on it.
Question: Is P/S response from POTUS file ORM? Or over the transom to Deb Mahoney?

NLWJC - KAGAN

WHORM - BOX 004 - FOLDER 007

WE003 214284SS

FOIA Number: Kagan

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: 14117

Scan ID: 214284SS

Document Number:

Folder Title:
WE003

Stack:	Row:	Section:	Shelf:	Position:
S	88	5	10	3

214284 SS

WE003

april 10, 97 memo Re: "Partial-Birth" abortion

THE PRESIDENT HAS SEEN
4/14/97

THE WHITE HOUSE
WASHINGTON

'97 APR 11 PM4:03

April 10, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: **John Hilley** John Hilley
Elena Kagan
Tracey Thornton

SUBJECT: **"Partial-Birth" Abortion**

any possibility we can get any Catholics to support the Daschle bill in its ~~new~~ restrictive form? worth pointing out to women reader/abortion-minded partial birth abortions — BC

ALTERNATIVES TO THIS PROCEDURE

You have asked whether the so-called partial-birth procedure is ever necessary to save the life of a woman or avert serious harm to her health. Considerable medical uncertainty surrounds this question. The doctors of the women you met with believed the procedure was necessary to prevent serious injury, and other doctors have said that the procedure, in certain circumstances, is or may be the safest one to use. Still other doctors have disputed that health considerations ever demand use of the procedure.

Perhaps the most reliable opinion is from the American College of Obstetricians and Gynecologists (ACOG), which issued a statement in January addressing the procedure. (ACOG, like most other medical groups, calls the procedure an intact dilatation and extraction or intact D&X.) According to the statement, "A select panel convened by ACOG could identify no circumstances under which this procedure would be the only option to save the life or preserve the health of the woman." (Emphasis in original.) The statement then went on: "An intact D&X, however, may be the best or most appropriate procedure in a particular circumstance to save the life or preserve the health of a woman, and only the doctor, in consultation with the patient, based upon the woman's particular circumstances can make this decision." In sum, doctors have other options, but those other options may be more risky or otherwise more undesirable from a medical standpoint.

Other groups of doctors, with a greater stake in the abortion controversy, have taken more definitive positions. The Society of Physicians for Reproductive Choice and Health issued a statement last month saying that "in complex obstetrical situations, dilatation and extraction is the safest procedure to use. ~~It carries the least risk of bleeding, perforation, infection or trauma to the~~ birth canal." On the other hand, a group of mostly pro-life physicians called PHACT has written that "there are absolutely no obstetrical situations requiring the destruction of a partially delivered

fetus," and indeed that the procedure involves serious risks of maternal hemorrhage, uterine rupture, and infection.

A recent article in the "New York Times" noted that the partial-birth procedure is only one of three procedures (all of them "pretty gruesome," as one doctor quoted in the article said) that can be used to end pregnancies after 20 weeks. The article reported that three of the twelve abortion specialists interviewed generally prefer the procedure on the ground that it poses less risk of uterine perforation. The article also noted that one doctor who does not usually use the procedure has done so on particular occasions because "the woman's anatomy or the fetus's size demanded it."

Given the state of medical evidence on this subject, an exception for women who need the procedure to prevent serious harm is appropriate. Such an exception would enable the attending doctor -- the person with the most relevant knowledge -- to make the complex decision whether the procedure is in fact medically necessary in a given set of circumstances. The uncertainties surrounding this issue, however, caution against your making any estimates of the number of women whose health, without this procedure, would be at risk of serious harm. Any such estimates, however large or small, would be difficult to support.

HOUSE CONSIDERATION

On March 20 the House passed a bill identical to the one you vetoed last year (H.R. 1122) by a vote of 295-136, five (5) votes more than the two-thirds necessary to override a veto when all Members are present and voting. Since the September 1996 veto override vote in the House, only three Members -- all Republicans -- switched their votes from supporting your veto to supporting the legislation (Representatives Shays (R-CT), Freylinghausen (R-NJ) and Sue Kelly (R-NY). They all indicated that an abortion rights advocate's recent statement that he lied about the number and circumstances of late-term abortions influenced their switch. All 73 Republican freshmen voted for the bill, and 22 of the 42 freshmen Democrats voted against it.

Two different alternatives were offered during the House debate on the floor. The first was a Hoyer (D-MD)/Greenwood (R-PA) substitute which would ban all post-viability abortion procedures with an exception if the woman's life were in jeopardy or if she faced "serious adverse health consequences" without the procedure. The Hoyer/Greenwood substitute was ruled non-germane by the House parliamentarian and a motion to appeal that ruling failed by a vote of 265-165. A second motion to recommit, offered by Congressman Frank (D-MA), would have amended the underlying bill to provide a health exception where the procedure is performed to spare a woman "serious adverse long-term physical health consequences." This health exception would have applied to both pre- and post-viability abortions using the "partial birth" method. That motion failed 149-282.

