

NLWJC – Kagan

Hard Drive – Folder 11

To: Bruce Reed
Elena Kagan

From: Thomas L. Freedman
Mary L. Smith

Re: Reports on Domestic Violence/Violence Against Women

Date: July 20, 1998

Here are the three reports from the Department of Justice that Tom mentioned are close to being ready. None are particularly great. They are:

1. 1998 Annual Report: Evaluation of the S.T.O.P. Formula Grants under the Violence Against Women Act of 1994. DOJ wants to get this report, prepared by the Urban Institute, to the Hill before the Violence Against Women Oversight Hearing, which has been postponed until the week of July 27. This report summarizes federal and state activities and accomplishments in the third year of implementing the STOP Violence Against Women Grants Program. Highlights from this report reflect the programmatic impact resulting primarily from 1995 STOP funds. Forty-two states have now set a minimum level of domestic violence training for police recruits, and a survey of state prosecutor agencies found that the majority provide training in domestic violence.

2. Batterer Programs: What Criminal Justice Agencies Need to Know. Plans to be released on July 27. Provides information to criminal justice professionals about batterer treatment programs in order to help them make referrals.

3. Legal Interventions in Family Violence: Research Findings and Policy Implications. Plans to be released on July 27. Summarizes articles on collaborative efforts between police and protection agencies; arrest policies; protection orders; battered women defense strategies; sentencing; batterer treatment; child sex abuse; and child testimony.

We might couple one of these reports with an endorsement of Bidens VAWA II bill -- except that the House has passed a bill, sponsored by Conyers, that we probably could not support.

November 18, 1997

BILL SIGNING CEREMONY FOR HR 867,
THE ADOPTION PROMOTION ACT OF 1997

DATE:Thursday, November 18, 1997

LOCATION: The East Room

TIME:1:40pm-2:20pm

FROM:John Hilley

Bruce Reed

Melanne Verveer

I. PURPOSE

To sign into law H.R. 867, the Adoption Promotion Act of 1997.

II. BACKGROUND

Today's bill signing of the Adoption and Safe Families Act of 1997 represents an enormous victory for your agenda to promote adoption and improve our nation's child welfare system. As you know, the bill largely incorporates the Administration's proposals in this area, as outlined in your executive memorandum on adoption to members of your Cabinet (which you issued in a radio address on December 14, 1996.) See attachment #1. Also attached is a November 16, 1997 New York Times article on the significance of this legislation. See attachment #2.

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 adoption across state lines by prohibiting states from denying a suitable out-of-state adoption when no in-state adoption is available.

As you know, Representatives Camp and Kennelly sponsored an adoption bill, H.R. 867, that passed the House last spring, which you strongly endorsed. That bill included nearly all your recommendations and was generally well-received by child welfare advocates. Some advocates, however, urged the Senate bill sponsors -- Senators Chafee and Rockefeller -- to

include additional resources in their bill. The final bill includes certain additional investments (largely the reauthorization and expansion of the Family Preservation Program and the guarantee of health care coverage for special needs children who are adopted). It carries no pay-as-you-go costs in the initial years, but costs slightly more than \$50 million over five years.

The bill sponsors -- Representatives Camp and Kennelly and Senators Chafee and Rockefeller -- were particularly significant to the success and strength of this legislation. Through many ups and downs in the past year, they kept together an impressive bipartisan coalition of advocates and members.

Olivia Golden, HHS Commissioner for the Administration on Children, Youth, and Families, will be presenting the 1997 Adoption 2002 Excellence Award to the recipient families and organizations tomorrow morning before the signing ceremony begins. A Presidential Directive was issued on December 14, 1996 to double, over the next five years, the number of children from the foster care system who are adopted or placed in other permanent placements. HHS, in response to the directive, prepared a report that proposed steps to establish annual awards to recognize states, local agencies, courts, private organizations, employers and others who are making key contributions to the effort. There are a total of 13 recommended awards, in six award categories. These awardees will be in the audience during the signing ceremony.

Ms. Sue Ann Badeau will be introducing you. She is a 20 year old girl that was adopted, along with her three siblings, by her foster parents. She is one of 19 adopted children in a family of 21 children. She is from Philadelphia, Pennsylvania.

III. PARTICIPANTS

Pre-Brief

The President

The Vice President

The First Lady

Secretary Shalala

Erskine Bowles

John Podesta

John Hilley

Ron Klain

Melanne Verveer

Bruce Reed

Elena Kagan

Janet Murguia

Jennifer Klein

Nicole Rabner

Event

The President

The First Lady

The Vice President

Secretary Shalala

Sen. John Chafee (R-RI)

Sen. Jay Rockefeller (D-WV)
Rep. Barbara Kennelly (D-CT)
Rep. Dave Camp (R-MI)

Sen. Larry Craig (R-ID)
Sen. Mike DeWine (R-OH)
Sen. Mary Landrieu (D-LA)
Rep. Sandy Levin (D-MI)
Rep. Carolyn Maloney (D-NY)
Rep. Connie Morella (R-MD)
Rep. James Oberstar (D-MN)
Rep. Clay Shaw (R-FL)

Representatives from child advocacy groups
The 1997 Adoption 2002 Excellence Award Winners
Children waiting to be adopted
Children that have been adopted and their families

IV. PRESS PLAN

Open Press

V. SEQUENCE OF EVENTS

1:10 p.m. The President, The First Lady, and The Vice President are briefed in the Map Room.

1:30 p.m. The President, The First Lady, and The Vice President proceed to Blue Room to greet guests:

Secretary Donna Shalala
Ms. Sue Ann Badeau
Brother/Sister of Sue Ann Badeau
Mr. Dave Thomas
Sen. Jay Rockefeller Rep. Barbara Kennelly
Sen. John Chafee Rep. Clay Shaw
Sen. Mary Landrieu Rep. Dave Camp
Sen. Mike DeWine Rep. James Oberstar
Sen. Larry Craig Rep. Carolyn Maloney
Rep. Connie Morella Rep. Sandy Levin

Note: Upon conclusion of meet and greet, the Blue Room guests who are not speaking will be seated in the East Room.

Note: Sen. Rockefeller, Sen. Chafee, Rep. Kennelly, and Rep. Camp are seated on stage.

1:35 p.m. The President, The First Lady are announced to stage from Blue Room with The Vice President, Secretary Shalala, and Ms. Badeau.

Note: 15'x20' stage located at Gold Curtain, signing table, document to be signed provided by staff secretary.

The First Lady gives opening remarks and introduces Secretary Shalala.

Secretary Shalala gives remarks and introduces The Vice President.

The Vice President gives remarks and introduces Ms. Badeau.

Ms. Badeau gives remarks and then introduces The President.

The President gives remarks.

Upon conclusion of remarks, The President proceeds to Bill Signing Table to sign bill and invites Members of Congress and children on stage.

Note: Sean Maloney to provide document to be signed.

2:15 p.m. The President and The Vice President Depart.

The First Lady proceeds to the Blue Room for receiving line.

VI. REMARKS

To be provided by Speechwriting.

VII. ATTACHMENTS

1. Presidential Directive issued in December 1996
2. New York Times article on the significance of the bill.

May 14, 1997

NATIONAL PEACE OFFICERS MEMORIAL EVENT

DATE: May 15, 1997
LOCATION: West Grounds of the Capitol
BRIEFING TIME: 12:00 pm - 12:30 pm
EVENT TIME: 1:00 pm - 2:20 pm
FROM: Bruce Reed/Rahm Emanuel

I. PURPOSE

To honor the lives of officers who were killed in the line of duty in 1996 and their survivors, and to announce updates on the quick implementation of two of your recent gun directives. This is also an opportunity to demonstrate your commitment to combating juvenile crime and again challenge Congress to pass a comprehensive juvenile crime bill.

II. BACKGROUND

You will be attending for the fourth consecutive year the National Peace Officers Memorial Event sponsored by the Fraternal Order of Police (FOP). This event will honor the 116 officers who were killed in the line of duty in 1996, the fewest officers killed since 1959. The names of those fallen officers are being enshrined on the National Law Enforcement Officers Memorial in Washington, DC and were officially dedicated on Monday, May 12 in a candlelight vigil. In 1993 you attended the candlelight vigil. The National Law Enforcement officers Memorial was built in 1991 and bears the names of more than 14,000 federal, state and local law enforcement officers who have died in the line of duty.

In addition to honoring those that lost their lives, you will be making the following announcements:

*NEW "BRADY" FORMS-- You will announce that by today (May 15, 1997) the ATF will have sent out revised "Brady" forms (Form 4473) to all Federal Firearms Licensees. In response to the Empire State Building shooting by a foreign visitor, you asked Secretary Rubin to change the federal regulations and existing Brady form to better restrict gun access to foreign visitors and to tighten up residency requirements. The revised Brady form requires a prospective gun purchaser to make an affirmative statement that they reside in the State of the gun dealer, and-- in the case of noncitizens-- show secondary forms of identification to prove State residency, such as a utility bill or lease.

*CHILD SAFETY LOCKS

You will announce that consistent with your March 5, 1997 directive, all FBI and ATF agents-- nearly 13,000, or 20% of all federal law enforcement officers-- have now been provided child safety locks to prevent accidental or unauthorized use of their firearms. The remaining federal law enforcement officers will be provided with child safety locks no

later than October 15, 1997.

III. PARTICIPANTS

Briefing Participants:

Erskine Bowles
Rahm Emanuel
Bruce Reed
Elena Kagan

Event Participants:

Gil Gallegos, National President of the FOP
Karen Lippe, President of the FOP Auxiliary
Adolph South, Chaplin
Gloria Estefan, musical performer

Also Seated on Stage:

Attorney General Reno
Secretary Rubin
Under Secretary Ray Kelly
Director of the Marshalls Service Eddie Gonzalez
Tommy Motolla, President and CEO Sony Music
Emilio Estefan, husband of Gloria Estefan
Sharon Felton, President of
Wayne Munier, President of FOP Associates
Senator Thurmond
Senator Leahy
Senator Biden
Rep. Bart Stupak
Senate Sergeant of Arms Greg Casey
House Sergeant of Arms Bill Livingood
Gary Abrecht, Chief of the Capitol Police
Craig Floyd, Executive Director, Concerns of Police Survivors

Seated along the ropeline will be survivors of officers killed in the line of duty in 1996, and survivors of the DC officers slain this year.

(Participant Lists for Meet and Greet before and after event are attached.)

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- Upon arrival you will briefly meet with the FOP Executive Board and Auxiliary Committees.
- You, Gil Gallegos, Karen Lippe, and Chaplin Adolph South will be announced onto the stage and you will take your seat next to Attorney General Reno. (You will be accompanied by the FOP Executive Board until you reach the stage.)

- National Anthem will be sung by a police officer.
- Chaplin Adolph South will give the invocation.
- Karen Lippe, President of the FOP Auxiliary, will make welcoming remarks and introduce Gil Gallegos, National President of the FOP.
- Gil Gallegos will make remarks and introduce you.
- You will make remarks and then take your seat.
- Gil Gallegos will then introduce Gloria Estefan.
- Gloria Estefan will perform her song "Always Tomorrow."
- Gil Gallegos will make closing remarks.
- Gil Gallegos and Karen Lippe will then escort you off the stage. They will present you with a flower.
- You will proceed with Gil Gallegos and Karen Lippe to a wreath in front of the stage and you will place the flower in the wreath.
- You will then work a ropeline of survivors in the front row, then depart to holding tent.
- You will briefly meet with Gloria Estefan and her family and work associates.
- You will then depart.

VI.REMARKS

Remarks Provided by Jordan Tamagni in Speechwriting.

Participant List

First Meet and Greet - pre-event

Gil Gallegos, FOP National President
 Bernard Teodorski, FOP Executive Board Member
 Jerry Atnip, FOP Executive Board Member
 Mel Beverlin, FOP Executive Board Member
 Marty Pfeiffer, FOP Executive Board Member
 Ray Franklin, FOP Executive Board Member
 Kenneth Gorman, FOP Executive Board Member
 Marcy Sigurdson, FOP Auxiliary Committee
 Linda Hennie, FOP Auxiliary Committee
 James Pasco, FOP Executive Director
 Karen Lippe, FOP Auxiliary President
 Dennis Lippe, FOP Auxiliary Committee
 Adolph South, FOP Chaplin
 Kathleen Gallegos, Gilbert Gallegoss wife
 Catherine Sedillo, Gilbert Gallegoss sister
 Lmae Tull, FOP Auxiliary Committee
 Janet Johnson, FOP Auxiliary Committee
 Beverly Crump, FOP Auxiliary Committee
 Charlotte Vardaman, FOP Auxiliary Committee
 Jimmy Ienner, FOP photographer

Participant List

Second Meet and Greet - post-event

Thomas Mottola, President and CEO of Sony Music
 Gloria Estefan, musical performer
 Emilio Estefan, husband of Gloria Estefan
 Gloria Fajardo, mother of Gloria Estefan

Frank Amadeo, manager for Gloria Estefan
Linda Shonning, assistant to Gloria Estefan
Bob Crayton, Sony Music Security
Patricia Kiel, Senior Vice President, Sony Music
Jimmy Jenner, FOP photographer

April 6, 1999

EQUAL PAY EVENT AND ROUND TABLE

DATE: April 7, 1999
LOCATION: Presidential Hall
BRIEFING TIME: 1:10 pm - 1:25 pm
EVENT TIME: 1:30 pm - 2:30 pm
FROM: Bruce Reed, Mary Beth Cahill

I. PURPOSE

To announce a new wage data collection provision in the pending legislation which would strengthen enforcement of the Equal Pay Act and to meet with working women to highlight the issue of equal pay and to emphasize the need for Congress to pass this legislation.

II. BACKGROUND

This event is an opportunity for you to announce the new data collection provision for wages in the Paycheck Fairness Act, which is sponsored by Senator Daschle. In addition, it is an opportunity for you and the First Lady to hear first-hand from working women the problem of wage discrimination and issues of equal pay.

One of the panelists highlights the issue of "comparable worth," where a job in a female-dominated profession is "equivalent" to a job in a male-dominated profession but is paid less. This panelist is included because the Administration recently has been urged by Senator Harkin, Congresswoman Norton, the womens groups, and the unions to support Senator Harkins comparable worth legislation that requires companies to equalize wages between "equivalent jobs," which is defined in the legislation as jobs that may be dissimilar, but whose requirements are equivalent when viewed as a composite of skills, effort, responsibility, and working conditions. While we cannot support this legislation, in a compromise to the above persons and groups, we agreed to include a panelist that highlights the comparable worth problem, but not the solution proposed in the legislation. However, you should not use the words "comparable worth," and should merely emphasize that this womans story highlights the need for women to be paid equally with men.

Before beginning the roundtable, you will announce the following:

Paycheck Fairness Act with New Data Collection Provision

You again will urge Congress to pass legislation called "The Paycheck Fairness Act," introduced by Senator Daschle and Congresswoman DeLauro, to strengthen laws prohibiting wage discrimination. The legislation will be reintroduced with a new data collection provision added. The highlights of this legislation include:

*New Pay Data Collection Provision. This provision would require the EEOC to complete a survey of data currently available for use in enforcing federal wage discrimination laws and to identify additional data collections that would enhance enforcement of these laws. In addition, the provision would call upon the EEOC to issue a regulation, within eighteen months, to provide for the collection of pay information data from employers described by the race, sex, and national origin of employees.

*Increased Penalties for the Equal Pay Act (EPA). The legislation would provide full compensatory and punitive damages as remedies for equal pay violations, in addition to the liquidated damages and back pay awards currently available under the Equal Pay Act. This proposal would put gender-based wage discrimination on equal footing with wage discrimination based on race or ethnicity, for which uncapped compensatory and punitive damages are already available.

*Non-retaliation provision. The bill would prohibit employers from punishing employees for sharing salary information with their co-workers. Many employers are currently free to take action against employees who share wage information. Without the ability to learn about wage disparities, it is difficult for employees to evaluate whether there is wage discrimination.

*Training, Research, and Pay Equity Award. The bill would provide for increased training for EEOC employees to identify and respond to wage discrimination claims; research on discrimination in the payment of wages; and the establishment of an award to recognize and promote the achievements of employers in eliminating pay disparities.

Equal Pay Initiative

Previously, you have announced a new \$14 million Equal Pay Initiative as part of your Fiscal Year 2000 budget. The Initiative includes \$10 million for the EEOC to increase compliance with equal pay laws by providing training to EEOC employees to identify and respond to wage discrimination, increasing technical assistance to businesses on how to meet legal requirements, and launching an equal pay public service announcement campaign to inform employers and employees alike of their rights and responsibilities. The Initiative also includes \$4 million for the Department of Labor, primarily for a program to assist contractors in recruiting and retaining qualified women in non-traditional occupations.

III. PARTICIPANTS

Briefing Participants:

Secretary Alexis Herman
Bruce Reed
Elena Kagan
Karen Tramontano
Jenny Luray
Nicole Rabner
June Shih

Event Participants:

The First Lady
Secretary Herman
Dr. Nancy Hopkins, Molecular Biologist, Massachusetts Institute of Technology
Sanya Tyler, Head Coach, Womens Basketball, Howard University

Carolyn Gantt, Retiree from District of Columbia Government
Patricia Higgins, Nurse, MetroHealth Medical Center, Cleveland, OH

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- YOU will enter the room where each of the roundtable participants will be seated.
 - The First Lady will make remarks and introduce YOU.
 - YOU will make brief remarks and take your seat at the roundtable.
 - Secretary Herman will facilitate a brief introduction from each roundtable participant.
 - YOU will invite the participants to speak by posing a question to each person.
 - YOU will first call on Dr. Nancy Hopkins, a professor at the Massachusetts Institute of Technology, who spearheaded a study on the status of women professors there.
 - YOU and the First Lady will pose questions to each of the participants, and Secretary Herman will conclude the panel discussion.
- [*SEE ATTACHED SCRIPT]
- YOU will make brief informal closing remarks and depart.

VI. REMARKS

Provided by Speechwriting.

VII. ATTACHMENTS

- Sequence of panel speakers and suggested questions.
- Bios of panelists.
- NY Times article about the M.I.T. study.
- Newsweek article by George Will disputing that there is a wage gap.

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September 14, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: ELENA KAGAN
SALLY KATZEN

RE: WYDEN-GRAHAM AGRICULTURAL GUESTWORKERS BILL

You are meeting with Senators Ron Wyden (D-OR) and Bob Graham (D-FL) on Tuesday afternoon to discuss their amendment to the Commerce, Justice, State (CJS) Appropriations bill, which would make significant changes to the current H-2A agricultural guestworker program. Sens. Wyden and Graham will ask you to support their legislation or to negotiate with them to arrive at a substitute version. We believe you should reject this approach, and instead urge Wyden and Graham to play a leading role in a broad bipartisan working group we have set up to discuss changes to the H-2A program. We make this recommendation because (1) Wydens and Grahams amendment has numerous substantive problems; (2) the amendment is opposed by many Democrats, as well as by Hispanic groups and the unions; and (3) the amendment stands little chance of going anywhere unless we support or negotiate off it.

Agricultural "guestworkers" are admitted on H-2A visas for temporary jobs. Under the current program, in order to hire H-2A workers, an employer must demonstrate to the Department of Labor (DOL) that (a) there are not sufficient U.S. workers able, willing, qualified, and available to perform the services; and (b) there will be no adverse effect on the wages and working conditions of similarly-employed U.S. workers. There are currently about 20,000 farmworkers in the H-2A program, out of a total of 1.6 million farmworkers (600,000 of whom are illegal immigrants).

In response to concerns expressed by growers that the H-2A program needs to be streamlined, the Department of Labor and the Justice Department (which handles the immigration aspects of the program) developed a set of regulatory reforms that we hope will go into effect by the end of January. Though some grower advocates were pleased with these reforms, they have continued to press for a legislative package that would fundamentally alter the way the program is operated.

On July 22, 1998, Senators Wyden, Graham and Gordon Smith (R-OR) introduced their bill to overhaul the H-2A guestworker program as an amendment to the Senate CJS Appropriations bill. Secretary Herman wrote a letter strongly opposing the amendment because it would erode protections for U.S. workers and shift costs and risks from employers to workers and/or the government. We set forth our detailed objections to the bill in an attachment to this memo.

The bill passed the Senate by a vote of 68 to 31. Since then, however, it has lost support among Senate Democrats, principally because labor and Hispanic groups have made clear their vehement opposition. The National Council of La Raza (NCLR) and the Mexican-American Legal Defense and Education Fund (MALDEF) have said that preventing the enactment of this bill is one of their chief civil rights objectives during this session of Congress. In addition, the United Farm Workers of America (AFL-CIO) has made clear its strong opposition, and John

Sweeney reiterated this opposition to John Podesta yesterday.

Further, the Wyden-Graham amendment has little support in the House -- from either Republicans or Democrats. Liberal Democrats in the House (and especially the Hispanic Caucus) oppose the bill because it would erode farmworker protections. At the same time, House Judiciary Immigration Subcommittee Chairman Lamar Smith and other Republican members of the House Judiciary Committee strongly oppose adding the measure to the CJS bill because it could lead to expanded immigration of low-wage farmworkers.

To respond to the criticisms of the H-2A program in a thoughtful manner (rather than through a hasty and flawed last-minute amendment to an appropriations bill), we have put together a broad bipartisan working group. The goal of that group, which will meet for the first time tomorrow afternoon, is to examine various policy proposals for H-2A reform and determine whether and where consensus can be reached. We would aim to develop and present a reform package to the Congress next year. Sens. Wyden and Graham, of course, would like action sooner.

Because of our serious substantive, procedural, and political concerns regarding the Wyden-Graham bill, we recommend that we continue strongly opposing the bill, including making it clear that we are prepared to veto it. In addition, in light of our commitment to address H-2A reform through a broad bipartisan process on the Hill over the course of the next few months, we do not recommend commencing any direct negotiations with Sens. Wyden and Graham about the specifics of their bill. Instead, we should urge Sens. Wyden and Graham to play an active role in our bipartisan working group.

If you believe it absolutely necessary to give Sens. Wyden and Graham something now, we could agree to report language in the appropriations bill directing the Department of Labor to develop a pilot "job registry program." This pilot would be a much narrower version of a proposal made in the Wyden-Graham bill: it would create a system for trying to match growers to farmworkers efficiently, but would not (as in their bill) eliminate the obligation of growers to try to recruit U.S. workers. This pilot project is a good idea, and Senator Kennedy supports it. John Sweeney, however, yesterday indicated his strong opposition to even this pilot program.

Substantive Objections to the Wyden-Graham Bill

*The bill would eliminate the current requirement that growers must conduct private market recruitment for workers, substituting a simple requirement to check a new and untested government-run "job registry"

At the core of the Wyden-Graham bill is the creation of a new "job registry" administered by the government. Under their bill, growers would need only to check this registry before employing H-2A workers. Thus, all responsibility for the recruitment of domestic farmworkers would shift to a new, untried, process for which the government and low-wage workers are entirely responsible. In addition, although this registry would take years to create and implement effectively, employers could begin to hire H-2A workers within 6 months of the enactment of the bill.

*The bill would erode U.S. worker wages

Under the current program, growers who employ H-2A workers are required to pay all their farmworkers the higher of the prevailing wage (equal to the average local wage for the crop) or an "adverse effect wage rate" (AEWR) (equal to the average statewide wage). The

use of the AEWB reflects the fact that foreign workers (both undocumented and H-2A guestworkers) can sometimes dominate a local labor market and depress the local prevailing wage: in such a case, using a statewide calculation (the AEWB) may be more appropriate. The Wyden-Graham bill caps the AEWB at 105% of the local prevailing wage. Our assessment is that this cap is not set high enough to compensate for the depression of wages in areas where there is a heavy reliance on foreign workers.

*The bill does not provide an adequate mechanism for housing foreign guestworkers

Current law requires growers who employ H-2A workers to provide them with free housing. The Wyden-Graham bill allows growers to provide a payment voucher in lieu of housing. Under this approach, the grower employing H-2A workers would have no obligation to assure that housing is actually available and could be obtained with the voucher.

We have two concerns with this provision. First, there are many areas (particularly in the West) where there simply is not an adequate supply of rural housing to meet the needs of farmworkers. Second, even if there is some housing available in the area, it is unrealistic to expect low-wage foreign migrant farmworkers to be able to secure housing on their own using a federal voucher. Thus, many workers will likely end up without housing, or will overcrowd any available rental housing.

*The bill would eliminate the requirement that growers guarantee part of the work offered to recruit U.S. and foreign workers.

Under current law, H-2A workers must be paid for at least 75% of the work contract period for which they were recruited, except when there is an "act of God." This "three-fourths guarantee" gives migrant workers some indication of their potential earnings and discourages employers from over-recruiting to secure a labor surplus and drive down wages. The Wyden-Graham bill would eliminate this work guarantee. This change would encourage growers to lure workers from hundreds or thousands of miles away with the promise of potentially high earnings without any obligation to fulfill any part of that promise. The change also could encourage growers to recruit more workers than they actually need to hedge against uncertainties.

*The bill would permit growers to withhold worker wages as an incentive to repatriate

The Wyden-Graham bill would permit employers to withhold 20% of the workers wages until the worker returns to his home country. According to the Department of Labor, the federal government does not, in any other circumstance, sanction the withholding of wages as an incentive toward future behavior. In addition, it is unclear whether many of these workers would be able to recover this money from their home countries. Finally, there is little evidence that these amounts would serve as a disincentive for workers who intend to stay in the U.S.

0.00.MEMORANDUM FOR THE CHIEF OF STAFF

FROM: ELENA KAGAN
SALLY KATZEN

RE: WYDEN-GRAHAM AGRICULTURAL GUESTWORKERS BILL

DATE: September 14, 1998

You are meeting with Senators Ron Wyden (D-OR) and Bob Graham (D-FL) on Tuesday afternoon to discuss their amendment to the Commerce, Justice, State (CJS) Appropriations bill that would make significant changes to the current H-2A agricultural guestworker program. Sens. Wyden and Graham will ask you to either support their legislation or work with them to improve it.

Background

Agricultural "guestworkers" are admitted on H-2A visas for temporary jobs. Under the current program, in order to hire H-2A workers, an employer must demonstrate to the Department of Labor (DOL) that (a) there are not sufficient U.S. workers able, willing, qualified and available to perform the services; and (b) there will be no adverse effect on the wages and working conditions of similarly-employed U.S. workers. Employers also are required to pay workers an "adverse effect wage rate" (AEWR), determined by the average wage paid to non-managerial agricultural workers in the state; provide free housing to workers outside the commuting area; reimburse workers inbound transportation if they complete half the contract, outbound also if they complete the contract; guarantee 3/4 of the hours of the contract; and hire any qualified U.S. worker who applies during the first half of the work contract. There is no cap on the number of H-2A visas granted. Out of the 1.6 million farmworkers in the United States, approximately 600,000 are unauthorized to work, and approximately 20,000 are in the H-2A program.

In response to concerns expressed by growers that the H-2A program needs to be streamlined, the Department of Labor and the Justice Department (which handles the immigration aspects of the program) developed a set of regulatory reforms that we hope will go in effect by the end of January. However, though some grower advocates were pleased with these reforms, they continue to press for a legislative package that would fundamentally alter the way the program is operated.

The Wyden-Graham Bill

On July 22, 1998, Senators Wyden, Graham and Gordon Smith (R-OR) introduced their bill to overhaul the H-2A guestworker program as an amendment to the Senate CJS Appropriations bill. Though we agree that the current program is in need of some reform, we strongly oppose the Wyden-Graham bill because it erodes protections for U.S. workers and shifts costs and risks from employers to workers and/or the government. For example, the bill:

*Eliminates the requirement that growers must conduct private market recruitment for workers, except through the proposed registry.

At the core of the Wyden-Graham bill is the creation of a new "job registry." Under their bill, growers seeking to employ H-2A workers would have no obligation to attempt to recruit

U.S. farmworkers except through this registry. Thus, all responsibility for the recruitment of domestic farmworkers would shift to a new, untried, process for which the government and low-wage workers are entirely responsible. This registry would take years to create, but H-2A workers could be hired within 6 months of the enactment of the bill. Further, because growers would no longer have an obligation to recruit domestically, they would be free to concentrate their worker recruitment efforts abroad.

*Erodes U.S. worker wages

Under the current program, growers who employ H-2A workers are required to pay their workers the higher of the prevailing wage (equal to the average wage for the crop in the local area), the federal, state or local minimum wage or an "adverse effect wage rate" (AEWR) (equal to the average statewide agricultural wage rate). Because foreign workers (both undocumented and H-2A guestworkers) can sometimes dominate a local labor market, this wage depression is often reflected in the local prevailing wage. The AEWR is intended to correct for this depressive effect by measuring farmworker wages on a statewide basis -- thus dissipating the impact of foreign workers on the wage.

Under the Wyden-Graham bill, the worker is required to be paid either the prevailing wage or the AEWR (capped at 105% of the prevailing wage). Our preliminary assessment is that 105% of the prevailing wage is not high enough to compensate for depression of wages where there is a heavy reliance on foreign workers.

*Does not provide an adequate mechanism for housing foreign guestworkers

Current law requires growers who employ H-2A workers to provide them with free housing. The Wyden-Graham bill allows growers to provide a payment voucher in lieu of housing, unless the State certifies that adequate housing is not available in the area. Under this approach, the grower employing H-2A workers would have no obligation to assure that housing is actually available and could be obtained with the voucher.

We have two concerns with this provision. First, there are many areas (particularly in the West) where there simply is not an adequate supply of rural housing to meet the needs of farmworkers. Second, even if there is some housing available in the area, it is unrealistic to expect low-wage foreign migrant farmworkers to be able to secure housing on their own using a federal voucher. Thus, many workers will likely end up without housing or be encouraged to overcrowd any available rental housing.

*Eliminates the requirement that growers guarantee any part of the work offered to recruit U.S. and foreign workers.

Under current law, H-2A workers must be paid for at least 75% of the work contract period for which they were recruited, except when there is an "act of God." This "three-fourths guarantee" gives migrant workers some indication of their potential earnings and discourages employers from over-recruiting to secure a labor surplus and drive down wages. The Wyden-Graham bill would eliminate this work guarantee. This change will encourage growers to lure workers from hundreds or thousands of miles away with the promise of potentially high earnings without any obligation to fulfill any part of that promise. This may also encourage growers to recruit more workers than they actually need to hedge against uncertainties.

*Permits growers to withhold worker wages as an incentive to repatriate

The Wyden-Graham bill permits employers to withhold 20% of the workers wages until the worker returns to his home country. According to the Department of Labor, the federal government does not, in any other circumstance, sanction the withholding of wages as an incentive toward future behavior. In addition, it is unclear whether many of these workers would be able to recover this money from the accounts in their home countries. Finally, there is little evidence that these amounts would serve as a disincentive for workers who intend to stay in the U.S.

Though the bill passed the Senate by a vote of 68 to 31, it has strong opposition from the Hispanic Caucus, Hispanic advocacy groups, labor unions, liberal Democrats in the House and many House Republicans. Because no one expected this bill to be offered as an attachment to the CJS Appropriations bill, many Members were unaware of precisely what the bill would do. Since the bills passage, both labor unions and Hispanic advocacy groups have been working to persuade Members that this bill is bad for farmworkers (who are overwhelmingly Hispanic). The National Council of La Raza (NCLR) and the Mexican-American Legal Defense and Education Fund (MALDEF) have cited preventing the enactment of this bill as one of their chief civil rights objectives during this session of Congress. Paul Yzaguirre, the President of NCLR, sent a letter to the President thanking him for his opposition to this bill. The United Farm Workers of America, AFL-CIO, also sent a letter to Secretary Herman strongly opposing the Wyden-Graham bill. Perhaps more importantly, House Republicans, led by House Judiciary Immigration Subcommittee Chairman Lamar Smith, strongly oppose adding the measure to the CJS Appropriations bill and have put the House Judiciary Committee on record in opposition.

In addition to our serious substantive concerns with the bill, we are strongly of the view that change of this magnitude should be the result of a thorough and careful process (including congressional hearings), rather than a last minute amendment to an appropriations bill. To that end, we have initiated (along with the Departments of Labor and Agriculture) a bi-partisan process with members of Congress to examine various policy proposals for H-2A reform and determine whether and where consensus can be reached. We believe that there is room for flexibility on several issues, including wages, housing, and repatriation. The first meeting of this group is scheduled for the afternoon of Tuesday, September 15. The objective of this process is to develop and present a reform package to the Congress next year.

Recommendation

Because of our serious substantive and procedural concerns regarding the Wyden-Graham bill, we recommend that we continue our strong opposition to their bill, including making it clear that we are prepared to veto it. In addition, in light of our commitment to address H-2A reform through a bi-partisan process on the Hill, we do not recommend any direct negotiation with Sens. Wyden and Graham about the specifics of their bill.

However, because Sens. Wyden and Graham have invested a lot of time and personal prestige in their efforts to reform the H-2A program, we believe that they will only be satisfied if they do not walk away empty-handed. Therefore, we recommend that you offer, in exchange for their dropping their support for the amendment, that we would agree to report language directing the Department of Labor to develop a pilot registry program. This pilot would be much more narrow than that proposed in their bill. Significantly, rather than replacing the growers obligation to recruit U.S. workers, the goal of the pilot would be to determine how

effective such a registry could be at matching growers to farmworkers. You should also urge Sens. Wyden and Graham to work with us in the bi-partisan process to develop a real reform package during the next Congress.

August 26, 1998

DRAFT MEMORANDUM FOR THE VICE-PRESIDENT

FROM: GENE SPERLING
ELENA KAGAN

SUBJECT: STATUS OF H-1B LEGISLATION

Background

H-1B visas are 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 H-1B visas is capped at 65,000 per year. During the last fiscal year, this cap was reached for the first time. This fiscal year the cap was reached in early May; as a result, no more visas can be issued until October 1. The information technology (IT) industry strongly supports raising the annual cap to address what it maintains is a shortage of U.S. workers with IT skills. Others, including the Department of Labor and organized labor, challenge the industry's conclusions about a shortage and are concerned that the current H-1B program does not target its use to employers who are experiencing skills shortages.

Until last month there were two legislative vehicles for increasing the cap on the number of H-1B visas. On May 18, the Senate passed (78-20) an industry-backed bill sponsored by Senator Abraham (R-MI) that increases the cap on H-1B visas for three years and includes an authorization for additional scholarships. This bill does not, however, require companies to recruit or retain U.S. workers prior to hiring H-1B visa holders. In the House, late last spring, the Judiciary Committee approved (23-7) a bill sponsored by Rep. Lamar Smith (R-TX). The Smith bill also increases the cap for three years but differs sharply from the Abraham bill by including meaningful protections for U.S. workers. The Smith bill, however, failed to include any training component for U.S. workers.

Soon after the House committee vote, House Majority Leader Arney told Rep. Smith that he would not bring Smith's bill to the House floor unless Rep. Smith worked out a compromise with Sen. Abraham that pleased the high tech business community. Consequently, in mid-July Rep. Smith and Sen. Abraham produced a compromise bill (the Abraham/Smith proposal) which includes weak and limited protections for U.S. workers and a small training provision. In part due to a senior advisors veto threat, the compromise measure failed to gain sufficient support in the House prior to the August recess and Republican leaders decided to postpone House floor consideration until September.

Administration Position

We agree that it may be necessary in the short-term to increase the number of visas for temporary foreign workers, but that this must only be done in conjunction with additional efforts to increase the skill level of U.S. workers (funded through a modest H-1B application fee paid by employers) and meaningful reforms to the H-1B program to protect U.S. workers. This is because it has been a core Clinton/Gore priority that the most important way to widen the availability of skilled workers must be to improve the skills of U.S. workers and ensure that employers seek U.S. workers first. Training provides a long-term solution to skills shortages. The reforms would help target usage of the H-1B program to employers facing genuine skills shortages by requiring employers to attest to having attempted to recruit U.S. workers before applying for an H-1B worker and to having

not laid off a U.S. worker in order to hire an H-1B worker.

Despite our willingness to work with representatives from the business community and members of Congress to craft a bill consistent with our principles, the Senate passed the bill sponsored by Senator Abraham that did not include either a recruitment or a no lay-off attestation and weakened existing enforcement authority of the Department of Labor. As a result, the Administration strongly opposed the bill. In contrast, the Administration stated in a letter to Rep. Hyde that it would support Rep. Lamar Smith's bill, because it included meaningful reforms to the H-1B program, if it were modified to include a significant training provision.

While we met with both Senator Abraham and Rep. Smith independently on several occasions early this summer, they finalized their proposal without incorporating most of our suggestions. Their proposal does make significant progress (relative to the Abraham bill) because it includes a small application fee to fund training and requires firms that have a high percentage of H-1B workers (typically "job shops" that contract workers to other firms) to attest to having attempted to recruit U.S. workers before hiring an H-1B worker and to having not laid off a U.S. worker in order to hire an H-1B worker. Unfortunately, the reforms are too weak to adequately protect U.S. workers (largely because far too many employers would be exempt from the attestations) and the bill, as structured, would not generate sufficient funds for increased training opportunities for U.S. workers.

Given the problems with the proposal and the fact that we had less than 24 hours in which to review and respond to it before the House leadership threatened to bring it to the floor, we had no choice but to make a statement to the press (on August 1) that if the proposal were presented to the President his senior advisors would recommend that he veto it. To show good faith, the same day we also put forth a list of proposed changes (see attached) and made clear that if the proposal were modified consistent with these changes, we would support it. This list includes significant compromises on our part; e.g., (1) we would agree to exempt firms that have a small percentage of H-1B workers (such as Microsoft, Intel, and HP) from having to attest to recruiting U.S. workers before hiring an H-1B worker; and (2) we would agree that the H-1B reforms will sunset with the increase in the cap. In addition, we have shown flexibility on the exact structure of a provision to protect U.S. workers from being laid-off and replaced with H-1B workers (although we have insisted that the provision be meaningful). These compromises have generated some opposition from organized labor and their Congressional supporters.

Since releasing our list of proposed changes, we have been engaged in serious discussions with members of Congress (including Senator Abraham and Representative Lofgren), and representatives from the business community (such as Jerry Jasinowski of NAM and Wade Randlett of Technet) and organized labor (such as the AFL-CIO) in an attempt to reach a compromise that would include a more substantial training provision and stronger protections for U.S. workers. We are hopeful that a compromise can be reached before the end of the Congressional session. (The remaining issue on which we have not yet reached an agreement is that the Administration believes that all U.S. workers should have some additional level of meaningful protection against being laid-off so that an employer can hire an H-1B worker.)