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Opponents of these two alternatives argued that both health exceptions were either overly broad, and therefore would not prevent any procedures, or unnecessary, because there is no instance where this specific procedure is medically necessary to protect the health of the mother. House Judiciary Committee Chairman Henry Hyde, one of the leading proponents of the legislation, has gone even further in publicly stating that, while he will trade "a life for a life," he will "never trade life for health." Given Mr. Hyde's position, which has broad support in the Republican caucus, it is extremely unlikely that any late-term abortion measure that contains even a very narrow health exception will pass the House.

SENATE CONSIDERATION

You will recall that last September the Senate failed by nine (9) votes to override your veto of this legislation (57-41). Senator Lott has indicated that "partial birth" will be on the floor when he has the votes to override a veto, but Senator Daschle is preparing for consideration at any time this month.

The Senate dynamic is somewhat different from the House. First, in his leadership role, Senator Daschle has taken a personal interest in trying to find a compromise that will pass and is also consistent with Roe vs. Wade. Both Senators Daschle and Mikulski recently spoke out strongly in a Democratic caucus meeting that Members should not make up their minds about this issue until after they have considered an alternative being crafted by Senator Daschle (discussed below).

To date, only one Senator who voted against the "partial birth" abortion ban last year has publicly announced that he intends to switch his vote to support the ban -- Senator Hollings, who is up for reelection in '98 and whose state of South Carolina recently enacted a "partial birth" ban (March 1997). Other states that have recently enacted similar bans are listed below.

For his part, Senator Daschle thoroughly understands this area and intends to cast a wide net to try to capture what he regards as the center here. He has held a number of meetings with his colleagues on both sides of the aisle and they have encouraged him to continue his efforts. His aim is to try to construct language that gets the votes to pass the Senate and he is talking to Senators personally to see what it will take to secure those votes. Senator Daschle also recognizes, though, that if he is unsuccessful in getting a majority vote, he still must get a strong vote on his alternative in order to keep enough Members voting to sustain the veto.

The Daschle alternative would ban all abortions after fetal viability unless the mother's life or health is truly endangered. The health exception is being drafted to cover three categories of medically diagnosable conditions based on their severity: (1) disease or illness related to the pregnancy itself, such as serious heart damage or severe hypertension; (2) inability to treat aggressive cancers or life-threatening conditions such as non-Hodgkin's lymphoma, breast cancer, leukemia or diabetes complications ; and (3) injury or loss of function such as paralysis, uterine rupture or future fertility. These categories set parameters to cover circumstances connected

rupture or future fertility. These categories set parameters to cover circumstances connected directly to continuation of the pregnancy but the ultimate decision of which conditions fit within these categories is left to the physician's best judgement. In terms of the sanctions, like the Republican bill, Daschle's alternative also provides for criminal penalties where the ban is violated. [Daschle one-pager attached]

There may be a series of targeted amendments offered as well that will be designed to focus attention on the health issue. For example, amendments could list specific health conditions that would be excepted like breast cancer or diabetes. Another approach would be an amendment that would require that the procedure most protective of a woman's health be used. These would be constructed as message-type amendments to be used only if necessary.

Basically, there are six (6) pro-choice Republicans very much in play for Daschle to pick-up on his compromise: Campbell, Chafee, Collins (ME), Jeffords, Snowe and Specter. Senator Snowe, who has been working closely with Daschle, has indicated that Hutchison (TX), Roth and Stevens are also possible pick-ups but they are long-shots. Daschle has asked Snowe to continue to work her Republican colleagues. With these Republican numbers, Daschle will have to get almost all 45 Democrats in order for his alternative to pass. During the last Congress, four (4) Democrats currently serving voted against a Boxer amendment (Hoyer/Greenwood-type language) which would have applied the ban post-viability only with a health exception: Breaux, Ford, Reid (NV) all three (3) pro-life and Conrad (mixed voting record on abortion). The pro-life Democrats will be the most difficult for Daschle to convince to vote for his alternative because of the strongly held pro-life view that there should be no exception for a woman's health. Both Reid and Breaux are up for reelection in '98. New Senators Landrieu and Cleland will require some work to get their support. In terms of pro-choice and mixed-voting-record Democrats who supported overriding your veto -- Biden, Conrad, Dorgan, Leahy, and Moynihan -- most, if not all, of them will vote for the Daschle alternative. Biden, Dorgan and Leahy voted for the Boxer amendment and Moynihan was absent the day of the vote.