Industry's Position

The business community has generally not opposed the Administration's requirement that any H-1B legislation must include a significant training provision. It has, however, argued

that the reforms would generate unnecessary and intrusive federal regulations. As a result, the community supports the Abraham/Smith proposal because it increases the cap on the number of visas for five years and would exempt a large percentage of companies from the worker protections.

In addition, while some within the business community described our list of changes to the Abraham/Smith proposal as "good faith and reasonable," others accused us of "raising the bar" on what needs to be included in an acceptable bill and of attempting to block efforts to increase the cap. In fact, our position has not changed: in order for the President to sign a bill that increases the cap, it must also contain both a significant training provision and meaningful reform to the H-1B program. The Abraham/Smith proposal does not meet that standard.

Organized Labors Position

Organized labor does not oppose an increase in the cap, as long as this increase is accompanied by strong worker protections and a meaningful training provision. Thus, it opposes the Abraham bill in the Senate and generally supports the Smith bill in the House (if it were modified to include a training provision). Organized labor opposes the Abraham/Smith proposal because the worker protections would only apply to a small number of companies, the training component is relatively small, and the H-1B reforms would sunset with the increase in the cap. Not surprisingly, its main concerns with our list of changes to the Abraham/Smith proposal are that (1) we would agree to exempt firms that have a small percentage of H-1B workers from having to attest to recruiting U.S. workers before hiring an H-1B worker (the concern is that this would exempt an unknown, and potentially large, number of firms from this worker protection); and (2) we would agree that the H-1B reforms will sunset with the increase in the cap (organized labor wants the reforms to be permanent).

■ ■

Talking Points -- H-1B Legislation

August 26, 1998

*We support attempts to increase the number of H-1B visas as part of a larger package that includes both additional training for U.S. workers and meaningful reform of the H-1B program that both protects U.S. workers and respects the good faith business judgments of employers.

*We want to pass a bill to increase the cap. At the same time, our goal is to help ensure that qualified U.S. workers have the opportunity to fill a job before a temporary foreign worker is hired and that U.S. workers not lose their jobs to temporary foreign workers. A substantial training component would help U.S. workers obtain the skills needed to fill these jobs and the kinds of reforms that we have advocated (like those included in the Smith bill) would effectively target H-1B visas to industries experiencing skill shortages.

*We agree that the reforms should be targeted at companies that are dependent on H-1B workers (primarily the "job shops"), but we also believe that all U.S. workers should have some additional level of meaningful protection that is not overly intrusive for employers.

*Although the agreement reached by the Republicans last month includes a training provision and limited protections for U.S. workers, it falls short in several respects. The training provision would not generate sufficient funds and the protections included some big loopholes that would have made it difficult to tackle abuses in the program.

*We have laid out specific suggestions for ways to improve the Abraham/Smith proposal that, if made, would cause us to give this proposal our full support. We have had a series of discussions with the bills sponsors in an attempt to reach an agreement. Our suggested changes generally increase the funding for training and strengthen the protections for U.S. workers in an attempt to achieve a reasonable, balanced bill that both protects U.S. workers and respects the good faith business judgments of employers.

☐☐

Q&A -- H-1B Legislation

August 26, 1998

Q:Why has the Administration not embraced the Republican compromise on H-1B legislation?

A:Although the Republican agreement includes a training provision and limited protections for U.S. workers, it fell short in several respects. The training provision would not generate sufficient funds and the protections included some big loopholes that would have made it difficult to tackle abuses in the program.

Q:Some Republicans and hi-tech executives claim that the Administration keeps moving the bar on what it would consider an acceptable bill. What has been going on?

A:Our position on this issue is unchanged: For the President to sign a bill that increases the cap on H-1B visas, it must contain both a significant training component and meaningful reform to the H-1B program to ensure that American companies do not lay-off U.S. workers and replace them with foreign workers.

The Republican agreement that was unveiled last month fell short in several respects. It watered down the training provisions and created some big loopholes that would have made it difficult to tackle abuses in the program.

We have laid out a very specific path to how to get our support on the legislation and have had a series of discussions with the bills sponsors in an attempt to reach an agreement. Our suggested changes generally increase the funding for training and strengthen the protections for U.S. workers in an attempt to achieve a reasonable, balanced bill that both protects U.S. workers and respects the good faith business judgments of employers.

Q:Would the President veto the Abraham/Smith compromise?

A:If the Congress passes the Abraham/Smith proposal in its current form, the Presidents senior advisors will recommend that he veto it. While the President is willing to sign a bill that raises the cap on H-1B visas, he also wants to make sure that we protect and provide training for U.S. workers. We want to work with the Congress to develop a balanced bill that addresses the growing demand for highly skilled workers.

July 30, 1998

Proposed Administration Revisions to H.R. 3736 (the July 29, 1998 version):

1. Require either a \$500 fee for each position for which an application is filed or a \$1,000 fee for each nonimmigrant. Fee to fund training provided under JTPA Title IV. In addition, a small portion of these revenues should fund the administration of the H-1B visa program, including the cost of arbitration.
2. Define H-1B-dependent employers as:
 - a. For employers with fewer than 51 workers, that at least 20% of their workforce is H-1B; and
 - b. For employers with more than 50 workers, that at least 10% of their workforce is H-1B.
3. The recruitment and no lay-off attestations apply to: (1) H-1B dependent employers; and (2) any employer who, within the previous 5 years, has been found to have willfully violated its obligations under this law.
4. H-1B dependent employers attest they will not place an H-1B worker with another employer, under certain employment circumstances, where the other employer has displaced or intends to displace a U.S. worker (as defined in paragraph (4)) during the period beginning 90 days before and ending 90 days after the date the placement would begin.
5. DOL would have the authority to investigate compliance either: (1) pursuant to a complaint by an aggrieved party; or (2) based on other credible evidence indicating possible violations.
6. Establish an arbitration process for disputes involving the laying-off of any U.S. worker who was replaced by an H-1B worker, even of a non-H-1B dependent employer. This arbitration process would be largely similar to that laid out in H.R. 3736 except that it would be administered by the Secretary of Labor. The arbitrator must base his or her decision on a "preponderance of the evidence."
7. Reference in the bill to "administrative remedies" includes the authority to require back pay, the hiring of an individual, or reinstatement.
8. There must be appropriate sanctions for violations of "whistleblower" protections.
9. Close loopholes in the attestations:
 - a. Strike the provision that "[n]othing in the [recruitment attestation] shall be construed to prohibit an employer from using selection standards normal or customary to the type of job involved."
 - b. Clarify that job contractors can be sanctioned for placing an H-1B worker with an employer who subsequently lays off a U.S. worker within the 90 days following placement.
 - c. Do not exempt H-1B workers with at least a masters degree or the equivalent from calculations of the total number of H-1B employees.
 - d. Define lay-off based on termination for "cause or voluntary termination," but exclude cases where there has been an offer of continuing employment.

10. Consolidate the LCA approval and petition processes within DOL, rather than within INS.
11. Broaden the definition of U.S. workers to include aliens authorized to be employed by this act or by the Attorney General.
12. Include a provision that prohibits unconscionable contracts.
13. Include a "no benching" requirement that an H-1B nonimmigrant in "non-productive status" for reasons such as training, lack of license, lack of assigned work, or other such reason (not including when the employee is unavailable for work) be paid for a 40 hour week or a prorated portion of a 40 hour week during such time.
14. Increase the annual cap on H-1B visas to 95,000 in FY 1998, 105,000 in FY 1999, and 115,000 in FY 2000. After FY 2000, the visa cap shall return to 65,000.
15. Eliminate the 7500 cap on the number of non-physician health care workers admitted under the H-1B program to make the bill consistent with our obligations under the GATS agreement.

July 22, 1997

MR. PRESIDENT:

Attached is a later version of the AIDS background memo you received last night in your briefing book. It has been slightly revised with input from DPC. Elena Kagan has requested that you see the version that reflects DPCs input, particularly as regards the following issue:

*Medicaid Expansion for HIV Infection -- The VP requested that HHS study and report on the feasibility of a demonstration project expanding Medicaid eligibility to HIV-infected persons who do not yet have full-blown AIDS. DPC advises that the contemplated demonstration project is feasible, limited to several sites, but it would not be budget neutral and would represent a break in the Administrations long-standing budget neutrality criteria in Medicaid waivers.

Phil Caplan
Sean Maloney

STATEMENT OF ADMINISTRATION POLICY

TO: ERSKINE BOWLES
RAHM EMANUEL
LARRY STEIN
JOHN PODESTA
SYLVIA MATHEWS
PAUL BEGALA
GENE SPERLING
SALLY KATZEN
BRUCE REED
ELENA KAGAN
KATIE MCGINTY
WESLEY WARREN
KERRI-ANN JONES
JEFF SMITH
MARTHA FOLEY
RON KLAIN
BILL MARSHALL
KEVIN MORAN

CC: ACTING DIRECTOR LEW
JOSH GOTBAUM
CHARLES KIEFFER

DATE: 6/15/98
FROM: Kate Donovan, OMB Legislative Affairs
RE: FOR YOUR CLEARANCE -- Draft House Letter on
Agriculture Appropriations Bill, FY 1999

Attached is a draft House letter on the Agriculture Appropriations Bill, FY 1999.

Timing: House Full Committee markup tomorrow, Tuesday (6/16) at 1pm. Therefore, please call Kate Donovan at 5-4790 with comments or clearance by 9:30am Tuesday. Thank you.

STATEMENT OF ADMINISTRATION POLICY

TO: ERSKINE BOWLES
RAHM EMANUEL
LARRY STEIN
JOHN PODESTA
SYLVIA MATHEWS
PAUL BEGALA
GENE SPERLING
SALLY KATZEN
BRUCE REED
ELENA KAGAN
KATIE MCGINTY
WESLEY WARREN
MARTHA FOLEY
RON KLAIN
BILL MARSHALL
KEVIN MORAN

CC: ACTING DIRECTOR LEW
JOSH GOTBAUM
CHARLES KIEFFER

DATE: 6/10/98
FROM: Kate Donovan, OMB Legislative Affairs
RE: FOR YOUR CLEARANCE -- Draft Senate Letter on
Agriculture Appropriations Bill, FY 1999

Attached is a draft Senate letter on Agriculture Appropriations Bill, FY 1999. Please note that the opening paragraphs constitute boilerplate language that was developed pursuant to the Bowles meeting held last week. If everyone is agreeable with the language, we will use it on other non-defense appropriations letters.

Timing: Senate Full Committee markup tomorrow, Thursday (6/11) at 2pm. Therefore, please call Kate Donovan at 5-4790 with comments or clearance by 9am Thursday. Thank you.

0.Wallmans Suggested Inserts and Edits to VPOTUS Remarks

Overall -- what process is contemplated to vet the remarks more generally with Assistants to the President?

Page 3 of draft -- the proposed "First . . ." needs to be updated to reflect developments

"First, were going to send a message to companies who want to do business with the federal government: how you treat your employees and how you treat unions counts with us. If you want to do business with the federal government, youd better get your house in order, youd better clean up your act. Because were going to start changing the rules to make it clear that part of having the kind of integrity and business ethics and performance capability that we expect of a federal contractor is having a satisfactory record of labor relations and employment practices and policies. This is important for all working people, and we mean it."

Background

It will be important not to over promise in this part of the remarks. We will be judged a year from now by whether this provision produced results by either affecting contract awards or causing federal contractors to improve their behavior. Implementation over the next several months will be laborious and will require careful attention. The audience will be listening for the Vice Presidents commitment to faithful and forceful implementation.

The audience will also be listening to hear the VPOTUS describe this change as protecting all working people, not just unions and their members.

The draft remarks treat this announcement as an Executive Order, but the change would require a notice and comment rulemaking. The final rule must reflect the comments received in the rulemaking, so the outcome cannot now be treated as a done deal in the remarks. It will be important for this part of the remarks to be vetted with Counsels Office and with the Vice Presidents Counsel to make sure that they feel comfortable that the remarks do not go so far as to jeopardize the durability of the final rule.

The proposed rule change would make "labor relations and employment practices and policies" part of two components of the "responsible contractor" determination in the FAR -- the business ethics and integrity test and the capability test. There is at least an argument that it is already part of the third prong of the responsibility determination -- past performance -- so the Vice President should say nothing that would suggest otherwise.

We have reached a conclusion as to how to propose the change to the business ethics and integrity test. We have not reached a conclusion about exactly how to propose the change to the capability test. With respect to the capability test, there is agreement about the concept that should be included, but disagreement as to exactly where in the existing rule the words should be added. Each of the two opposing views is strongly held. It need not be resolved for purposes of the Vice Presidents remarks, and we are still working on a solution.

Reimbursing Certain Labor Related Costs

Also on page 3 of the draft

"Believe it or not, under past practices, federal contractors can even get reimbursed for the costs of trying to persuade employees not to join unions, and for the cost of fighting unfair labor practices allegations. But were going to start changing those rules because thats not fair, and its not right."

Background

Same point as above regarding rules amendment, not executive order. Vetting as to language is important here, too.

Audience will be listening especially carefully for signs that Vice President will care about implementation, particularly of the rule change requiring an end to reimbursement of persuading costs. This is regarded as a difficult change in the federal procurement community -- difficult to figure out what should be reimbursed and what shouldnt.

Flex time remarks

The comment about "reluctant" to sign I think goes beyond where the policy discussions came out. [Jon Kaplan, can you please take a stab at language that says this should be linked in Adminstrations view, and we will veto any comp time bill that doesnt embrace flex time principles. I think that would be a more comfortable way to do it.]

Campaign finance remarks -- Beck legislation

John Hilley provided language to Dan Pink through Jon Kaplan. It would be important to adhere to his formulation.

Project Labor Agreements

No comments. Looks fine. Should be vetted with Counsels Office (Wendy White) since she has been drafting the executive order.

FLSA/minimum wage

This draft goes beyond where we should at this stage. The topic should not be raised at all because no decision has been finally made. It may be that Bruce Reed or Elena Kagan can provide something to say about general principles that doesnt put the decisional issue squarely on the table, but if not, this part of the remarks should be struck. The issue can be raised privately, however, with assurances that we are working toward an outcome that respects the principle that people should be paid a fair, living wage.

M E M O R A N D U M

TO: BRUCE REED, ELENA KAGAN

FROM: THOMAS FREEDMAN, MARY L. SMITH

RE: WORK AND FAMILY IDEAS

DATE: NOVEMBER 20, 1997

*Tax credits for those families who have chosen to have one parent stay at home and take care of their own children. (Idaho Statesman)

*Senator Dodd is attempting to craft a child-care bill that will likely include tax incentives for employers to help with child care, bigger child-care tax credits for families and larger block grants to the states. Five Republicans have committed to this effort: Orrin Hatch of Utah, James Jeffords of Vermont, Pat Roberts of Kansas, Olympia Snowe of Maine, and Arlen Specter of Pennsylvania.

*Expansion of HeadStart to reflect new research on the critical importance of the ages zero to 3.

*Expanded tax credits for child care.

*Help for after-school programs for older kids.

*Smart Start early-childhood program: North Carolina program that offers new mothers stipends for diapers and baby food if they stay home with their newborns instead of rushing back to work.

*Expand the Family and Medical Leave Act so that parents can take time off for childrens medical appointments, teacher conferences (President at Child Care Conference)

*Flex time laws allowing workers to choose between receiving overtime in pay or in time off (President at Child Care Conference)

*Kohl bill that would provide tax credits to businesses that construct on-site child care (Bruce)

*Increase amount of money in child care development block grant to states (Bruce)

*expand dependent-care tax credit, which is available to two-parent families with two parents that work (Bruce)

*Chafee bill: KidCare Act. Among other things, it would:

*Increase the current child-care tax credit for families making less than \$5,000, and increase the amount of pre-tax dollars employees can contribute to Dependent Care Assistance Plans

*Allow higher tax credits and greater pre-tax contributions for families who use accredited or credentialed child-care services, since they usually cost more

*Give child-care providers a larger tax deduction for educational expenses related to

achieving or maintaining accreditation

*Provide \$50 million to create and operate technology-based training that uses distance learning, the Internet and satellite resources to help child-care providers nationwide to receive training, education and support

*Allow businesses a charitable deduction for donating educational equipment to nonprofit child-care providers and public schools

*Help employers who provide child care by implementing a tax credit for startup costs for child-care centers, professional development expenses, and costs related to achieving accreditation

*Establish a \$260-million competitive grant program that would help states improve the quality of child care by doing such things as increasing the salaries of credentialed child-care providers; developing standards for the accreditation and credentialing of providers; offering scholarships to help providers pay for education and training, or for use on consumer-education efforts

March 12, 1997

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: IDEAS

Health and Safety

1. Patients Bill of Rights/Quality Commission: The counsels office is almost done vetting our nominations for the Quality Commission, which will be charged with developing a Patients Bill of Rights. Announcement of the Commission can be combined with the release of a HHS regulation that would guarantee an expedited appeal whenever a plan proposes to deny care that a Medicare patient believes is urgently needed.
2. Medicare fraud legislation: We have finalized and are ready to announce a new and very good package of Medicare fraud and abuse initiatives. We can unveil this package in Saturdays radio address -- or if it doesnt fit there, we can look for another opportunity to make the announcement. At the same time, we can underscore our recent successes in prosecuting fraudulent health care providers.
3. Medical records privacy: We are working with HHS to develop legislation to ensure appropriate privacy protections for medical records. The subject is complex, but we have the discussions on a fast track. We are aiming to have legislation ready within a month.
4. Business endorsement of kids coverage: We are working on an event at which important representatives of the business community endorse our proposal to extend health care coverage for children. We think we can have this event ready sometime in April.
5. Executive order on unemployed workers: We are exploring whether we have legal authority to issue an executive order granting six months of health care coverage to unemployed federal workers (thus mirroring our budget proposal). We should know within a week or so whether this action is doable.
6. Classified research with human subjects: In response to recommendations of the Presidents Advisory Committee on Human Radiation Experiments, we have prepared (1) an Executive Order strengthening protections for human subjects of secret research; and (2) legislation expanding compensation for Cold War-era uranium miners. We can announce these policies and release a summary report detailing the Administrations full response to the Committees 18 recommendations. This is tentatively scheduled for release March 25, to provide news during the Presidents day off.
7. Tobacco Advertising: We are reviewing a proposal for the President to take action

responding to tobacco companies use of the internet and other fora to get around our tobacco regulation. We could use "Kick Butts" day to announce this proposal, but we should first get DOJ assurance that this proposal does not compromise our efforts to defend our tobacco regulation in court. We are also working on a response in case the federal judge in North Carolina rules against us. That ruling is expected in the next 5 weeks.

8. Seat Belt Study: The Department of Transportation will give the President a report in a week or so on ways to increase seat belt use. DOT's report is likely to include ideas for presidential challenges to states and business groups, as well as a proposal (consistent with our budget) to offer financial incentives to states to improve and enforce seat belt laws. We can release the report when the President meets with Big 3 auto executives. (It is possible that we could announce at the same event a bigger safety initiative: the addition of language to our NEXTEA proposal sanctioning states that don't have tough seatbelt laws. Secretary Slater is currently considering whether to support sending this language to Congress.)

9. Aggressive drivers/driver emergency number: DOT is working on a package of proposals to deal with aggressive drivers; we expect to get the package within 10 days. But DOT thinks the package will seem skimpy and that it may provoke safety advocates to say that the real problem is the speed limit. DOT has suggested as an alternative action creating a uniform emergency number for cellular phones. DOT thinks such an action can be ready by May.

10. Children's Health EO: The DPC, NEC, CEQ, and OSTP are working on an executive order designed to ensure that the federal government considers the special needs of children when taking regulatory action. The executive order requires every agency to determine whether a regulation may impose disproportionate risks on children and, if so, to evaluate the specific effects of the regulation on children. Several agencies have raised serious last-minute objections, but we are hoping that we can work these out in the next few weeks.

11. AIDS Vaccine / Emerging Infections / Wiping Out Polio Worldwide: Our scientists are confident there will be an AIDS vaccine, but are very reluctant to promise one by a time certain. (Margaret Heckler made such a promise in the early 80s, and was ridiculed for it.) We are meeting with them again this week to press the question one more time. We have asked them to recommend steps the President could take to advance the search for an AIDS vaccine. OMB offered to find them more money, but they said that wouldn't make much difference. We are also working with them on the possibility of an initiative to combat emerging infections like ebola and malaria around the world. No one knows it, but our budget includes \$20 million for the World Health Organization and other groups like Rotary International to wipe out smallpox worldwide.

Education

1. Testing in military schools: Announcement scheduled for tomorrow.
2. School construction event. Announcement scheduled for this Friday.
3. State School Officer Endorsements: The Chief State Schools Officers organization will endorse the President's testing proposal when he meets with them on Monday. We are also lining up endorsement letters from individual members.
4. California Endorsement of Testing Plan: California's superintendent, Delaine Eastin, is

prepared to endorse our testing proposal, and a group of Silicon Valley high-tech executives are prepared to do so as well. This is scheduled for the Presidents visit March 24. Californias endorsement is very important, since the state has 10-15% of the countrys schoolchildren.

5. Advisory Panel for Education Tests: The Education Department is thinking about the appropriate structure and composition of a panel of teachers and other trusted educators to advise on the development of our 4th and 8th grade tests. (The Department may decide to use an existing, non-governmental group to perform this function.) We expect a decision in a few weeks.

6. Teacher of the Year: The President will meet with the Teacher of the Year and other outstanding teachers at the White House on April 18. He may be able to announce that the National Board for Professional Teaching Standards has selected additional master teachers.

7. Roundtable/Town Hall on Standards: The President could participate in a session with teachers, students, parents, and others to explain the standards associated with his 4th and 8th grade tests. The roundtable would demonstrate with concrete examples the kind of student work -- and the kind of teaching -- that reflects high standards.

8. Agency sponsorship of charter schools: We can set a process in motion for federal agencies -- for example, NASA or the NSF -- to sponsor charter schools in partnership with teams of teachers. We should keep this project small at the start and focus it on DC. It will probably take us three or four months to be ready to announce the first sponsorship.

9. Incentives for engineering: We are currently exploring whether we can take executive action (or should propose legislation) providing monetary incentives for students to take engineering courses. We will know more within a week.

Welfare

1. Welfare-to-Work Transportation Plan: We announced today our Access to Jobs proposal, which would allocate \$600 million of NEXTEA funding to improve transportation systems so that welfare recipients and other low-income workers could get to work more easily. We are currently exploring whether we can take an executive action that would call further attention to these efforts. We should know in a week or two.

2. Child Support: We can announce new child support enforcement numbers, along with the submission of a new HHS report on child support enforcement and our submission of legislation (previously announced) to make it a felony to cross state lines to evade child support obligations. This is another possible radio address for this Saturday or the next.

3. Statutory Rape/Teen Pregnancy Prevention: DOJ should be ready sometime in April to release a report on statutory rape and its relation to teen pregnancy rates. We could do a radio address timed to coincide with the release of this report, discussing strategies to enforce statutory rape laws and decrease teen pregnancies.

4. Internet in welfare offices: We are currently exploring ways to increase the access of welfare offices around the country to internet, with its wide range of job databanks. Eli Segals organization may play some role in this effort. Gingrich is also interested. We will have a proposal within a week or two.

5. Welfare business group announcement: Eli Segal is planning a formal announcement of his organization in early April, preferably in Milwaukee -- where he would line up the support of a few hundred businesses, Mayor Norquist, Governor Thompson, and Mitch Fromstein, head of Manpower. This is tentatively scheduled for April 7.

Crime and Drugs

1. Hard Liquor Advertising: For years, the hard liquor industry has voluntarily agreed not to show liquor ads on TV. Some companies have now broken that agreement. In furtherance of his National Drug Control Strategy roll-out, the President could send a letter to the FCC requesting that they consider restrictions on hard liquor advertising on television during certain time periods.

2. Sex Offender Registry: The President could visit the National Center for Missing and Exploited Children in Arlington, Virginia where he would take a tour of facility and announce that the interim National Sex Offender Registration system -- which he directed the Attorney General to develop in the June 21, 1996 Radio Address -- is now up and running. He also would announce that he is signing an Executive Order instructing the Attorney General and the Secretary of Defense to ensure that sex offenders released from Federal and Military prisons are listed in the national registry. This is ready to go.

3. National Anti-Drug Media Campaign: The Presidents FY 98 Budget Submission includes \$175 million for a national anti-drug media campaign directed towards our youth. We will not be able to expend any funds on this initiative until we enact the appropriation bill, but ONDCP can expend discretionary funds in its FY 97 budget to begin producing anti-drug ads. At a Rose Garden event, the President could kick off his Administrations anti-drug media campaign with one of the celebrities who has committed to appear in an ad. The President could also release a letter that he is sending to every network issuing his challenge that they match our contribution and begin dedicating more air time to anti-drug ads. ONDCP is currently reaching out to celebrities and sports figures such as Michael Jordan, Grant Hill, and Tiger Woods to tape anti-drug ads. This event should be ready sometime in April, and could coincide with the Chicago Bulls visit April 3.

4. Anti-Gang Prosecutor Event: The cornerstone of the Presidents Anti-Gang and Youth Violence Strategy is a \$200 million anti-gang prosecution grant program. The President could meet with prosecutors from across the country in the Oval Office where they would thank him for his strong support in fighting gangs. The prosecutors -- Republican and Democrat -- would urge Congress to move quickly to pass the Presidents bill. We recommend April for this event.

5. After-school initiative event: To highlight his new after-schools initiatives in the Anti-Gang Bill, the President could visit a successful after-school program and meet with the kids helped by the program. That day, he also would announce that HHS is providing several million dollars in grants from its FY 97 appropriation for new after-school programs across the country. This event should occur after the anti-gang event described above.

6. Victims Constitutional Amendment: In June 1996, the President announced his support for a constitutional amendment for victims rights -- to guarantee victims the right to be notified, to receive restitution, receive reasonable protection measures, and to be heard

at sentencing and parole hearings. At a White House event, the President could: (1) urge Congress to pass the Amendment quickly; (2) receive a report from the Attorney General -- in response to his June 25, 1996 Directive -- outlining measures taken by the Justice Department to increase and improve Federal services and protections for victims of crime; (3) announce the creation of a Federal victim notification system; and (4) announce additional funding from the Victims Crime Fund -- which is larger than ever before -- that will be provided to victims services and shelters throughout the country. This could be a radio address for April 19, the third anniversary of the Oklahoma City bombing or during April 14-18, which is National Crime Victims Week.

7. Nanny checks: We could introduce legislation prepared by the Justice Department that would facilitate criminal checks for non-criminal purposes -- for example, a check on a potential nanny or schoolbus driver. But we oversold the Oprah bill a couple of years ago as a solution to this problem; if we do another big event, we will have to admit that our purported solution didnt do much of anything.

8. Ban on importation of gun clips: We are looking into the possibility of endorsing Sen. Feinsteins bill to close a loophole in the assault weapons ban by prohibiting the importation of 15-round magazines. We will have a recommendation later this week.

Family

1. Family leave executive order: We think we have legal authority to issue an executive order granting federal employees the additional family leave provided in our legislative proposal. We will have a final answer on this proposal within the week.

2. Child care centers: Ideas proposed to us last week on child care would be either ineffectual or prohibitively expensive. We are continuing to look for sensible policy initiatives.

Service Summit

1. Scholars Program: We announced last year a \$1,000 scholarship for high school students who have performed outstanding service, with the federal government putting up \$500 and a community or service organization (e.g., Lions, Elks, Kiwanis, Moose) putting up the rest. We can be ready any time to do an event inviting high schools that have obtained matching funds to submit names of candidates for the scholarship (perhaps in conjunction with a letter from the President to every high school principal).

2. Commitments/Adopt-a-School: We could announce "commitments" from the federal government to the service summit -- proposals for how the federal government can support service and voluntarism to help youth. We could be ready to make such announcements in 2-3 weeks if necessary. One possible commitment would involve agencies adopting schools -- offering literacy services, donating computers, doing career days, etc.

Environment

1. Brownfields: The EPA wants to roll out an expansion of the existing Brownfields pilot program in about two months. The Administration will also resubmit legislation creating a

new tax incentive and grant program to encourage the redevelopment of Brownfields.

2. Right-to-know law: EPA should be ready in about two months to issue a rule extending disclosure obligations under the right-to-know law to a number of additional industries -- probably including mining, hazardous waste handlers, and utilities.

3. Safe water regulations: EPA will propose regulations to require water utilities to provide information to consumers about what is in tap water. The proposal will not be ready until September or so.

April 16, 1997

CONFERENCE ON EARLY CHILDHOOD DEVELOPMENT AND LEARNING

DATE: April 17, 1997
LOCATION: The East Room
BRIEFING TIME: (Red Room)
EVENT TIME: pm
FROM: Bruce Reed/Elena Kagan

I. PURPOSE

To call attention to new scientific research on brain development in very young children and practical applications of these findings. This is also an opportunity to demonstrate your commitment to enhancing the development of young children and highlight the Administrations efforts to strengthen families.

II. BACKGROUND

You and the First Lady will be hosting two panel discussions, the Vice President and Mrs. Gore will be joining you for the afternoon session. During the morning session of the conference, leading researchers and child development experts will discuss the new research and what it means for parents and caregivers. The morning session will be broadcasted to approximately 100 satellite sites. The afternoon session will highlight model community efforts to support parents and enhance early childhood development. The First Lady will moderate the afternoon session.

This conference builds on the Administrations investment in children and families. The Administration has invested heavily in research to help us better understand the importance of the first few years of a childs life, including increasing the funding for NIHs childrens research by 25%, from \$1.3 billion to \$1.6 billion, between 1993 and 1997. In addition, the Administration raised funding for Head Start by 43% over the last four years and created the Early Head Start program to support families with children ages zero to three. Your FY 1988 Budget further increases participation to reach 122,000 more children in FY 1998 than when you first took office. The Administration also dramatically increased participation in the WIC Supplemental Nutrition Program.

This conference is an opportunity for you to announce the following new policy announcements:

Improving the Quality of Child Care By Learning from the Military. Based on reports from child care experts that the military child care system is now the best in the country, you

will be issuing an executive memorandum directing the Secretary of Defense to use the Departments expertise to help improve child care across the nation. The memorandum urges the Department to consider: (1) creating partnerships with civilian child care centers in the community to help them improve quality; (2) providing training courses for civilian child care providers; (3) sharing the materials and models for worker training, accreditation and evaluation, facility design, financing, and other ingredients of the militarys success; and (4) working with States and local governments to enable military child care facilities to serve as training sites for welfare recipients moving from welfare to work.

Providing Health Coverage for Children. You will announce that your FY 1998 budget proposal includes a childrens health initiative that will extend coverage to up to 5 million uninsured children by the year 2000 by strengthening Medicaid for poor children, building innovative State programs to provide coverage for working families, and continuing health coverage for children of workers who are between jobs. Today, the Association of American Medical Colleges issued a letter of support for the Clinton Administrations childrens health proposal.

Importance of Early Education. The President recognizes that children must be nurtured and stimulated in the earliest years. That is why he is announcing two initiatives geared toward early learning.

*Expanding Early Head Start. The Department of Health and Human Services is requesting proposals for new Early Head Start programs to expand Early Head Start enrollment by one-third next year. Created by the Clinton Administration in 1994, the Early Head Start program brings Head Starts successful comprehensive services to families with children ages zero to three and to pregnant women.

*Giving Parents and Caregivers Early Childhood Tools. The Presidents America Reads Challenge is releasing "Ready*Set*Read" early childhood development activity kits. The kits offer suggestions to families and caregivers about developmentally appropriate activities for children ages zero to five. They will be distributed in May to early childhood programs across the country and to callers to the Department of Educations 1-800-USA-LEARN hotline.

Safe Start. The Department of Justice is establishing "Safe Start" to change the way law enforcement officers respond to children who are the victims of or witnesses to violence. The program will provide training on early childhood development to community police officers, prosecutors, probation and parole officers, school personnel and mental health providers. It will better prepare law enforcement officials to respond to young children exposed to violence and can help prevent todays children from turning into tomorrows criminals. The initiative is built on the successful partnerships between community police officers and mental health providers funded by DOJ in New Haven, Connecticut and three other communities.

III. PARTICIPANTS

Briefing Participants:

The First Lady
John Podesta
Bruce Reed
Elena Kagan

Melanne Verveer
Sarah Farnsworth
Carolyn Curiel

First Panel Participants:
The First Lady

IV. PRESS PLAN

Open.

V. SEQUENCE OF EVENTS

VI. REMARKS

Morning Panel: Opening and closing remarks prepared by Speechwriting.
Afternoon Panel: Closing Remarks prepared by Speechwriting

VII. ATTACHMENTS

- Participant list in speaking order.
- Fact Sheet on California Educational Standards.
- Statement from 200 CEOs.

October 22, 1997

THE WHITE HOUSE CONFERENCE ON CHILD CARE

DATE:October 23, 1997
LOCATION:The East Room
TIME:9:20 a.m. - 12:00 p.m.
FROM:Bruce Reed
Melanne Verveer

I. PURPOSE

To engage in a substantive discussion on child care with key policy-makers, experts, advocates, and community leaders.

Objectives for the Conference: (1) To call national attention to an issue that political leaders and policy-makers have traditionally ignored; (2) to prepare the way for a child care initiative in your next budget; and (3) to urge government and the private sector to address the significant challenge of ensuring that working families have access to safe, affordable child care.

II. BACKGROUND

The White House Conference on Child Care will bring together academic experts and economists; child care providers and advocates; religious, labor and business leaders; and parents. Several hundred additional people will attend sessions at three Federal agencies to watch the Conference proceedings by satellite and participate in working sessions with members of your Cabinet. The conference will also be broadcast live via satellite to more than 100 locations in at least 48 states. Mrs. Clinton will host a reception on the White House South Lawn at the conclusion of the conference for all those attending the White House and agency sessions.

The conference follows on a series of events that have included you, the First Lady, and other Administration officials, as well as years of involvement by you and the First Lady on child care. Recent events include your visit to a Head Start center in New Jersey; several appearances by the First Lady, including a visit to the Quantico Marine Base to view the military child care system, a round table discussion in Florida with business leaders involved in child care, and a speech at the University of Maryland; and numerous meetings with key constituencies hosted by members of the Domestic Policy team and the First Ladys staff.

Your opening remarks at the conference, however, will be your first opportunity to speak to the American people about this issue in a substantive way. In fact, you are the first President to address this issue seriously; focus group meetings with child care experts and advocates underscored the significance of your role in turning the nations attention to this issue and recasting it as one in which all Americans have a stake. Your remarks will address the importance of good child care for Americas working families, note past Administration accomplishments on this issue, announce several new policy initiatives and

indicate your intent to unveil a child care proposal this winter.

Topics for Discussion: The conference will address three critical child care challenges -- availability, affordability, and safety and quality. You will be present for the morning session, which will include opening remarks by you and the First Lady, the presentation of a short video, and a panel discussion moderated by you and the First Lady. This panel discussion will be divided into two parts. First, panelists will discuss why child care matters -- both to our children's development and to the nation's economy. Second, panelists will examine how well (or badly) we are meeting the challenge of ensuring that safe, affordable child care is available to working families.

The afternoon panel discussion will be anchored by the First Lady, the Vice President, and Secretary Riley. This discussion will examine successful child care models across the nation and consider the roles that states, business and labor leaders, the faith community, health care professionals, and others can play in addressing critical child care challenges.

At the tabs that follow in this book, you will find a suggested script for each of the panels and bios of the panelists.

Policy Announcements: You will announce your intent to introduce a child care initiative as a part of your next budget proposal. In addition, you will announce several other initiatives (described in more detail in the attached October 20 memorandum):

- 1) The appointment of a Child Care Working Group that will report to Secretary Rubin on the role that business should play in providing child care;
- 2) An outreach plan to make child care workers aware of possible eligibility for Pell Grants, and a new scholarship program, of at least \$50 million per year, that will provide assistance to full- or part-time students who are working toward a Child Development Associate credential or another degree in child development and who agree to remain in the child care field for at least one year (this program will be modeled after Governor Hunts T.E.A.C.H. (Teacher Education And Compensation Helps) Early Childhood Project);
- 3) The transmittal of the "National Crime Prevention and Privacy Compact" to Congress, which will enable states to share criminal history information for limited other purposes, including background checks on child care workers; and
- 4) A strategy to expand access to and the quality of after-school programs through service activities, and the release of a "How-To Manual" describing how to integrate service and school-age care, identifying opportunities for children to learn through service, and highlighting programs that are currently using service to enrich out-of-school time.

III. PARTICIPANTS

Briefing Participants:

Bruce Reed, Melanne Verveer, Elena Kagan, Jennifer Klein, Nicole Rabner, June Shih

Event Participants:

Panel I (morning session moderated by YOU and the First Lady):

Ellen Galinsky, President and Co-Founder, Families and Work Institute.
Michelle Seligson, Founder and Director, National Institute on Out-of-School Time.
Secretary Robert Rubin, Secretary of the Treasury.
Secretary Donna Shalala, Secretary of Health and Human Services.
Governor James Hunt, Governor of North Carolina.
Valora Washington, Program Director, W.K. Kellogg Foundation.
Patty Siegel, Executive Director, California Child Care Resource and Referral Network.

Panel II (afternoon session moderated by the Vice President and Mrs. Clinton):

Major General John G. Meyer, Chief of Public Affairs United States Army.
Jane Maroney, State Legislator, State of Delaware.
Dr. Susan Aronson, National Board, Member of the American Academy of Pediatrics.
Bishop Joseph M. Sullivan, Vicar of Human Services, Diocese of Brooklyn.
Beatriz Otero, Executive Director, Calvary Bi-Lingual Multicultural Learning Center.
John J. Sweeney, President, AFL-CIO.
Doug Price, President, FirstBank of Colorado.

Guests. The conference will be attended by approximately 150 guests, including: Members of Congress, Governors and other state and local officials, academic experts and economists; child care providers and advocates; religious, labor and business leaders; and parents. A complete guest list is attached.