Much of the outcome here depends on the procedural posture under which this compromise arises. While we do not know what that situation will be when the Senate takes this matter up, we can be sure that if the Republicans believe that the Daschle alternative actually has a chance of passing, they will demand at least a separate up or down vote on the underlying Republican bill and there would also be an up or down vote on Daschle. If both pass, both would go into conference with the House-passed bill that you vetoed last year, and we certainly cannot predict what the outcome would be of this conference which would be under the exclusive control of the Republicans. It is likely that they would simply come back with the bill you previously vetoed since most House Republicans, lead by Messrs. Hyde and Canady, are unlikely to accept any measure which contains a health exception. Another possibility is that they would keep both Daschle and the vetoed bill together but further narrow the health exception in the Daschle alternative. **Keep in mind though that the Daschle health exception only applies to abortions after viability. This means that, if they combine the Daschle alternative with the Republican bill, the Republican bill would control in cases where the "partial birth"**

procedure is performed <u>before</u> viability and therefore, in such instances, there would only be an exception for the life of the mother but <u>not</u> her health.

Procedurally, Daschle's vote count will be higher if Members are able to cast votes on both his alternative and on the underlying Republican bill -- there will be a lot of folks who would vote for both. Members like those who voted for the Boxer amendment and also supported an override would fit into this category. Leahy, Biden, Specter, Campbell and Dorgan are examples. In addition, both Cleland and Landrieu are candidates for voting for both versions. Hollings is obviously in this category now as is freshman Senator Tim Johnson (D-SD) who voted to override your veto when he was in the House. A measure which contained both the Daschle alternative and the underlying Republican bill would probably have the votes to pass the Senate.

Another component of this mix is the strong, unabashed pro-choice wing which includes Members like Boxer, Feinstein and Moseley-Braun. Bolstered by the pro-choice lobby, this group has warned Senator Daschle that they will not support his alternative if the health exception is too narrowly drawn. While this group is not a large one, the vote situation is so tenuous that Daschle does not have a vote to spare on his alternative. For now, he is continuing to canvas other Members and when he has a better idea of his vote count, he will be able to determine the best course of action to take with regard to this group. The language in the alternative is still fairly fluid and changes can be made to accommodate these Members; but in the end, this group will have to come back into the fold. Of course, there is absolutely no danger of any Senators in this group voting to override a veto.

Mention should also be made of Members who are up for re-election in 1998. Senator Harkin has painted for a number of these Democrats -- most notably Senators Murray, Dodd, and Feingold -- a very dire description of how his vote to sustain your veto played in his '96 race. As for Dodd, and to some degree Lieberman, another concern is the fact that moderate House Republican Chris Shays (CT) switched and voted to support the measure. The pro-life community is spending a substantial amount of money running TV ads in certain key states. But countering the Harkin experience is Senator Durbin's '96 race; Durbin has told a number of Members that what matters most is how they talk about this issue.

If the Daschle alternative does not pass, the question becomes which supporters of his alternative will vote for final passage of the Republican bill? As previously pointed out, a strong Daschle vote just shy of passing will likely help in much the same way the Boxer vote happened last year -- 47 Senators voted for her amendment and 41 voted to sustain the veto.

Finally, the ultimate success of Daschle's effort either in passing or getting veto override strength depends a great deal on the rhetorical battle that will become much more intense as this bill goes to the floor. So far, unlike the House, Senate Republican have not been able to publicly unnerve the Daschle bloc. This is due more than anything to the hard work being put into this effort by Senator Daschle and his team. The fact that the effort has become a Leadership driven initiative is also critical. So the proponents' argument that the recent exposure of the "lies" told by the pro-

choice lobby should cause Senators to reevaluate their position is being countered by the Daschle camp with the fact that, unlike the Daschle alternative, the Republican bill would not stop a single abortion; it would merely result in abortion by other methods, all of which pose a greater risk to the woman's health. By contrast, the alternative would outlaw these late-term abortions entirely no matter what the method and thereby actually reduce the number of abortions in this country without putting women at unacceptable risk. Finally, the Daschle approach permits the argument that even if Congress overrides your veto, the Republican bill will be struck down because its pre-viability restrictions significantly intrude upon the essential holding of the Roe vs. Wade decision. Enactment of the Daschle alternative allows Congress to pass a comprehensive, constitutional ban to stop unnecessary abortions of viable fetuses and is a ban that you would sign.