VI. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- *YOU and the First Lady proceed to the Red Room for briefing;
- *YOU and the First Lady proceed to the Blue Room for meet and greet with panelists from both the morning and afternoon panel discussions;
- *YOU and the First Lady are introduced into the East Room;
- *The First Lady makes remarks and introduces a 5-minute video on child care;
- *Video is shown;
- *Kathy Carliner (parent) introduces YOU;
- *YOU make remarks;
- *YOU and the First Lady lead a panel discussion on "The Challenge: Availability, Affordability, and Assuring Safety and Quality Child Care";
- *YOU make closing remarks;
- *The First Lady makes closing remarks;
- *YOU depart;
- *The First Lady hosts a lunch in the State Dining Room;
- *The First Lady and Vice President moderate the second panel -- "Learning From What Works";
- and
- *The First Lady hosts a reception on the South Lawn.

VI. ATTACHMENTS

Conference Agenda
Panel Descriptions, Participant Bios, and Scripts
List of Participants

Remarks

Background

--Fact Sheets on Child Care

--Overview Memorandum

Articles

January 21, 1998

MEMORANDUM FOR THE PRESIDENT

FROM:Chris Jennings

SUBJECT:Waivers and the Childrens Health Insurance Program

cc:Bruce Reed, Gene Sperling, Jack Lew, Josh Gotbaum, Elena Kagan

This memo seeks your guidance on how much, if any, additional flexibility should be given to states in the Childrens Health Insurance Program (CHIP) through the use of 1115 waivers. Although waivers have been instrumental in modernizing and reforming welfare and Medicaid, questions have been raised about the feasibility and advisability of granting waivers for the new childrens health care program so soon after its enactment.

Despite acknowledging the great amount of flexibility given to the states in the new CHIP grant program, the Governors asked soon after the laws enactment if additional flexibility would be given through waivers. HHSs interim response was that it would be difficult to review and evaluate the merits of waiver proposals until we had some experience with the implementation of the new law. Your advisors agreed that this was the appropriate, initial response, but we also underscored that this was not necessarily our final position.

The National Governors Association (NGA) immediately responded by formally requesting that we affirm states ability to seek new CHIP grant program 1115 waivers. Since then, two other issues have been raised: (1) Will we approve new Medicaid 1115 waivers in the Medicaid option within CHIP, and (2) Will we allow states with current Medicaid 1115 waivers to expand those programs through CHIP (even though some have provisions below the CHIP minimums).

All of your advisors agree that the HHS Secretary does have the authority to grant waivers for CHIP, whether administered through a new non-Medicaid grant program or through Medicaid. They also generally agree that the CHIP waiver policy need not conform to existing waiver policy. However, they (HHS, OMB, Treasury, NEC/DPC) disagree on whether and under what circumstances HHS should approve waivers in CHIP.

Because HHS is holding state conferences this month on CHIP and the annual NGA conference is in February, it is important that we receive direction from you in short order on this issue. This memo, developed in collaboration with HHS and OMB, outlines these issues, provides policy options for your consideration, and summarizes where your advisors stand on these options.

BACKGROUND

Your Administration has given states unprecedented flexibility for their health care programs. Since 1993, we have granted 15 comprehensive Medicaid waivers that test approaches not allowed in Medicaid like experimenting with premiums and cost sharing for low-income populations, waiving benefits, and accelerating enrollment in managed care. States have also used waivers to expand coverage to millions of Americans. In addition, with the Administrations strong support, the Balanced Budget Act secured much greater administrative flexibility for the Medicaid program (e.g., eliminated the need for a waiver for a managed care program, repealed the Boren amendment, and reduced cost-based reimbursement requirements for community health centers). In so doing, we eliminated the need for many time-consuming waivers that we heretofore required from states.

The BBA also created CHIP, which has fewer Federal guidelines than any other health insurance program that the Government oversees. Unlike Medicaid, CHIP allows states that opt to expand through a new, non-Medicaid grant program to cap the number of children covered (i.e., no entitlement requirement); to limit programs to parts of the state; to not cover Medicaid's EPSDT (Early, Periodic, Screening, Detection and Treatment) benefit; and to charge beneficiaries long-sought-after (although limited) cost-sharing. Alternatively, states may expand using the enhanced Federal match through the now more flexible Medicaid program. However, states choosing this option must follow Medicaid rules (e.g., no benefits changes or cost sharing).

Although extremely flexible, CHIP includes standards for accountability, benefits, and cost sharing limits; these were secured by you and Congressional Democrats. Accountability provisions include limits on the type of state contribution (e.g., no provider taxes and donations) and provisions to prevent "crowd out" (substitution of the new coverage for existing coverage). For the new non-Medicaid grant program, we developed a benefit standard that simultaneously ensures that it is valuable but provides great flexibility to states in benefits design. Cost-sharing is allowed in the grant program but limited to moderate premium and copayment schedules for those below 150 percent of poverty and to 5 percent of family income for those above 150 percent. As under current law, states electing the Medicaid option must follow Medicaid rules for benefits (including EPSDT) and cost sharing (for children, none is allowed).

Despite the flexibility in CHIP, some states have indicated that they want 1115 waivers. There are three types of waivers that states are seeking. First, several states want to waive provisions for non-Medicaid, CHIP grant programs (e.g., California wants to impose greater cost sharing above the CHIP limits). Second, others want to waive Medicaid provisions within CHIP's Medicaid option since states choosing the Medicaid option must use all Medicaid rules (e.g., Missouri wants to waive the Medicaid requirement to cover non-emergency transportation). Third, most states that already have Medicaid 1115 waivers want to expand those programs to more children to receive CHIP's higher matching rate even though some include provisions that are significantly below the new CHIP minimums (e.g., Arkansas has higher cost sharing requirements than allowed in CHIP). It is important to note that the provisions that states want most to waive are the benefits and cost sharing minimums we worked to secure before signing off on the budget agreement.

CONSENSUS RECOMMENDATION: DEFERRING NON-MEDICAID CHIP WAIVERS

Your advisors have achieved consensus on one of the major issues. For CHIP non-Medicaid grant programs, we believe the Administration should consider waiver applications only after a state has had at least a years worth of experience, followed by an evaluation of its childrens health insurance program. As we gain experience with the new CHIP grant

program, we will have a better understanding of what types of CHIP demonstrations are appropriate and will develop guidelines at that point.

We believe that deferring approvals for waivers of the already extremely flexible CHIP is advisable because this enables us to see how the program you signed into law last summer will work. Granting waivers now would place great pressure on us to weaken the accountability and benefits standards that we secured in the Balanced Budget negotiations that base Democrats and advocates think are too modest anyway. Having said this, waiver policy for CHIP may well be advisable after we have had time to learn about the programs strengths and weaknesses.

If you agree, we will inform Governors of this policy in a response to their letter. While we believe that Governors will be disappointed with this position, they will likely appreciate that our policy is temporary and that we open up the prospect for waivers soon after they implement their childrens health programs.

Decision

Agree on deferring non-Medicaid grant program waivers until plans in place for one year

Lets discuss

ISSUE: POLICY FOR MEDICAID WAIVERS

The other types of waivers, about which there is disagreement amongst your advisors, concern the Medicaid option within CHIP. We all agree that our Medicaid waiver policy should be modified to acknowledge the fact that the Congress did pass legislation that explicitly outlines new guidance on balancing the need for greater flexibility with the need for accountability. However, we differ on how our policy should be modified to reflect this policy change and, more specifically, the extent to which we would hold Medicaid waivers to the CHIP standard.

There are two questions. The first is whether we grant new waivers to states that expand CHIP coverage through Medicaid. States have indicated that they are interested in expanding coverage through the Medicaid option, but since the law allows no flexibility from Medicaid rules, they want waivers, particularly in the area of cost sharing. The second question is whether we allow states that already have Medicaid 1115 waivers to expand those programs, without change, to get the CHIP allotment and higher match. The following are the options proposed by your advisors.

OPTION 1 (HHS): Defer new Medicaid CHIP waivers (with minor exceptions) and allow expansions of existing Medicaid waivers if consistent with CHIP standards for non-Medicaid grant programs. HHS recommends that we apply the same policy for new Medicaid and non-Medicaid, grant program waivers. It would hold off on approving any new Medicaid waiver under CHIP until we have at least a years experience plus an evaluation. (The only exception would be for waivers for small, incidental provisions that have little or no effect on most children like Missouris desire to waive the Medicaid requirement for non-emergency transportation.) For states that have waivers already, HHS would allow them access to the new enhanced matching dollars only if they met CHIPs non-Medicaid grant program standards.

Although HHS/OMB have, in years past, approved a number of Medicaid waivers that have less generous benefits than even the new CHIP grant program, HHS believes the new law set a floor that we should not fall below. They fear that once we open the door to waivers, we will have a difficult time maintaining these standards. In addition, they are concerned that waiver negotiations will delay implementation of new programs in a number of states. Rapid implementation is one critical component to covering our target 5 million uninsured children.

If you choose this option, the Democrats and childrens health advocates will applaud our decision to respect the rules enacted in the widely praised new health insurance program for children. However, Governors who are hoping that we will allow some type of Medicaid waivers will surely react strongly and negatively to this policy.

OPTION 2 (NEC/DPC): Allow Medicaid CHIP waivers (new or old) if generally consistent with CHIP standards for non-Medicaid grant programs. This option would allow new waivers through the Medicaid option of CHIP if those waivers were consistent with the standards provided under the new CHIP grant model. In other words, states choosing the Medicaid CHIP option could waive Medicaid rules as long as the benefits, cost-sharing and other accountability provisions are in line with the CHIP grant program standards. Existing (old) Medicaid 1115 waiver programs could also receive the higher matching rate, but they too would have to meet CHIP standards; in a number of cases, this would mean they would have to strengthen some of their benefits/cost-sharing protections to access these additional dollars. Although a few states would have to reduce cost sharing requirements to comply with CHIP, we believe that the higher matching rate available under CHIP would be sufficient to offset these costs.

DPC/NEC believes that this option strikes an appropriate balance by maintaining the integrity of the CHIP program and the Balanced Budget Act and giving the new standards time to be tested. It also removes an important disincentive for states to use the Medicaid option in CHIP. Many states would prefer to use their already-in-place Medicaid programs because it is administratively simple. Moreover, having a seamless Medicaid program serving both poor and children of working parents has obvious advantages. However, allowing any new Medicaid waivers through CHIP will be criticized by our base Congressional Democrats, some Republicans, and advocates. They believe that their support for the flexibility in the non-Medicaid CHIP program was conditional on no new flexibility in Medicaid. The Governors would like this approach better than the HHS option, but they could be counted on to say that it is still not flexible enough.

Within this option, NEC/DPC also recommends that the Secretary have the authority to approve Medicaid CHIP waivers that may be modestly below those standards provided for in the new CHIP grant program. While we strongly believe that the CHIP standards should be the guiding principle for Medicaid waivers, we also recognize that it is unwise and unrealistic to treat the new laws standards as "lines in the sand" that can never be crossed regardless of a waivers merits.

One good example is in the area of cost sharing.

In both previous Medicaid waivers and our internal policy positions, we have allowed limited cost sharing that exceeds the CHIP grant program standards. Such cost sharing can appropriately increase beneficiaries cost sensitivity in using health services and decrease possible employer insurance dropping problems, since such a policy would more accurately mirror marketplace coverage. While we recommend providing this additional flexibility

authority, we also believe that waivers of the CHIP grant standards for children not be granted below 133 percent of poverty -- the level your Administration advisors had previously concluded (during the balanced budget discussions) achieved the balance between appropriate and excessive cost-sharing.

While some might point out that it is inconsistent to allow flexibility below CHIP standards for Medicaid and not the grant option, we believe that the advantages of this approach far outweigh this criticism. First, the CHIP standards were designed for the grant program not Medicaid. Second, Medicaid waivers are quite variable and have never been publicly held by Democrats and advocates to the same standards as legislated changes to public programs. And thirdly, as described above, having an additional incentive to administer the childrens health program through Medicaid is desirable.

Giving HHS the authority to allow any cost sharing flexibility in Medicaid will likely anger base Congressional Democrats and some moderate Republicans. They will argue (as does HHS) that once we sanction higher cost sharing below 150 percent of poverty, decisions will be perceived as arbitrary, making it difficult to say no to states that demand even greater flexibility. We believe these are valid concerns and should be seriously considered. However, we are also well aware of states (such as Wisconsin) who will be requesting cost-sharing levels just under 150 percent (i.e., 143 percent of poverty) that we would find difficult to oppose on purely policy grounds.

OPTION 3 (OMB & TREASURY): Allow new CHIP Medicaid waivers if consistent with CHIP standards for non-Medicaid, grant programs, but allow existing Medicaid waivers to expand with no change. For states requesting new Medicaid waivers, OMB/Treasury agree with DPC/NEC option that the CHIP standards should guide approval of such waivers (also allowing for greater cost sharing for families no less than approximately 133 percent of poverty). This policy should be re-evaluated after states gain experience with their programs, at the same time the Administration is re-considering non-Medicaid, grant program waivers.

For states with waiver programs already approved (since the 1994 NGA waiver agreement), OMB and Treasury recommend that we recognize their history and different situation and not hold them to the CHIP standards. We anticipate that these 11 states will want to expand their current waiver programs under CHIP; OMB and Treasury think they should be permitted to do so with no changes. Although this option provides only a few more states with additional flexibility in cost-sharing or benefits under CHIP than the DPC/NEC option, it helps these states avoid significant coordination problems by sanctioning CHIP programs consistent with approved waiver programs. In addition, lower income children in these states might pay more in premiums than the higher income children newly eligible under CHIP. Waiver states will consider the Administration to have reneged if we dont permit them to carry their waivers to CHIP. This option excludes pre-NGA agreement waivers (e.g., Tennessee) since states have been held to a higher standard since then.

Allowing existing Medicaid waivers into CHIP unchanged will surely be noticed and strongly opposed by base Democrats and childrens advocates. They believe that some of the waivers that we have approved to date, such as Tennessee and Arkansas, have gone too far by allowing states to impose "excessive" cost sharing on low-income beneficiaries and waive EPSDT. Ironically, this policy may also be criticized by some Congressional Republicans, who think that many of our CHIP implementation decisions are steering states toward the Medicaid option. It would, however, be the most acceptable option to the NGA and the relevant (existing waiver) states.

Decisions

Medicaid Waivers

OPTION 1: Defer new Medicaid waivers in CHIP (with minor exceptions)
Allow existing waivers to expand through CHIP if consistent with CHIP standards for non-Medicaid, grant programs

OPTION 2: Allow new & existing Medicaid waivers in CHIP if consistent with CHIP standards for non-Medicaid, grant programs

OPTION 3: Allow new Medicaid waivers in CHIP if consistent with CHIP standards for non-Medicaid, grant programs
Allow existing waivers (post-NGA agreement) to expand through CHIP with no program changes even if they fall significantly below new CHIP grant standards

Lets discuss

Cost Sharing Flexibility

OPTION 1: Hold all Medicaid waivers to the cost sharing in CHIP for non-Medicaid, grant programs

OPTION 2: Authorize the Secretary to approve, within limits, Medicaid waivers in CHIP with cost sharing below CHIP standards for non-Medicaid, grant programs

Lets discuss

FF

STATES WITH MEDICAID 1115 WAIVERS (Chronological Order)

STATE

Approved

Eligibility Limit

Benefits for New Eligibles

Cost Sharing: New Eligibles

Arizona

10/82

Existing eligibles

Medicaid benefits

None

Oregon

3/93

People < 100% PL

Prioritized benefits

Premiums: \$6 to 28

No copays or deductibles

Hawaii

7/93

People < 300% PL, plus assets test

No long-term care

Premiums: \$142 - 168

Copays: \$5

Maryland

10/93

10/96

Children 133-185% PL

Existing eligibles

No inpatient, outpatient, emergency room, some EPSDT; no long-term care

Medicaid benefits

Copay: \$5

None

Rhode Island

11/93

Children < 250% PL

Medicaid benefits

Premiums: From 185-250% PL: \$1.50 - \$10.75

No copays or deductibles

Tennessee

11/93

People up to 400% PL, with enrollment cap

Medicaid benefits

Premiums: \$14.25 to 475

Deductibles: \$250 / \$500

Coinsurance: 2 to 10%

Florida

9/94

People < 250% PL

Excludes some EPSDT, transportation, some long-term care and mental health

Premiums: \$90 - 550 / mo

Deductibles: Up to \$500

Copays: \$10-200 or 20%

Ohio

1/95

People < 100% PL

Medicaid benefits

None

Massachusetts

4/95

People < 200% PL
Medicaid benefits
Premiums: Variable
Deductibles: \$100 / \$250 Copays: \$5 / 10

Minnesota

4/95
Children < 275% PL
Medicaid benefits
Premiums: \$4 to 104 / mo
No copays or deductibles

Delaware

5/95
People < 100% PL
Medicaid w/ small changes
None

Vermont

7/95
People < 150% PL
No transportation, long-term care
Premiums: Above 25% PL: \$5 to \$20 every 6 months
Copays: \$3 for dental

Kentucky

10/95
Existing eligibles
Medicaid benefits
None

Oklahoma

10/95
Existing eligibles
Medicaid benefits
None

Illinois

7/96
Existing eligibles
Medicaid benefits
None

Alabama

12/96
Existing eligibles
Medicaid benefits
None

New York

7/97

Home relief pop.
Medicaid benefits
None

Arkansas

8/97

Children < 200% PL

No EPSDT, limited long-term care & mental health

Copays: \$10 outpatient; 20% inpatient ; \$5 for drugs

Italics indicated approved but not implemented. States above the line were approved prior to NGA 1994 agreement.

January 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM:Chris Jennings

SUBJECT:Waivers and the Childrens Health Insurance Program

cc:Bruce Reed, Gene Sperling, Jack Lew, Josh Gotbaum, Elena Kagan

This memo seeks your guidance on how much, if any, additional flexibility should be given to states in the Childrens Health Insurance Program (CHIP) through the use of 1115 waivers. Although waivers have been instrumental in modernizing and reforming welfare and Medicaid, questions have been raised about the feasibility and advisability of granting waivers for the new childrens health care program so soon after its enactment.

Despite acknowledging the great amount of flexibility given to the states in the optional CHIP grant program, the Governors began asking -- soon after the laws enactment -- if additional flexibility would be given through waivers. HHS interim response was that it would be difficult to review and evaluate the merits of waiver proposals until we had some experience with the implementation of the new law. Your advisors agreed that this was the appropriate, initial response, but we also underscored that this was not necessarily our final position.

The National Governors Association (NGA) immediately responded by formally requesting that we affirm states ability to seek waivers for the new CHIP grant program. Since then, two other issues have been raised: will we approve waivers for the Medicaid option within CHIP, and will we allow states with current Medicaid 1115 waivers to expand those programs through CHIP (even though some have provisions below the CHIP minimums).

All of your advisors agree that the HHS Secretary does have the authority to grant waivers for the CHIP program, whether it is administered through the new Title XXI grant program or through Medicaid. They also generally agree that the CHIP waiver policy need not conform to existing waiver policy. However, they (HHS, OMB, Treasury, NEC/DPC) disagree on whether and under what circumstances HHS should approve Medicaid waivers.

Because HHS is holding state conferences this month on CHIP and the annual NGA conference is in February, it is important that we receive direction from you in short order on this issue. This memo outlines background information on this difficult issue, provides you policy options for your consideration, and summarizes where your advisors stand on these options.

BACKGROUND

Your Administration has given states unprecedented flexibility for their health care programs. Since 1993, we have granted 15 comprehensive Medicaid waivers that test approaches not allowed in Medicaid like covering low-income families and accelerating enrollment in managed care. In addition, with the Administrations strong support, the Balanced Budget Act secured much greater administrative flexibility for the Medicaid program (e.g., eliminated the need for a waiver for a managed care program, repealed the Boren amendment, and reduced cost-based reimbursement requirements for community health centers). In so doing, we eliminated the need for many time-consuming waivers that we heretofore required from states.

The BBA also created CHIP, which has fewer Federal guidelines than any other health insurance program that the Government oversees. Unlike Medicaid, CHIP allows states expanding through a non-Medicaid grant program to cap the number of children covered (i.e., no entitlement requirement); to limit programs to parts of the state; to not cover Medicaid's EPSDT (Early, Periodic, Screening, Detection and Treatment) benefit; and to charge beneficiaries long-sought-after (although limited) cost-sharing. In addition, states may expand using the enhanced Federal match through the now more flexible Medicaid program.

The primary areas of Federal oversight -- accountability, benefits, and cost sharing limits -- were secured by you and Congressional Democrats. Accountability provisions include limits on the type of state contribution (e.g., no provider taxes and donations) and provisions to prevent "crowd out" (substitution of the new coverage for existing coverage). For the new non-Medicaid grant program, we developed a benefit standard that simultaneously ensures that it is valuable but provides great flexibility to states in benefits design. Cost-sharing is allowed in grant programs but limited to Medicaid premiums and inflation-adjusted copayments for those below 150 percent of poverty (e.g., \$19 per month premium and \$5 copays) and to 5 percent of family income for those above 150 percent. As under current law, states electing for the Medicaid option must follow Medicaid rules for benefits (including EPSDT) and cost sharing (for children, none is allowed). It is important to note that, while most Republicans consider these benefit and cost sharing standards too generous, most base Democrats and advocates consider them too modest.

Despite the flexibility in CHIP, some states have indicated that they want 1115 waivers. There are three types of waivers that states are seeking. First, several states want to waive provisions for non-Medicaid, CHIP grant programs (e.g., California wants to impose cost sharing below 150 percent of poverty). Second, others want to waive Medicaid provisions within CHIP's Medicaid option (e.g., Missouri wants to waive the Medicaid requirement to cover non-emergency transportation) since states choosing the Medicaid option must use all Medicaid rules. Third, most states that already have Medicaid 1115 waivers want to expand those programs to more children to receive CHIP's higher matching rate even though many include provisions that are even below the new CHIP minimums (e.g., Tennessee has higher cost sharing requirements than allowed in CHIP).

CONSENSUS RECOMMENDATION: DEFERRING NON-MEDICAID CHIP WAIVERS

Your advisors have achieved consensus on one of the major issues. For CHIP non-Medicaid grant programs, we believe the Administration should consider waiver applications only after a state has had at least a years worth of experience and an evaluation of its childrens health insurance program. As we gain experience with the new CHIP grant program,

we will have a better understanding of what types of CHIP demonstrations are appropriate and will develop guidelines at that point.

We believe that deferring approvals for waivers of the already extremely flexible CHIP is advisable because this enables us to see how the program you signed into law last summer will work. Granting waivers now could place great pressure on us to weaken the accountability and benefits standards that we secured in the Balanced Budget negotiations that base Democrats and advocates think are too modest anyway. In addition, our use of waivers in the past has been to modernize out-dated programs, not to circumvent parts of the law that we want to change. However, in a year or two, we should be able to develop an informed, principled waiver policy that best meets the needs of the states and the children they serve.

If you agree, we will inform Governors of this policy in a response to their letter. While we believe that Governors will be disappointed with this position, they will likely appreciate that our policy is temporary and that we open up the prospect for waivers soon after they implement their childrens health programs.

Decision

Agree on deferring non-Medicaid grant program waivers until plans in place for one year

Lets discuss

ISSUE: POLICY FOR MEDICAID WAIVERS

The other types of waivers, about which there is disagreement amongst your advisors, concern the Medicaid option within CHIP. Although no one recommends that we simply extend our current Medicaid waiver policy, we differ on the extent to which we would hold Medicaid waivers to the CHIP standard. There are two questions. The first is whether we grant new waivers to states that expand CHIP coverage through Medicaid. States have indicated that they are interested in expanding coverage through the Medicaid option, but since the law allows no flexibility from Medicaid rules, they want waivers, particularly in the area of cost sharing. The second question is whether we allow states that already have Medicaid 1115 waivers to expand those programs, without change, to get the CHIP allotment and higher match. The following are the three options proposed by your advisors.

OPTION 1 (HHS): Deferring new Medicaid CHIP waivers (with minor exceptions) and allow expansions of existing Medicaid waivers if consistent with CHIP standards for non-Medicaid grant programs. HHS recommends that we apply the same policy for new Medicaid and non-Medicaid, grant program waivers. It would hold off on approving any new Medicaid waiver under CHIP until we have at least a years experience plus an evaluation. (The only exception would be for waivers for small, incidental provisions that have little or no affect on most children -- like Missouri's desire to waive the Medicaid requirement for non-emergency transportation.) For states that have waivers already, HHS would allow them access to the new enhanced matching dollars only if they met CHIPS standards.

Although HHS/OMB have, in years past, approved a number of Medicaid waivers that have less generous benefits than even the new CHIP grant program, HHS believes the new law set a floor that we should not fall below. They fear that once we open the door to waivers, we will have a difficult time maintaining these standards. In addition, they are concerned

that waiver negotiations will delay implementation of new programs in a number of states. Rapid implementation is one critical component to covering our target 5 million uninsured children.

If you choose this option, we would probably have to announce the decision since deferring new Medicaid waivers within CHIP would be considered a policy change. Most Governors are assuming that we will allow some type of Medicaid waivers. Governors will surely react by being upset about this policy. On the other hand, the Democrats and childrens health advocates will applaud our decision to respect the rules enacted in Title XXI. It is not clear whether we need to announce any decision regarding our policy toward existing 1115 waivers, since we have not yet gotten a test case (none of these states has yet applied).

OPTION 2 (NEC/DPC): Allow Medicaid CHIP waivers (new or old) granted if consistent with CHIP accountability standards for non-Medicaid grant programs (and allow copayments down to 133 percent of poverty.) This option would allow new waivers through the Medicaid option of CHIP if those waivers were consistent with the standards provided under the new CHIP grant model. In other words, states choosing the Medicaid CHIP option could waive Medicaid rules as long as the benefits, cost-sharing and other accountability provisions did not go below the much more flexible CHIP grant program standards. Existing (old) Medicaid 1115 waiver programs could also receive the higher matching rate, but they too would have to meet CHIP standards; in a number of cases, this would mean they would have to strengthen some of their benefits/cost-sharing protections to access these additional dollars.

DPC/NEC believes that this option strikes an appropriate balance by maintaining the integrity of the CHIP program and the Balanced Budget Act by giving the new standards time to be tested. But it also removes an important disincentive for states to use the Medicaid option in CHIP. Many states would prefer to use their already-in-place Medicaid programs. Moreover, having a seamless Medicaid program serving both poor and children of working parents has obvious advantages that we would like to encourage -- not discourage. However, allowing any new Medicaid waivers through CHIP will be opposed by Congressional Democrats, some Republicans, and advocates. They believe that their support for the flexibility in the non-Medicaid CHIP program was conditional on no new flexibility in Medicaid.

Within this option, NEC/DPC would also recommend that you authorize the HHS Secretary to approve Medicaid waiver programs that include cost-sharing provisions down to 133 percent of poverty, (rather than the CHIP 150 percent of poverty threshold). The 133 percent of poverty income threshold is consistent with our past internal position on this issue. We take this position because (1) the threshold is consistent with waivers we have approved in the past, (2) we think it is a fair cost-sharing amount that will appropriately increase beneficiaries cost sensitivity in using health services, and (3) we think it will likely decrease possible employer crowd out or substitution, since such a policy would more accurately mirror the marketplace. Finally, giving the Secretary flexibility to move in this area seems to us a simple recognition of the fact that we will be under overwhelming pressure to approve waivers that we would historically would have approved.

Approving a Medicaid waiver that contains lower standards for cost-sharing will anger Congressional Democrats (and perhaps some moderate Republicans) who will be troubled by going below the poverty threshold levels agreed to by the Congress. They will argue (as does HHS) that once we sanction going below 150 percent, we will be tempted to go even below 133 percent of poverty as states demand even greater flexibility. We believe these are valid concerns and should be seriously considered. However, we are well aware of states (such as Wisconsin) who will be coming in at cost-sharing levels just under 150 percent (i.e., 143 percent of poverty) that we believe we cannot say is bad public policy.

OPTION 3 (OMB & TREASURY): Allow new CHIP Medicaid waivers if consistent with CHIP standards for non-Medicaid, grant programs, but allow existing Medicaid waivers to expand with no change. For states requesting new Medicaid waivers, OMB/Treasury agree with DPC/NEC option that the CHIP standards should set a new floor for comprehensive coverage (and with cost-sharing for families above 133% of poverty). This policy should be re-evaluated after states gain experience with their programs, at the same time the Administration is re-considering non-Medicaid, grant program waivers.

For states with waiver programs already approved by the Administration (since the NGA agreement on waiver policy in 1994), OMB and Treasury recommend that we recognize their history and different situation and not hold them to the CHIP standards. We anticipate that these states will want to expand their current waiver programs under CHIP; OMB and Treasury think they should be permitted to do so with no changes. Although only a few states would require substantial changes in benefits or copayments to comply with CHIP, those states will consider the Administration to have reneged if we dont permit them to carry their waivers to the CHIP population. This approach would not permit states with waiver pre-NGA (e.g., Tennessee and Maryland) from expanding their programs under those waivers. (The Administration has held states to a higher standard since those waivers were granted.)

As with the previous option, most people assume that we will allow some type of Medicaid waiver, so there would be no need to announce this policy. However, allowing existing Medicaid waivers into CHIP unchanged will surely be noticed and opposed by Democrats and childrens advocates. Ironically, this policy may also be criticized by some Congressional Republicans, who think that many of our CHIP implementation decisions are steering states toward the Medicaid option. It would, however, be the most acceptable option to the NGA and the relevant (existing waiver) states.

Decisions

Medicaid Waivers

OPTION 1: No new Medicaid waivers in CHIP (with minor exceptions)

Allow existing waivers to expand through CHIP if consistent with CHIP standards for non-Medicaid, grant programs

OPTION 2: Allow new & existing Medicaid waivers in CHIP if consistent with CHIP standards for non-Medicaid, grant programs

OPTION 3: Allow new Medicaid waivers in CHIP if consistent with CHIP standards for non-Medicaid, grant programs

Allow existing waivers (post-NGA agreement) to expand through CHIP with no change

Lets discuss

Cost Sharing Flexibility

OPTION 1: Hold all Medicaid waivers to the cost sharing in CHIP (150% of poverty)

OPTION 2: Authorize HHS to approve waivers in CHIP with copayments down to 133% of poverty

■ ■

STATES WITH MEDICAID 1115 WAIVERS (Chronological Order)

STATE

Approved

Eligibility Limit

Benefits for New Eligibles

Cost Sharing: New Eligibles

Arizona

10/82

People < 100% PL

Medicaid benefits

None

Oregon

3/93

People < 100% PL

Prioritized benefits

Premiums: \$6 to 28

No copays or deductibles

Hawaii

7/93

People < 300% PL, plus assets test

No long-term care

Premiums: \$142 - 168

Copays: \$5

Maryland

10/93

10/96

Children 133-185% PL

Existing eligibles

No inpatient, outpatient, emergency room, some EPSDT; no long-term care

Medicaid benefits

Copay: \$5

None

Rhode Island

11/93

Children < 250% PL

Medicaid benefits

Premiums: From 185-250% PL: \$1.50 - \$10.75

No copays or deductibles

Tennessee

11/93

People up to 400% PL, with enrollment cap

Medicaid benefits

Premiums: \$14.25 to 475

Deductibles: \$250 / \$500

Coinsurance: 2 to 10%

Florida

9/94

People < 250% PL

Excludes some EPSDT, transportation, some long-term care and mental health

Premiums: \$90 - 550 / mo

Deductibles: Up to \$500

Copays: \$10-200 or 20%

Ohio

1/95

People < 100% PL

Medicaid benefits

None

Massachusetts

4/95

People < 200% PL

Medicaid benefits

Premiums: Variable

Deductibles:\$100 / \$250 Copays: \$5 / 10

Minnesota

4/95

Children < 275% PL

Medicaid benefits

Premiums: \$4 to 104 / mo

No copays or deductibles

Delaware

5/95

People < 100% PL

Medicaid w/ small changes

None

Vermont

7/95

People < 150% PL

No transportation, long-term care
Premiums: Above 25% PL: \$5 to \$20 every 6 months
Copays: \$3 for dental

Kentucky
10/95
Existing eligibles
Medicaid benefits
None

Oklahoma
10/95
Existing eligibles
Medicaid benefits
None

Illinois
7/96
Existing eligibles
Medicaid benefits
None

Alabama
12/96
Existing eligibles
Medicaid benefits
None

New York
7/97
Existing eligibles
Medicaid benefits
None

Arkansas
8/97
Children < 200% PL
No EPSDT, therapies, long-term care
Copays: \$10 outpatient; 20% inpatient ; \$5 for drugs

Italics indicated approved but not implemented. States above the line were approved prior to NGA 1994 agreement.

January 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM:Chris Jennings

SUBJECT:Waivers and the Childrens Health Insurance Program

cc:Bruce Reed, Gene Sperling, Jack Lew, Josh Gotbaum, Elena Kagan

This memo seeks your guidance on how much, if any, additional flexibility should be given to states in the Childrens Health Insurance Program (CHIP) through the use of 1115 waivers. Although waivers have been instrumental in modernizing and reforming welfare and Medicaid, questions have been raised about the feasibility and advisability of granting waivers for the new childrens health care program so soon after its enactment.

Despite acknowledging the great amount of flexibility given to the states in the optional CHIP grant program, the Governors began asking -- soon after the laws enactment -- if additional flexibility would be given through waivers. HHS interim response was that it would be difficult to review and evaluate the merits of waiver proposals until we had some experience with the implementation of the new law. Your advisors agreed that this was the appropriate, initial response, but we also underscored that this was not necessarily our final position.

The National Governors Association (NGA) immediately responded by formally requesting that we affirm states ability to seek waivers for the new CHIP grant program. Since then, two other issues have been raised: will we approve waivers for the Medicaid option within CHIP, and will we allow states with current Medicaid 1115 waivers to expand those programs through CHIP (even though some have provisions below the CHIP minimums).

All of your advisors agree that the HHS Secretary does have the authority to grant waivers for the CHIP program, whether it is administered through the new Title XXI grant program or through Medicaid. They also generally agree that the CHIP legislation waiver policy need not conform to existing waiver policy. However, they (HHS, OMB, Treasury, NEC/DPC) disagree on whether and under what circumstances HHS should consider Medicaid waivers.

Because HHS is holding state conferences this month on CHIP and the annual NGA conference is in February, it is important that we receive direction from you in short order on this issue. This memo outlines background information on this difficult issue, provides you policy options for your consideration, and summarizes where your advisors stand on these options.

BACKGROUND

Your Administration has given states unprecedented flexibility for their health care programs. Since 1993, we have granted 15 comprehensive Medicaid waivers that test approaches not allowed in Medicaid like covering low-income families and accelerating enrollment in managed care. In addition, with the Administrations strong support, the Balanced Budget Act secured much greater administrative flexibility for the Medicaid program (e.g., eliminated the need for a waiver for a managed care program, repealed the Boren amendment, and reduced cost-based reimbursement requirements for community health centers). In so doing, we eliminated the need for many time-consuming waivers that we heretofore required from states.

The BBA also created CHIP, which has fewer Federal guidelines than any other health insurance program that the Government oversees. Unlike Medicaid, CHIP allows states to cap the number of children covered (i.e, no entitlement requirement); to limit programs to parts of the state; to not cover Medicaid's EPSDT (Early, Periodic, Screening, Detection and Treatment) benefit; and to charge beneficiaries long-sought-after (although limited) cost-sharing. In addition, states have the choice of expanding the new childrens coverage benefit and its accompanying enhanced Federal match through the now more flexible Medicaid program or a new grant program, which provides for even greater benefits and cost sharing flexibility.

The primary areas of Federal oversight -- accountability, benefits, and cost sharing limits -- were secured by you and Congressional Democrats. Accountability provisions include limits on the type of state contribution (e.g., no provider taxes and donations) and provisions to prevent "crowd out" (substitution of the new coverage for existing coverage). For the new non-Medicaid grant program, we developed a benefit standard that simultaneously ensures that it is valuable but provides great flexibility to states in benefits design. Cost-sharing is allowed in grant programs but limited to Medicaid premiums and inflation-adjusted copayments for those below 150 percent of poverty (e.g., \$19 per month premium and \$5 copays) and to 5 percent of family income for those above 150 percent. [JEANNE: HOW DIFF. FROM MEDICAID?] As under current law, states electing for the Medicaid option must follow Medicaid rules for benefits (including EPSDT) and cost sharing (for children, none is allowed). It is important to note that, while most Republicans consider these benefit and cost sharing standards too generous, most base Democrats and advocates consider them too modest.

Despite the flexibility in CHIP, some states have indicated that they want 1115 waivers. There are three types of waivers that states are seeking. First, several states want to waive provisions for non-Medicaid, CHIP grant programs (e.g., Wisconsin wants to cover low-income adults JEANNE: THOUGHT THEYRE GOING TO MEDICAID?). Second, others want to waive Medicaid provisions within CHIPs Medicaid option (e.g., Missouri wants to waive the Medicaid requirement to cover non-emergency transportation) since states choosing the Medicaid option must use all Medicaid rules. Third, most states that already have Medicaid 1115 waivers want to expand those programs to more children to receive CHIPs higher matching rate even though many include provisions that are even below the new CHIP minimums (e.g., Tennessee has higher cost sharing requirements than allowed in CHIP).

CONSENSUS RECOMMENDATION: NO NON-MEDICAID CHIP WAIVERS YET

Your advisors have achieved consensus on one of the major issues. For CHIP non-Medicaid grant programs, we believe the Administration should consider waiver applications only after a state has had at least a years worth of experience and an evaluation of its

childrens health insurance program. As we gain experience with the new CHIP grant program, we will have a better understanding of what types of CHIP demonstrations are appropriate and will develop guidelines at that point.

We believe that deferring approvals for waivers of the already extremely flexible CHIP is advisable because this enables us to see how the program you signed into law last summer will work. Granting waivers now could place great pressure on us to weaken the accountability and benefits standards that we secured in the Balanced Budget negotiations that base Democrats and advocates think are too modest anyway. In addition, our use of waivers in the past has been to modernize out-dated programs, not to circumvent parts of the law that we want to change. However, in a year or two, we should be able to developed an informed, principled waiver policy that best meets the needs of the states and the children they serve.

If you agree, we will inform Governors of this policy in a response to their letter. While we believe that Governors will be disappointed with this position, they will likely appreciate that our policy is temporary and that we open up the prospect for waivers so soon after they implement their childrens health programs.