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STATES THAT HAVE RECENTLY ENACTED PROCEDURE SPECIFIC BANS

Georgia : "Partial-Birth" Ban (March 1997)

Michigan: "Partial-Birth" Ban (June 1997); legal challenge filed

Mississippi: "Partial-Birth" Ban (March 1997)

Ohio: "Dilation and Extraction" Ban (August 1995); enjoined by Federal district court and appeal filed with 6th circuit

South Carolina: "Partial-Birth" Ban (March 1997)

South Dakota: "Partial-Birth" Ban (March 1997)

Utah: "Partial-Birth" and "Dilation and Extraction" and "Saline Abortion" Bans (March 1996)

Bipartisan Alternative to S. 6/H.R. 1122

S. 6, the "Partial Birth Abortion Ban", would outlaw the procedure physicians call dilatation and extraction (D&X) at any stage of pregnancy -- with no exception for the health of the mother -- but allow other, sometimes more dangerous abortion procedures to be used in its place.

The bipartisan alternative to S. 6 would ban all abortions after fetal viability (when the fetus can sustain survivability outside the womb with or without life support) unless the mother's life or health is truly endangered. The health exception to the comprehensive ban is being written to cover only very rare situations that arise from complications of the pregnancy itself, such as serious heart damage (cardiomyopathy), severe hypertension (pre-eclampsia), and, as in the cases of some women carrying severely deformed fetuses, uterine rupture and other injuries; from pre-existing conditions that become very dangerous, such as complications from diabetes (blindness, amputation); or from newly diagnosed diseases, such as aggressive cancers (acute leukemia or breast cancer) that require treatment that cannot be given during pregnancy.

Constitutional Parameters Limiting Government Restriction of Abortion

Right To Terminate Pregnancy Prior To Viability: Roe v. Wade held that the Constitution protects "a woman's decision whether or not to terminate her pregnancy." This holding was reaffirmed in Planned Parenthood of Southeastern Pennsylvania v. Casey, in which the Supreme Court held that "it is a constitutional liberty of the woman to have some freedom to terminate her pregnancy."

Viability Defined: According to the Court, "viability is the time at which there is a realistic possibility of maintaining and nourishing a life outside the womb, so that the independent existence of the second life can in reason and all fairness be the object of state protection that now overrides the rights of the woman." Although the actual point of viability varies with each case, it is generally reached between the 23rd and the 28th week.

Government May Ban Abortion After Viability: In Casey, the Supreme Court reiterated Roe's determination that after viability, the State may ban abortion. Many states have done so, and post-viability abortions comprise less than 0.5% of all abortions (99% occur in the first 20 weeks).

Ban Must Have An Exception When A Woman's Life or Health Is At Risk: According to Roe and Casey, although the State has a legitimate interest in preserving potential life, and may promote this interest by prohibiting abortion once the fetus attains viability, it may not do so when preventing an abortion would endanger the life or health of the mother. The Court has consistently held that "maternal health [must] be the physician's paramount consideration."

Would S. 6 prevent abortions? No. S. 6 would not stop a single abortion; it would merely result in abortion by a different method, such as induction, hysterotomy (pre-term c-section), or dilatation and evacuation (D&E) -- all of which pose a greater risk to the mother's health in certain cases.

Can S. 6 become permanent law? No. Even if Congress overrides a Presidential veto, S. 6 is clearly unconstitutional, so it will be struck down by the courts and have no ultimate effect.

Can something be done to stop unnecessary abortions of viable fetuses? Yes. Congress can pass a comprehensive post-viability abortion ban with a narrow life and health exception that will outlaw these very late-term abortions. This will actually reduce the number of abortions in this country without putting women at unacceptable risk. This ban would be constitutional, and the President would sign it.

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Daschle and Feinstein amendments

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THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
5/14/97

May 13, 1997

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MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: DASCHLE AND FEINSTEIN AMENDMENTS

I fully agree — no one can seriously say D. wouldn't stop for most abortions w/ left human damage — Let's do it now

B.C

As you know, the Senate is taking up the Partial Birth Abortion Act (HR 1122) this afternoon. We expect Senator Daschle and Senator Feinstein to offer substitute amendments during the course of the debate. We recommend that you send a letter to Congress indicating that you would accept either of these substitute proposals. John Hilley and Rahm strongly agree, believing that a letter of this kind will help prevent a veto override on this issue. The proposed letter is attached; if you agree to send it, we will put it into final form for your signature.

Background

Both the Feinstein and the Daschle amendments prohibit post-viability abortions generally. They thus differ in two crucial ways from HR 1122: (1) they apply to all procedures, including but not limited to the "partial birth" procedure, and (2) they apply only to abortions performed after the fetus has become viable.