Decision

Agree on deferring non-Medicaid grant program waivers until plans in place for one year

Lets discuss

ISSUE: POLICY FOR MEDICAID WAIVERS

The other types of waivers, about which there is disagreement amongst your advisors, concern the Medicaid option within CHIP. Although no one recommends that we simply extend our current Medicaid waiver policy, we differ on the extent to which we would hold Medicaid waivers to the CHIP standard. There are two questions. The first is whether we grant new waivers to states that expand CHIP coverage through Medicaid. States have indicated that they are interested in expanding coverage through the Medicaid option, but since the law allows no flexibility from Medicaid rules, they want waivers, particularly in the area of cost sharing. The second question is whether we allow states that already have Medicaid 1115 waivers to expand those programs, without change, to get the CHIP allotment and higher match. The following are the three options proposed by your advisors.

OPTION 1 (HHS): No new Medicaid waivers (with minor exceptions) and allow expansions of existing Medicaid waivers only if consistent with CHIP standards for non-Medicaid grant programs. HHS recommends that we apply the same policy for new Medicaid and non-Medicaid, grant program waivers. It would hold off on approving any new Medicaid waiver under CHIP until we have at least a years experience plus an evaluation. (The only exception would be for waivers for small, incidental provisions that have little or no affect on children -- like Missouri's desire to waive the Medicaid requirement for non-emergency transportation.) For states that have waivers already, HHS would allow them access to the new enhanced matching dollars only if they met CHIPS standards of accountability.

Although HHS/OMB have, in years past, approved a number of Medicaid waivers that have less generous benefits than even the new CHIP grant program, HHS believes the new law set a floor that we should not fall below. They fear that once we open the door to waivers, we

will have a difficult time maintaining these standards. In addition, they are concerned that waiver negotiations will delay implementation of new programs in a number of states. Rapid implementation is one critical component to covering our target 5 million uninsured children.

If you choose this option, we would probably have to announce the decision since deferring new Medicaid waivers within CHIP would be considered a policy change. Most Governors are assuming that we will allow some type of Medicaid waivers. Governors will surely react by being upset about this policy. On the other hand, the Democrats and childrens health advocates will applaud our decision to respect the rules enacted in Title XXI. It is not clear whether we need to announce any decision regarding our policy toward existing 1115 waivers, since we have not yet gotten a test case (none of these states has yet applied).

OPTION 2 (NEC/DPC): Medicaid waivers (new or old) granted if they are consistent with CHIP accountability standards for non-Medicaid grant programs (and allow copayments down to 133 percent of poverty.) This option would allow new waivers through the Medicaid option of CHIP if those waivers were consistent with the standards provided under the new CHIP grant model. In other words, states choosing the Medicaid CHIP option could waive Medicaid rules as long as the benefits, cost-sharing and other accountability provisions did not go below the much more flexible CHIP grant standards. Existing (old) Medicaid 1115 waiver programs could also receive the higher matching rate, but they too would have to meet CHIP standards; in a number of cases, this would mean they would have to strengthen some of their benefits/cost-sharing protections to access these additional dollars.

DPC/NEC believes that this option strikes an appropriate balance by maintaining the integrity of the CHIP program and the Balanced Budget Act by giving the new standards time to be tested. But it also removes an important disincentive for states to provide the CHIP option through the Medicaid program. Many states would prefer to use their already in place Medicaid programs. Moreover, having a seamless Medicaid program serving both poor and children of working parents has obvious advantages that we would like to encourage -- not discourage.

Within this option, NEC/DPC would also recommend that you authorize the HHS Secretary to approve Medicaid waiver programs that include cost-sharing provisions down to 133 percent of poverty, (rather than the CHIP 150 percent of poverty threshold). The 133 percent of poverty income threshold is consistent with our past internal position on this issue. We take this position because (1) the threshold is consistent with waivers we have approved in the past, (2) we think it is a fair cost-sharing amount that will appropriately increase beneficiaries cost sensitivity in using health services, and (3) we think it will likely decrease possible employer crowd out or substitution, since such a policy would more accurately mirror the marketplace. Finally, giving the Secretary flexibility to move in this area seems to us a simple recognition of the fact that we will be under overwhelming pressure to approve waivers that we would historically would have approved.

Approving a Medicaid waiver that contains lower standards for cost-sharing (JEANNE: WHAT IS THE ARGUMENT FOR MEDICAID AND NOT FOR CHIP GRANT PROGRAM?) will anger Congressional Democrats (and perhaps some moderate Republicans) who will be troubled by going below the poverty threshold levels agreed to by the Congress. They will argue (as does HHS) that once we sanction going below 150 percent, we will be tempted to go even below 133 percent of poverty as states demand even greater flexibility. We believe these are valid concerns and should be seriously considered. However, we are well aware of states (such as Wisconsin) who will be coming in at cost-sharing levels just under 150 percent (i.e., 143 percent of poverty) that we believe we cannot say is bad public policy.

OPTION 3 (OMB & TREASURY): Allow new Medicaid waivers only if consistent with CHIP standards for non-Medicaid, grant programs, but allow existing Medicaid waivers to expand with no change. For states requesting new Medicaid waivers, OMB/Treasury agree with DPC/NEC option that the CHIP standards should set a new floor for comprehensive coverage (and with cost-sharing for families above 133% of poverty). This policy should be re-evaluated after states gain experience with their programs, at the same time the Administration is re-considering non-Medicaid, grant program waivers.

For states with waiver programs already approved by the Administration since the NGA agreement, OMB/Treasury recommend that we recognize their history and different situation and not hold them to the CHIP standards. We anticipate that these states will want to expand their current waiver programs under CHIP; OMB and Treasury recommend they be permitted to do so consistent with waivers approved after the Administrations agreement with the National Governors Association. Only a few states [HOW MANY JEANNE?] would require substantial changes in benefits or copayments to comply with CHIP, but those states will consider the Administration to have reneged if we dont permit them to carry their waivers to the CHIP population. This approach would not permit states with waiver pre-NGA (e.g., Tennessee and Maryland) from expanding their programs under those waivers. (The Administration has held states to a higher standard since those waivers were granted.)

As with the previous option, most people assume that we will allow some type of Medicaid waiver, so there would be no need to announce this policy. However, allowing existing Medicaid waivers into CHIP unchanged will surely be noticed and opposed by Democrats and childrens advocates. Ironically, this policy may also be criticized by some Congressional Republicans, who think that many of our CHIP implementation decisions are steering states toward the Medicaid option. It would, however, be the most acceptable option to the NGA and the relevant (existing waiver) states.

Decision

OPTION 1: No new Medicaid waivers (with minor exceptions)

Allow existing waivers to expand through CHIP if consistent with CHIP standards for non-Medicaid, grant programs

OPTION 2: Allow new & existing Medicaid waivers if consistent with CHIP standards for non-Medicaid, grant programs

Authorize HHS to approve waivers with copayments down to 133% of poverty for new and existing Medicaid waivers [JEANNE: THIS SHOULD BE SEPARATE BOX AT END.]

OPTION 3: Allow new Medicaid waivers if consistent with CHIP standards for non-Medicaid, grant programs

Authorize HHS to approve waivers with copayments down to 133% of poverty for new and

existing Medicaid waivers

Allow existing waivers (post-NGA agreement) to expand through CHIP with no change

Lets discuss

EE

January 19, 1998

MEMORANDUM FOR THE PRESIDENT

FROM:Chris Jennings

SUBJECT:Waivers and the Childrens Health Insurance Program

cc:Bruce Reed, Gene Sperling, Jack Lew, Josh Gotbaum, Elena Kagan

This memo seeks your guidance on how much, if any, additional flexibility should be given to states in the Childrens Health Insurance Program (CHIP) through the use of 1115 waivers. Although waivers have been instrumental in modernizing and reforming welfare and Medicaid, questions have been raised about the feasibility and advisability of granting waivers for the new childrens health care program so soon after its enactment.

Despite acknowledging the great amount of flexibility given to the states in the CHIP grant program, the Governors began asking -- soon after the laws enactment -- if additional flexibility would be given through waivers. HHS interim response was that it would be difficult to review and evaluate the merits of waiver proposals until we had some experience with the implementation of the new law. Your advisors agreed that this was the appropriate, initial response, but we also underscored that this was not necessarily our final position.

The National Governors Association (NGA) immediately responded by formally requesting that we affirm states ability to seek waivers for the new CHIP grant program. Since then, two other issues have been raised: (1) Will we approve new Medicaid 1115 waivers in the Medicaid option within CHIP, and (2) Will we allow states with current Medicaid 1115 waivers to expand those programs through CHIP (even though some have provisions below the CHIP minimums).

All of your advisors agree that the HHS Secretary does have the authority to grant waivers for the CHIP program, whether they are administered through the new Title XXI grant program or through Medicaid. They also generally agree that the CHIP waiver policy need not conform to existing waiver policy. However, they (HHS, OMB, Treasury, NEC/DPC) disagree on whether and under what circumstances HHS should approve Medicaid waivers.

Because HHS is holding state conferences this month on CHIP and the annual NGA conference is in February, it is important that we receive direction from you in short order on this issue. This memo outlines background information on this difficult issue, provides you policy options for your consideration, and summarizes where your advisors stand on these options.

BACKGROUND

Your Administration has given states unprecedented flexibility for their health care programs. Since 1993, we have granted 15 comprehensive Medicaid waivers that test approaches not allowed in Medicaid like experimenting with premiums and cost sharing for low-income populations, waiving benefits, and accelerating enrollment in managed care. States have also used waivers to expand coverage to millions of Americans. In addition, with the Administrations strong support, the Balanced Budget Act secured much greater administrative flexibility for the Medicaid program (e.g., eliminated the need for a waiver for a managed care program, repealed the Boren amendment, and reduced cost-based reimbursement requirements for community health centers). In so doing, we eliminated the need for many time-consuming waivers that we heretofore required from states.

The BBA also created CHIP, which has fewer Federal guidelines than any other health insurance program that the Government oversees. Unlike Medicaid, CHIP allows states that opt to expand through a new, non-Medicaid grant program to cap the number of children covered (i.e., no entitlement requirement); to limit programs to parts of the state; to not cover Medicaid's EPSDT (Early, Periodic, Screening, Detection and Treatment) benefit; and to charge beneficiaries long-sought-after (although limited) cost-sharing. Alternatively, states may expand using the enhanced Federal match through the now more flexible Medicaid program. However, states choosing this option must follow Medicaid rules (e.g., no benefits changes or cost sharing).

Although extremely flexible, CHIP includes standards for accountability, benefits, and cost sharing limits were secured by you and Congressional Democrats. Accountability provisions include limits on the type of state contribution (e.g., no provider taxes and donations) and provisions to prevent "crowd out" (substitution of the new coverage for existing coverage). For the new non-Medicaid grant program, we developed a benefit standard that simultaneously ensures that it is valuable but provides great flexibility to states in benefits design. Cost-sharing is allowed in grant programs but limited to low premium and copayment schedule for those below 150 percent of poverty and to 5 percent of family income for those above 150 percent. As under current law, states electing the Medicaid option must follow Medicaid rules for benefits (including EPSDT) and cost sharing (for children, none is allowed). It is important to note that, while most Republicans consider these benefit and cost sharing standards too generous, most base Democrats and advocates consider them too modest.

Despite the flexibility in CHIP, some states have indicated that they want 1115 waivers. There are three types of waivers that states are seeking. First, several states want to waive provisions for non-Medicaid, CHIP grant programs (e.g., California wants to impose cost sharing below 150 percent of poverty). Second, others want to waive Medicaid provisions within CHIP's Medicaid option (e.g., Missouri wants to waive the Medicaid requirement to cover non-emergency transportation) since states choosing the Medicaid option must use all Medicaid rules. Third, most states that already have Medicaid 1115 waivers want to expand those programs to more children to receive CHIP's higher matching rate even though many include provisions that are even below the new CHIP minimums (e.g., Tennessee has higher cost sharing requirements than allowed in CHIP).

CONSENSUS RECOMMENDATION: DEFERRING NON-MEDICAID CHIP WAIVERS

Your advisors have achieved consensus on one of the major issues. For CHIP non-Medicaid grant programs, we believe the Administration should consider waiver applications only

after a state has had at least a years worth of experience and an evaluation of its childrens health insurance program. As we gain experience with the new CHIP grant program, we will have a better understanding of what types of CHIP demonstrations are appropriate and will develop guidelines at that point.

We believe that deferring approvals for waivers of the already extremely flexible CHIP is advisable because this enables us to see how the program you signed into law last summer will work. Granting waivers now could place great pressure on us to weaken the accountability and benefits standards that we secured in the Balanced Budget negotiations that base Democrats and advocates think are too modest anyway. In addition, our use of waivers in the past has been to modernize out-dated programs, not to circumvent parts of the law that we want to change. However, in a year or two, we should be able to developed an informed, principled waiver policy that best meets the needs of the states and the children they serve.

If you agree, we will inform Governors of this policy in a response to their letter. While we believe that Governors will be disappointed with this position, they will likely appreciate that our policy is temporary and that we open up the prospect for waivers soon after they implement their childrens health programs.

Decision

Agree on deferring non-Medicaid grant program waivers until plans in place for one year

Lets discuss

ISSUE: POLICY FOR MEDICAID WAIVERS

The other types of waivers, about which there is disagreement amongst your advisors, concern the Medicaid option within CHIP. Although no one recommends that we simply extend our current Medicaid waiver policy, we differ on the extent to which we would hold Medicaid waivers to the CHIP standard. There are two questions. The first is whether we grant new waivers to states that expand CHIP coverage through Medicaid. States have indicated that they are interested in expanding coverage through the Medicaid option, but since the law allows no flexibility from Medicaid rules, they want waivers, particularly in the area of cost sharing. The second question is whether we allow states that already have Medicaid 1115 waivers to expand those programs, without change, to get the CHIP allotment and higher match. The following are the three options proposed by your advisors.

OPTION 1 (HHS): Deferring new Medicaid CHIP waivers (with minor exceptions) and allow expansions of existing Medicaid waivers if consistent with CHIP standards for non-Medicaid grant programs. HHS recommends that we apply the same policy for new Medicaid and non-Medicaid, grant program waivers. It would hold off on approving any new Medicaid waiver under CHIP until we have at least a years experience plus an evaluation. (The only exception would be for waivers for small, incidental provisions that have little or no effect on most children -- like Missouri's desire to waive the Medicaid requirement for non-emergency transportation.) For states that have waivers already, HHS would allow them access to the new enhanced matching dollars only if they met CHIPs non-Medicaid grant program standards.

Although HHS/OMB have, in years past, approved a number of Medicaid waivers that have less

generous benefits than even the new CHIP grant program, HHS believes the new law set a floor that we should not fall below. They fear that once we open the door to waivers, we will have a difficult time maintaining these standards. In addition, they are concerned that waiver negotiations will delay implementation of new programs in a number of states. Rapid implementation is one critical component to covering our target 5 million uninsured children.

If you choose this option, we would probably have to announce the decision since deferring new Medicaid waivers within CHIP would be considered a policy change. Most Governors are assuming that we will allow some type of Medicaid waivers. Governors will surely react by being upset about this policy. On the other hand, the Democrats and childrens health advocates will applaud our decision to respect the rules enacted in Title XXI. It is not clear whether we need to announce any decision regarding our policy toward existing 1115 waivers, since we have not yet gotten a test case (none of these states has yet applied).

OPTION 2 (NEC/DPC): Allow Medicaid CHIP waivers (new or old) if generally consistent with CHIP standards for non-Medicaid grant programs. This option would allow new waivers through the Medicaid option of CHIP if those waivers were consistent with the standards provided under the new CHIP grant model. In other words, states choosing the Medicaid CHIP option could waive Medicaid rules as long as the benefits, cost-sharing and other accountability provisions are in line with the CHIP grant program standards. Existing (old) Medicaid 1115 waiver programs could also receive the higher matching rate, but they too would have to meet CHIP standards; in a number of cases, this would mean they would have to strengthen some of their benefits/cost-sharing protections to access these additional dollars.

DPC/NEC believes that this option strikes an appropriate balance by maintaining the integrity of the CHIP program and the Balanced Budget Act by giving the new standards time to be tested. But it also removes an important disincentive for states to use the Medicaid option in CHIP. Many states would prefer to use their already-in-place Medicaid programs because it is administratively simple. Moreover, having a seamless Medicaid program serving both poor and children of working parents has obvious advantages that we would like to encourage -- not discourage. However, allowing any new Medicaid waivers through CHIP will be opposed by Congressional Democrats, some Republicans, and advocates. They believe that their support for the flexibility in the non-Medicaid CHIP program was conditional on no new flexibility in Medicaid.

Within this option, NEC/DPC would also recommend that the Secretary allow limited exceptions to using the non-Medicaid CHIP standards for approving Medicaid CHIP waivers, particularly in the area of cost sharing. In both previous Medicaid waivers and our internal policy positions, we have allowed limited cost sharing above Medicaid mandatory eligibility thresholds (i.e., poverty for children ages 6 to 14, 133 percent of poverty for children less than age 6). Cost sharing can appropriately increase beneficiaries cost sensitivity in using health services and decrease possible employer crowd out, since such a policy would more accurately mirror marketplace coverage. Moreover, because we have historically approved cost sharing flexibility, we will be under overwhelming pressure to approve it in new waivers.

Approving a Medicaid waiver that contains lower standards for cost-sharing than those agreed to in the BBA will anger Congressional Democrats (and perhaps some moderate Republicans). They will argue (as does HHS) that once we sanction going below 150 percent, we will be tempted to impose cost sharing on poor people as states demand even greater flexibility. We believe these are valid concerns and should be seriously considered.

However, we are well aware of states (such as Wisconsin) who will be requesting cost-sharing levels just under 150 percent (i.e., 143 percent of poverty) that we believe is not bad public policy.

OPTION 3 (OMB & TREASURY): Allow new CHIP Medicaid waivers if consistent with CHIP standards for non-Medicaid, grant programs, but allow existing Medicaid waivers to expand with no change. For states requesting new Medicaid waivers, OMB/Treasury agree with DPC/NEC option that the CHIP standards should guide approval of such waivers (also allowing for cost-sharing for families above 133 percent of poverty). This policy should be re-evaluated after states gain experience with their programs, at the same time the Administration is re-considering non-Medicaid, grant program waivers.

For states with waiver programs already approved by the Administration (since the NGA agreement on waiver policy in 1994), OMB and Treasury recommend that we recognize their history and different situation and not hold them to the CHIP standards. We anticipate that these 12 states will want to expand their current waiver programs under CHIP; OMB and Treasury think they should be permitted to do so with no changes. Although only a few states would require substantial changes in benefits or copayments to comply with CHIP, those states will consider the Administration to have reneged if we don't permit them to carry their waivers to the CHIP population. This approach would not permit states with waiver pre-NGA (e.g., Tennessee and Maryland) from expanding their programs under those waivers. (The Administration has held states to a higher standard since those waivers were granted.)

As with the previous option, most people assume that we will allow some type of Medicaid waiver, so there would be no need to announce this policy. However, allowing existing Medicaid waivers into CHIP unchanged will surely be noticed and opposed by Democrats and children's advocates. Ironically, this policy may also be criticized by some Congressional Republicans, who think that many of our CHIP implementation decisions are steering states toward the Medicaid option. It would, however, be the most acceptable option to the NGA and the relevant (existing waiver) states.