Both amendments impose civil, rather than criminal, penalties. Feinstein's would fine the physician up to $10,000 for a violation. Daschle's would result in a fine of up to $100,000, or suspension or revocation of the doctor's medical license (and in the case of a second or subsequent offense, $250,000 or revocation of the license).

Most critically, both amendments contain a health exception, though of different kinds. The Feinstein legislation would exempt an abortion if, "in the medical judgment of the attending physician, the abortion is necessary to . . . avert serious adverse health consequences to the woman." This language is essentially identical to the language you have used in calling for a health exception to the Partial Birth Act. The Daschle language is more stringent. It exempts an abortion when the physician "certifies that continuation of the pregnancy would . . . risk grievous injury to [the mother's] physical health." "Grievous injury" is then defined as "a severely debilitating disease or impairment specifically caused by the pregnancy, or an inability to provide necessary treatment for a life-threatening condition."

The five women you spoke with before your last year's veto would fall within even the Daschle exception, assuming the truth of their accounts. Each said that her doctor advised her that an abortion was necessary to prevent a risk of grave physical harm -- for example, of serious

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damage to her reproductive system. Daschle himself believes that his bill protects such women, and is willing to refer to these women when he offers his amendment. You should be aware, however, of a slight chance that one of the choice groups will persuade one or more of these women to oppose the Daschle bill on the ground that it would not protect women in her situation.

The American College of Obstetricians and Gynecologists today endorsed the Daschle amendment, stating that it "provides a meaningful ban [on post-viability abortions] while assuring women's health is protected." (ACOG took no position on the Feinstein amendment, which the group rightly views as a less serious proposal.) The AMA has refused to take a position on any of the pending legislative proposals, but yesterday issued a study (1) expressing skepticism about the need to use the "partial birth" procedure, but stating that doctors must retain discretion to use medical judgment in selecting procedures, and (2) stating that post-viability abortions are almost never necessary to save a woman's life or prevent serious harm to her health, given the alternative at this stage of delivering the fetus.

The choice groups (somewhat reluctantly) support the Feinstein language, but oppose the Daschle proposal. They argue that the stringency of Daschle's health exception -- including its limitation to cases of physical harm -- undermines the comprehensive protections announced in Roe regarding the health of the woman. The Office of Legal Counsel of the Justice Department similarly believes that both the Daschle and the Feinstein amendments, properly read, violate Roe because they countenance tradeoffs involving women's health. (OLC thinks, however, that a court might be able to interpret the Feinstein amendment so narrowly as to avoid this problem.)

John Hilley believes that a letter from you supporting the Daschle amendment is of crucial importance in sustaining a veto. He worries that if the Daschle amendment goes down to a decisive defeat, many Senators who previously supported you will switch and vote for HR 1122. He thinks a letter of endorsement from you will strengthen the prospects for the Daschle amendment.

Recommendation

We recommend that you endorse the Daschle amendment in order to sustain your credibility on HR 1122 and prevent Congress from overriding your veto. You have spent many months calling on Congress to pass a bill that contains a sufficiently protective, but also appropriately confined, health exception -- as you said in a letter to the Cardinals, not a health exception that "could be stretched to cover most anything," but a health exception that "takes effect only where a woman faces real, serious adverse health consequences." Especially given ACOG's endorsement of the Daschle amendment, it will be difficult for you to make the case that Daschle's language does not adequately safeguard women's health. In these circumstances, declining to support the amendment will weaken your position and increase the chance that Congress will override your veto.

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DRAFT

Dear Senators Daschle and Feinstein:

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

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

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

Sincerely,

NLWJC - KAGAN

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WE 003

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT HAS SEEN
5/13/97

May 12, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: ELENA KAGAN EK

SUBJECT: DASCHLE AMENDMENT

The First Lady asked Sylvia for a copy of the amendment that Senator Daschle plans to offer tomorrow during the debate on the Partial Birth Abortion Act. Sylvia suggested that I send it to you too. Attached is the most recent draft. As you will see, the amendment prohibits all post-viability abortions, with an exception for life or "grievous injury." I am sorry I could not find a cleaner copy of the amendment. Please let me know if you have any questions.

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Abortion - partial birth - legislative

DRAFT -- NOT FOR DISTRIBUTION

Findings

(1) As the Supreme Court recognized in Roe v. Wade, the government has an "important and legitimate interest in preserving and protecting the health of the pregnant woman . . . and has still another important and legitimate interest in protecting the potentiality of human life. These interests are separate and distinct. Each grow in substantiality as the woman approaches term and, at a point during pregnancy, each becomes compelling";

(2) In delineating at what point the government's interest in fetal life becomes "compelling," Roe v. Wade held that "a State may not prohibit any woman from making the ultimate decision to terminate her pregnancy before viability," a conclusion reaffirmed in Planned Parenthood of Southeastern Pennsylvania v. Casey;

(3) Planned Parenthood v. Casey also reiterated Roe's holding that the government's interest in potential life becomes compelling with fetal viability, stating that "subsequent to viability, the State in promoting its interest in the potentiality of human life may, if it chooses, regulate, and even proscribe, abortion except where it is necessary, in appropriate medical judgment, for the preservation of the life or health of the mother";

(4) According to the Supreme Court, viability "is the time at which there is a realistic possibility of maintaining and nourishing a life outside the womb, so that the independent existence of the second life can in reason and all fairness be the object of state protection that now overrides the rights of the woman";

(5) The Supreme Court has thus indicated that it is constitutional for Congress to ban abortions occurring after viability so long as the ban does not apply when a woman's life or health faces a serious threat;

(6) Even when it is necessary to terminate a pregnancy to save the life or health of the mother, every medically appropriate measure should be taken to protect a viable fetus so long as the mother's health is not put at greater risk;

(7) It is well established that women may suffer serious health conditions during pregnancy, such as breast cancer, preeclampsia, uterine rupture or non-Hodgkin's lymphoma, among others, that may require the pregnancy to be terminated;

(8) While such situations are rare, not only would it be unconstitutional but it would be unconscionable for Congress to ban abortions in such cases, forcing women to endure severe damage to their health and, in some cases, risk early death;

(9) In cases where the mother's health is not at such high risk, however, it is appropriate for Congress to assert its "compelling interest" in fetal life by prohibiting abortions after fetal viability;

(10) While many States have banned abortions of viable fetuses, in some States it continues to be legal for a healthy woman to abort a viable fetus;

(11) As a result, women seeking abortions may travel between the States to take advantage of differing State laws;

(12) To prevent abortions of viable fetuses not necessitated by severe medical complications, Congress must act to make such abortions illegal in all States;

(more)

DRAFT -- NOT FOR DISTRIBUTION

(13) Congress finds that abortion of a viable fetus should be prohibited throughout the United States, unless a woman's life or health is threatened and that, even when it is necessary to terminate the pregnancy, every measure should be taken, consistent with the goals of protecting the mother's life and health, to preserve the life and health of the fetus.

Prohibition of Post-Viability Abortions

(a) In General. It shall be unlawful to abort a viable fetus unless the physician certifies that continuation of the pregnancy would threaten the mother's life or risk grievous injury to her physical health.

"Grievous injury" shall be defined as:
(a) a severely debilitating disease or impairment specifically caused by the pregnancy; or
(b) an inability to provide necessary treatment for a life-threatening condition.

(b) "Grievous injury" does not include any condition that is not medically diagnosable or any condition for which termination of pregnancy is not medically indicated.

Penalties

(a) Action by Attorney General: the Attorney General may commence a civil action under this Act in any appropriate United States District Court.

(b) Relief.

(1) First offense: In any action under subparagraph (_), the court shall order the suspension or revocation of respondent's medical license, certificate, or permit, or shall assess a civil penalty against the respondent in an amount not exceeding $100,000, or both.

(2) Second offense: If the respondent has been convicted on a prior occasion for a violation of this Act, the court shall order the revocation of respondent's medical license, certificate, or permit, or shall assess a civil penalty against the respondent in an amount not exceeding $250,000, or both.

(c) Certification Requirements. At the time of the commencement of an action under this section, the Attorney General shall certify to the court that at least 30 calendar days previously --

(1) he or she has notified in writing to the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision of the alleged violation of this section, and

(2) he or she believes that such an action by the United States is in the public interest and necessary to secure substantial justice.

No woman who has had an abortion after fetal viability may be prosecuted under this section for a conspiracy to violate this section or for an offense under section 2, 3, 4, or 1512 of this title.

(more)

Abortion - Partial Birth

Penalties

(a) Action by Attorney General. The Attorney General, the Deputy Attorney General, the Associate Attorney General, or any Assistant Attorney General or United States Attorney specifically designated by the Attorney General may commence a civil action under this Act in any appropriate United States District Court.

(b) Relief.

(1) First offense: In any action under subparagraph (_), the court shall notify the State medical licensing authority in order to effect the suspension or revocation of respondent's medical license, or shall assess a civil penalty against the respondent in an amount not exceeding $100,000, or both.

(2) Second offense: If the respondent has been convicted on a prior occasion for a violation of this Act, the court shall shall notify the State medical licensing authority in order to effect the revocation of respondent's medical license, or shall assess a civil penalty against the respondent in an amount not exceeding $250,000, or both.

(3) Hearing on penalties: The State medical licensing authority shall be given notification of and an opportunity to be heard at a hearing to determine penalties under this Title.

(c) Certification Requirements. At the time of the commencement of an action under this section, the Attorney General, the Deputy Attorney General, the Associate Attorney General, or any Assistant Attorney General or United States Attorney specifically designated by the Attorney General shall certify to the court that at least 30 calendar days previously --

(1) he or she has notified in writing to the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision of the alleged violation of this section, as well as the State medical licensing board or other appropriate State agency, and

(2) he or she believes that such an action by the United States is in the public interest and necessary to secure substantial justice.

No woman who has had an abortion after fetal viability may be prosecuted under this section for a conspiracy to violate this section or for an offense under section 2, 3, 4, or 1512 of this title.

Regulations

In the certification to be submitted under subsection (), the physician shall certify that, in his or her best medical judgment, an abortion was medically necessary pursuant to subsection (), and describe the medical indications supporting his or her judgment.

The Department of Health and Human Services shall establish regulations for certification by the physician under subsection (), unless the State has its own certification procedure for abortions after fetal viability.

In addition, Department of Health and Human Services shall establish regulations to ensure the confidentiality of all information submitted pursuant to certification by the physician, as required by subsection ().

Each State shall ensure that the State medical licensing authority develops regulations to effect the revocation or suspension of respondent's medical license under subsection (), or the State shall be subject to loss of funding under title XVIII.

Rule of Construction

Nothing in this chapter shall be construed to prohibit State or local governments from regulating, restricting, or prohibiting post-viability abortions to the extent permitted by the Constitution of the United States.

THE WHITE HOUSE

WASHINGTON

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THE WHITE HOUSE

WASHINGTON

May 12, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: ELENA KAGAN EK

SUBJECT: DASCHLE AMENDMENT

The First Lady asked Sylvia for a copy of the amendment that Senator Daschle plans to offer tomorrow during the debate on the Partial Birth Abortion Act. Sylvia suggested that I send it to you too. Attached is the most recent draft. As you will see, the amendment prohibits all post-viability abortions, with an exception for life or "grievous injury." I am sorry I could not find a cleaner copy of the amendment. Please let me know if you have any questions.

Abortion - partial birth - legislative

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Findings

(1) As the Supreme Court recognized in Roe v. Wade, the government has an "important and legitimate interest in preserving and protecting the health of the pregnant woman . . . and has still another important and legitimate interest in protecting the potentiality of human life. These interests are separate and distinct. Each grows in substantiality as the woman approaches term and, at a point during pregnancy, each becomes compelling";

(2) In delineating at what point the government's interest in fetal life becomes "compelling," Roe v. Wade held that "a State may not prohibit any woman from making the ultimate decision to terminate her pregnancy before viability," a conclusion reaffirmed in Planned Parenthood of Southeastern Pennsylvania v. Casey;

(3) Planned Parenthood v. Casey also reiterated Roe's holding that the government's interest in potential life becomes compelling with fetal viability, stating that "subsequent to viability, the State in promoting its interest in the potentiality of human life may, if it chooses, regulate, and even proscribe, abortion except where it is necessary, in appropriate medical judgment, for the preservation of the life or health of the mother";

(4) According to the Supreme Court, viability "is the time at which there is a realistic possibility of maintaining and nourishing a life outside the womb, so that the independent existence of the second life can in reason and all fairness be the object of state protection that now overrides the rights of the woman";

(5) The Supreme Court has thus indicated that it is constitutional for Congress to ban abortions occurring after viability so long as the ban does not apply when a woman's life or health faces a serious threat;

(6) Even when it is necessary to terminate a pregnancy to save the life or health of the mother, every medically appropriate measure should be taken to protect a viable fetus so long as the mother's health is not put at greater risk;

(7) It is well established that women may suffer serious health conditions during pregnancy, such as breast cancer, preeclampsia, uterine rupture or non-Hodgkin's lymphoma, among others, that may require the pregnancy to be terminated;

(8) While such situations are rare, not only would it be unconstitutional but it would be unconscionable for Congress to ban abortions in such cases, forcing women to endure severe damage to their health and, in some cases, risk early death;

(9) In cases where the mother's health is not at such high risk, however, it is appropriate for Congress to assert its "compelling interest" in fetal life by prohibiting abortions after fetal viability;

(10) While many States have banned abortions of viable fetuses, in some States it continues to be legal for a healthy woman to abort a viable fetus;

(11) As a result, women seeking abortions may travel between the States to take advantage of differing State laws;

(12) To prevent abortions of viable fetuses not necessitated by severe medical complications, Congress must act to make such abortions illegal in all States;

(more)

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(13) Congress finds that abortion of a viable fetus should be prohibited throughout the United States, unless a woman's life or health is threatened and that, even when it is necessary to terminate the pregnancy, every measure should be taken, consistent with the goals of protecting the mother's life and health, to preserve the life and health of the fetus.

Prohibition of Post-Viability Abortions

(a) In General. It shall be unlawful to abort a viable fetus unless the physician certifies that continuation of the pregnancy would threaten the mother's life or risk grievous injury to her physical health.

"Grievous injury" shall be defined as:
(a) a severely debilitating disease or impairment specifically caused by the pregnancy; or
(b) an inability to provide necessary treatment for a life-threatening condition.

(b) "Grievous injury" does not include any condition that is not medically diagnosable or any condition for which termination of pregnancy is not medically indicated.

Penalties

(a) Action by Attorney General: the Attorney General may commence a civil action under this Act in any appropriate United States District Court.

(b) Relief.

(1) First offense: In any action under subparagraph (_), the court shall order the suspension or revocation of respondent's medical license, certificate, or permit, or shall assess a civil penalty against the respondent in an amount not exceeding $100,000, or both.

(2) Second offense: If the respondent has been convicted on a prior occasion for a violation of this Act, the court shall order the revocation of respondent's medical license, certificate, or permit, or shall assess a civil penalty against the respondent in an amount not exceeding $250,000, or both.

(c) Certification Requirements. At the time of the commencement of an action under this section, the Attorney General shall certify to the court that at least 30 calendar days previously --

(1) he or she has notified in writing to the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision of the alleged violation of this section, and

(2) he or she believes that such an action by the United States is in the public interest and necessary to secure substantial justice.

No woman who has had an abortion after fatal viability may be prosecuted under this section for a conspiracy to violate this section or for an offense under section 2, 3, 4, or 1512 of this title.

(more)

Abortion - Partial Birth

Penalties

(a) Action by Attorney General. The Attorney General, the Deputy Attorney General, the Associate Attorney General, or any Assistant Attorney General or United States Attorney specifically designated by the Attorney General may commence a civil action under this Act in any appropriate United States District Court.

(b) Relief.

(1) First offense: In any action under subparagraph (_), the court shall notify the State medical licensing authority in order to effect the suspension or revocation of respondent's medical license, or shall assess a civil penalty against the respondent in an amount not exceeding $100,000, or both.

(2) Second offense: If the respondent has been convicted on a prior occasion for a violation of this Act, the court shall shall notify the State medical licensing authority in order to effect the revocation of respondent's medical license, or shall assess a civil penalty against the respondent in an amount not exceeding $250,000, or both.

(3) Hearing on penalties: The State medical licensing authority shall be given notification of and an opportunity to be heard at a hearing to determine penalties under this Title.

(c) Certification Requirements. At the time of the commencement of an action under this section, the Attorney General, the Deputy Attorney General, the Associate Attorney General, or any Assistant Attorney General or United States Attorney specifically designated by the Attorney General shall certify to the court that at least 30 calendar days previously --

(1) he or she has notified in writing to the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision of the alleged violation of this section, as well as the State medical licensing board or other appropriate State agency, and

(2) he or she believes that such an action by the United States is in the public interest and necessary to secure substantial justice.

No woman who has had an abortion after fetal viability may be prosecuted under this section for a conspiracy to violate this section or for an offense under section 2, 3, 4, or 1512 of this title.

Regulations

In the certification to be submitted under subsection (), the physician shall certify that, in his or her best medical judgment, an abortion was medically necessary pursuant to subsection (), and describe the medical indications supporting his or her judgment.

The Department of Health and Human Services shall establish regulations for certification by the physician under subsection (), unless the State has its own certification procedure for abortions after fetal viability.

In addition, Department of Health and Human Services shall establish regulations to ensure the confidentiality of all information submitted pursuant to certification by the physician, as required by subsection ().

Each State shall ensure that the State medical licensing authority develops regulations to effect the revocation or suspension of respondent's medical license under subsection (), or the State shall be subject to loss of funding under title XVIII.

Rule of Construction

Nothing in this chapter shall be construed to prohibit State or local governments from regulating, restricting, or prohibiting post-viability abortions to the extent permitted by the Constitution of the United States.