Decisions

Medicaid Waivers

OPTION 1: Defer new Medicaid waivers in CHIP (with minor exceptions)

Allow existing waivers to expand through CHIP if consistent with CHIP standards for non-Medicaid, grant programs

OPTION 2: Allow new & existing Medicaid waivers in CHIP if consistent with CHIP standards for non-Medicaid, grant programs

OPTION 3: Allow new Medicaid waivers in CHIP if consistent with CHIP standards for non-Medicaid, grant programs

Allow existing waivers (post-NGA agreement) to expand through CHIP with no change

Lets discuss

Cost Sharing Flexibility

OPTION 1: Hold all Medicaid waivers to the cost sharing in CHIP for non-Medicaid, grant programs (150% of poverty threshold)

OPTION 2: Approve Medicaid waivers in CHIP with copayments below CHIP standards for non-Medicaid, grant programs

Lets discuss



STATES WITH MEDICAID 1115 WAIVERS (Chronological Order)

- STATE
- Approved
- Eligibility Limit
- Benefits for New Eligibles
- Cost Sharing: New Eligibles

Arizona
 10/82
 People < 100% PL
 Medicaid benefits
 None

Oregon
 3/93
 People < 100% PL
 Prioritized benefits
 Premiums: \$6 to 28
 No copays or deductibles

Hawaii
 7/93
 People < 300% PL, plus assets test
 No long-term care
 Premiums: \$142 - 168
 Copays: \$5

Maryland
 10/93

10/96
 Children 133-185% PL

Existing eligibles

No inpatient, outpatient, emergency room, some EPSDT; no long-term care

Medicaid benefits

Copay: \$5

None

Rhode Island

11/93

Children < 250% PL

Medicaid benefits

Premiums: From 185-250% PL: \$1.50 - \$10.75

No copays or deductibles

Tennessee

11/93

People up to 400% PL, with enrollment cap

Medicaid benefits

Premiums: \$14.25 to 475

Deductibles: \$250 / \$500

Coinsurance: 2 to 10%

Florida

9/94

People < 250% PL

Excludes some EPSDT, transportation, some long-term care and mental health

Premiums: \$90 - 550 / mo

Deductibles: Up to \$500

Copays: \$10-200 or 20%

Ohio

1/95

People < 100% PL

Medicaid benefits

None

Massachusetts

4/95

People < 200% PL

Medicaid benefits

Premiums: Variable

Deductibles: \$100 / \$250 Copays: \$5 / 10

Minnesota

4/95

Children < 275% PL

Medicaid benefits

Premiums: \$4 to 104 / mo

No copays or deductibles

Delaware

5/95

People < 100% PL

Medicaid w/ small changes

None

Vermont

7/95

People < 150% PL

No transportation, long-term care

Premiums: Above 25% PL: \$5 to \$20 every 6 months

Copays: \$3 for dental

Kentucky

10/95

Existing eligibles

Medicaid benefits

None

Oklahoma

10/95

Existing eligibles

Medicaid benefits

None

Illinois

7/96

Existing eligibles

Medicaid benefits

None

Alabama

12/96

Existing eligibles

Medicaid benefits

None

New York

7/97

Existing eligibles

Medicaid benefits

None

Arkansas

8/97

Children < 200% PL

No EPSDT, therapies, long-term care

Copays: \$10 outpatient; 20% inpatient ; \$5 for drugs

Italics indicated approved but not implemented. States above the line were approved prior to NGA 1994 agreement.

*MARCH 25, 1997

MEMORANDUM FOR BRUCE REED AND ELENA KAGAN

FROM: CYNTHIA RICE

SUBJECT: CHILD CARE IDEAS

The new welfare law increased child care spending by nearly \$4 billion--a hard-won victory for the President. Generally, analysts agree that the new law provides enough funding for welfare recipients entering the workforce. Yet there is growing concern that working poor families will be short-changed as available subsidies are directed toward former welfare recipients. Even the Congressional Budget Office last December concluded that the new law is \$1.4 billion short of the resources needed to maintain current child care programs for at-risk, working poor families and provide enough child care for newly working welfare recipients. In addition, there are persistent concerns about the quality of care most children receive in the typical child care setting.

Here are a few ideas for ways to address these problems.

*Make the Child and Dependent Care Tax Credit Refundable. Current tax law provides a tax credit for child care expenses of up to \$2,400 for one child and \$4,800 for two or more children. The credit is not refundable, however, meaning families with little or no income can't benefit. In August, the Joint Tax Committee concluded it would cost \$2.1 billion from 1997-2002 to make the tax credit refundable; the Treasury Department estimate was inexplicably twice as high. The Blue Dog budget released last month made the credit refundable but paid for it by eliminating the tax benefit for families with incomes over \$100,000.

*Endorse Senator Kohl's "Child Care Expansion Act." Senator Kohl's bill provides tax credits to private companies and institutions to encourage them to build quality child care centers on-site or near their companies. (Generally, child care centers are considered to be higher quality than family day care, which operate out of individual homes, because centers have to meet certain state staffing and safety rules.) His bill, introduced in January, was lauded in a recent edition of Working Mother magazine. It would provide a 50% credit for eligible activities up to \$150,000 per year per business. The Joint Tax Committee estimates the cost to be \$2.6 billion from 1997-2002.

*Endorse Republican Senator Pat Roberts of Kansas "Child Care Expansion Act." His bill, which has not yet been introduced, would: 1) Increase the amount of the Child and Dependent Tax Credit to \$3,600 for one child and \$5,400 for two. This would not help the lowest-income families since the credit would still not be refundable. 2) Provide matching grants of up to \$50,000 for small businesses that work together to provide day care for their employees. 3) Expand the IRS rules to allow more parents to deduct home office expenses from their taxes. This provision would allow an exception to the "exclusive use" rule permitting mixed use of space for business and personal purposes in the case of taxpayers who conduct home-based business while caring for dependents. 4) Encourage older Americans participating in federally-supported programs to provide child care services in their communities. A cost estimate for this bill is not yet available.

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March 5, 1998

MEMORANDUM

TO:Elena Kagan
FR:Nicole Rabner
RE:Upcoming Child Care Event

The purpose of this memorandum is to bring you up-to-date on the planning for Tuesdays child care event with the President in Connecticut.

The event will be two tiered: (1) a brief tour of a child care facility; and (2) a speech. The site -- the child care center at Housatonic Community College in Bridgeport, CT -- was identified both by Senator Dodds office and by the leading child care advocate in the State of Connecticut. The center is accredited and recently received a federal School-Readiness and Child Care grant to expand its facilities and provide tuition assistance. Following the brief tour, there will be a speaking program that we expect to include: the Mayor of Bridgeport, Senator Dodd, a parent, and the President. Dodd and Kennelly plan to travel to CT with the President, I understand.

The Presidents remarks will focus on his child care initiative, and include two policy announcements:

(1) Release of a new HHS report that summarizes State plans to administer the Child Care and Development Block Grant. This new report demonstrates both that there is need for increased investment in child care and that the States are doing innovative things with the resources they have (i.e. more investment is good, and investment to the States is sound).

(2) Issuing a Presidential Directive on Steps to improve federally-sponsored child care in the executive branch by (1) ensuring proper background checks of child care workers in federally-sponsored child care; (2) achieving 100 percent national accreditation of eligible, federally-sponsored child care; (3) exploring partnerships among federal agencies and with the private sectors to improve child care quality and affordability; and (4) ensuring that all federal workers have full information on child care benefits and options available to them.

***Still unresolved is whether the President should sign this directive in the context at this event or just signal in his remarks that he is issuing it on this day.

Also on this day, as weve discussed, the Childrens Defense Fund (CDF) will release a compelling state-by-state report that calls for greater investment in child care by describing state-set eligibility for subsidies through the block grant, long waiting lists, high co-payments and low reimbursement rates. The CDF data was collected differently from the HHS data (CDF by phone-based surveys of state child care administrators; HHS by formal state plans), so some of the information will conflict, although HHS is working to resolve the differences as fully as possible. HHS plans to leak its report to Bob Pear on Monday for a story on Tuesday.

In terms of process, the directive is in OMB clearance (via Mac Reed) for comment by the agencies by COB tomorrow (Friday). Staff Secretary plans to circulate the directive around the West Wing tomorrow for any comment. I have attached the latest draft for your review. HHS and GSA are developing lists for heads up calls to MOC and/or Congressional staff to be made on Monday.

With respect to the HHS report, as I mentioned to you yesterday, we are working to develop a solid executive summary (which HHS seems incapable of doing) for release. Thankfully, Melissas office has taken over this project and we will work with them to finalize it.

By Monday morning, we will have drafts for you of (1) the executive summary of the HHS State Plans report; (2) the event one-pager; and (3) q&a.

Let us know if youd like to see anything sooner.

*

October 14, 1998

WHITE HOUSE CONFERENCE ON SCHOOL SAFETY

DATE:October 15, 1998
LOCATION:The East Room
BRIEFING TIME:12:15 pm - 12:35 pm
EVENT TIME:12:45 pm - 2:30 pm
FROM:Bruce Reed

I. PURPOSE

To bring together a broad coalition of youth violence experts and advocates, educators, elected officials, law enforcement, and prevention and intervention practitioners -- as well as communities across the country through the 600 satellite sites -- to help them learn more about how they can make their own schools and communities safer.

II. BACKGROUND

Although schools are generally safer today than they were just a few years ago -- and statistics show that students are safer sitting in a classroom than walking down a street -- there is still much more that we can do to improve school safety and security. In particular, the multiple shootings that took place in schools in Pearl, MS, Paducah, KY, Jonesboro, AK, and Springfield, OR, serve as painful reminders that no community is immune from senseless violence -- and that all communities must do their best to prevent such tragedies from ever occurring.

At the conference, you will unveil the first Annual Report on School Crime and Safety, prepared by the Departments of Justice and Education as you directed in your radio address after the Paducah shooting in December. The report is intended to give parents, principals and policy makers a yearly snapshot of school crime, as well as to provide information on what practical steps they can take to make their schools safer. [*KEY FINDINGS OF THE REPORT ARE ATTACHED.]

In your opening remarks you will announce the following new initiatives that address many of the problems identified in the Annual Report:

(1) A New Federal Response for Violent Deaths in Schools. You will propose a \$12 million plan to create Project SERVE, a federal School Emergency Response to Violence effort, to help schools and local communities respond to school-related violent deaths, such as those that occurred last year in Jonesboro Arkansas, Paducah Kentucky, Pearl Mississippi and Springfield Oregon. Based on the experiences of these communities last year--and with input from local officials and educators in these and other communities-- the plan will enable the federal government to assist local communities in much the same way FEMA assists in response to natural and human-caused disasters.

(2) Targeted Resources for Schools with Serious Crime Problems. To help give the estimated 10% of schools with serious crime problems the tools they need to put the security of our children first, you will announce a new \$65 million initiative to hire 2,000 community police and School Resource Officers to work in schools -- and to train police, educators and other members of the community to help recognize the early warning signs of violence.

(3) Reforms to Help Make All Schools Safe, Disciplined and Drug-Free. You will announce your plan for a significant overhaul of the nearly \$600 million Safe and Drug-Free Schools and Communities Program. Under this proposal, schools will be required to adopt rigorous, comprehensive school safety plans that include: tough, but fair, discipline policies; safe passage to and from schools; effective drug and violence policies; annual school safety report cards; links to after school programs; efforts to involve parents; and crisis management plans.

(4) A Community-Wide Response to School Safety and Youth Violence. To help communities throughout the country promote a coordinated, comprehensive response to school safety, you will launch a new Safe Schools -- Safe Communities initiative designed to help 10 cities develop and implement community-wide school safety plans. A minimum of \$25 million in discretionary grants from the Departments of Education, Justice and Health and Human Service -- or \$1-3 million per site -- will be made available for this initiative.

You will also kick-off an MTV-sponsored, year-long media campaign on school and youth violence. Working with the Departments of Education and Justice, and the National Endowment for the Arts, MTV will distribute a Youth Action Guide that aims to engage youth in solutions to violence. In an earlier panel, the First Lady introduced one of the MTV media campaign segments.

III. PARTICIPANTS

Briefing Participants:

Bruce Reed/Elena Kagan
Marsha Scott
Melanne Verveer
Michael Cohen
Richard Socarides
Jose Cerda
Leanne Shimabukuro
Neera Tanden
Tanya Martin
Lynn Cutler

Presidential Panel Participants:

The Vice President
The First Lady
Jamon Kent, Superintendent of Springfield Public Schools, Springfield, Oregon
Police Commissioner Paul Evans, Boston, Massachusetts
Mayor Deedee Corradini, Pres. of the U.S. Conference of Mayors, St. Lake City, Utah
Liberty Franklin, National Boys and Girls Club Youth of the Year, Everett, Washington
Tony Earles, Professor Harvard School of Public Health
Joanna Quintana Barroso, Third Grade Teacher, Coral Way Elementary, Miami, Florida
Representative Bobby Etheridge

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- YOU will be announced into the room accompanied by the Vice President and the First Lady.
 - The Vice President makes remarks and introduces YOU.
 - YOU will make remarks.
 - YOU will make remarks and then take your seat at the table.
 - YOU will then moderate the discussion by calling on each individual.
 - YOU, the Vice President, and the First Lady will have the option of asking follow up questions to each speaker.
- [*SUGGESTED SPEAKING ORDER AND QUESTIONS ATTACHED.]

VI. REMARKS

Provided by Speechwriting.

VII. ATTACHMENTS

- Annual Report and Summary of Key Findings.
- Suggested Sequence of Events.
- Conference Agenda

FF

SUMMARY OF KEY FINDINGS OF THE ANNUAL REPORT

*Students less likely to be victimized but more likely to feel unsafe. Although the number of multiple homicide events at schools has increased since 1993 (from 2 to 6 -- and with 4 times as many victims), the overall school crime rate has actually dropped (from 164 crimes per 1,000 students in 1993 to about 128 such crimes in 1996). However, the percentage of students reporting that they felt unsafe at or on their way to school has increased.

*Most schools safer than community at large. While the overall level of school and non-school crime is about the same (about 3 million crimes in each setting), students are more than twice as likely to experience serious violent crime while out of school. And the very worst violent victimizations -- murders and suicides -- rarely occur in or near schools. Fewer than 1% of the 7,357 thousand children who were murdered in 1992-93 -- or 63 -- were killed at school.

*Serious crime and violence concentrated in a small percentage of schools. Only about 10% of public schools report serious or violent crimes to their local police departments. Nearly half -- or 47% -- of schools report less serious or non-violent crimes to police, and 43% report absolutely no crimes at all.

*Violence more likely in larger, urban schools and with older students. One third of large schools (1,000+ students) report serious violent crimes to police, compared with less than one tenth of small schools. Also urban schools are twice as likely as rural schools to report serious violent crimes, and middle and high schools are 4 times more likely than elementary schools to report such crimes.

*Fist fights and theft the most common crimes. Overall, physical attacks and fights without weapons are the crimes most often reported to police by middle and high schools. Theft is the most common school crime overall. In 1996, less than 10% of crimes against students were of a serious or violent nature.

*Fewer weapons in schools. About 6% of high school seniors -- less than in recent years -- are carrying firearms and other weapons to schools. Also, the percentage of seniors intentionally injured -- with or without weapons -- has not changed significantly over the past 20 years.

*Gang presence has nearly doubled. Between 1989 and 1995, the percentage of students reporting the presence of street gangs in their schools increased from 15% to 28% -- including large increases at urban, suburban and rural schools.

*Violence and drugs linked. Students who reported being the victims of violent crimes at schools were more likely to report the availability of drugs at school. The presence of gangs and guns is also related to school crime and the victimization of students.

*Teachers often crime victims. On average, 3% of teachers are the victims of violent crimes, and nearly 5% are the victims of theft.

*

May 29, 1998

TOBACCO STATEMENT

DATE: June 1, 1998
LOCATION: Rose Garden
BRIEFING TIME: 10:15 am
EVENT TIME: 10:45 am
FROM: Bruce Reed

I. PURPOSE

To call on the Senate to pass the McCain tobacco legislation by the end of the week.

II. BACKGROUND

You will urge the Senate to swiftly pass the McCain legislation when they return from recess next week. You have previously announced that you would be pleased to sign the McCain Managers Amendment into law because it meets your five principles for comprehensive tobacco legislation. This is an opportunity to reiterate the importance of enacting comprehensive, tobacco legislation this year, and to comment on key amendments that are likely to be considered by the Senate next week. In particular, you will emphasize your support for Senator Ford's LEAF Act, and urge Congress to break this impasse and pass a bill that provides strong protections to farmers and their communities.

III. PARTICIPANTS

Briefing Participants:

The Vice President
Erskine Bowles
Bruce Reed
Elena Kagan

Event Participants:

The Vice President
Erskine Bowles

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

-YOU will be announced into the Rose Garden accompanied by the Vice President and Erskine Bowles.

- YOU will make remarks and then depart.

VI. REMARKS

Remarks provided by Speechwriting.

May 28, 1998

COPS EVENT

DATE: May 29, 1998
LOCATION: Rose Garden
BRIEFING TIME: 10:00 am
EVENT TIME: 10:30 am
FROM: Bruce Reed

I. PURPOSE

To announce a new initiative to hire more community police in high-crime, high-need neighborhoods by waiving the local match, and to highlight that the COPS Office has now funded over 75,000 police officers.

II. BACKGROUND

This event is an opportunity to highlight the success of the COPS program to date, and to launch a new COPS initiative that targets high-crime, high-need neighborhoods. Grants for the new initiative will provide 18 cities with \$106 million to fund over 700 new community police officers. You will also announce \$115.6 million for 553 communities across the country to hire an additional 1,748 officers under the regular COPS Universal Hiring Program (UHP). With these grants, the COPS Program will have helped to fund an increase of 75,000 more police on Americas streets.

*Putting resources in high-crime neighborhoods. While crime is coming down in cities of all sizes and in all regions of the country, some neighborhoods have not shared in the same level of progress enjoyed by the rest of the country. The pilot program launched today will provide full funding for new officers in these areas, by waiving the usual matching requirements. Each city receiving funds under this pilot program has a high per capita level of crime and poverty, either throughout the city or in certain neighborhoods. The cities will deploy their new officers to help meet the unique needs of their communities, such as combating gangs or targeting drug "hot spots."

Pilot cities receiving funds are: Chicago, IL; Hartford, CT; Camden, NJ; Bessemer, AL; Miami, FL; Flint, MI; Fresno, CA; San Bernardino, CA; Fort Pierce, FL; Monroe, LA; Baltimore, MD; Muskegon, MI; Greenville, MS; Buffalo, NY; McAllen, TX; Birmingham, AL; El Paso, TX; and Cleveland, OH.

*Hitting the 75,000 mark. The pilot will provide \$106 million in funding for 18 cities to hire 738 community policing officers. In addition, the regular COPS UHP grants announced today will provide \$115.6 million to 553 police departments to hire 1,748 officers. The hires will bring the total number of officers funded under the Clinton COPS Initiative to over 75,000 -- and put the COPS Initiative ahead of schedule to meet the Presidents pledge to provide 100,000 officers.

Since you signed the 1994 Crime Act, which authorized nearly \$9 billion for the COPS program, the number of police departments engaged in community policing has increased from hundreds to over 10,000.

*Cutting crime rates to the lowest levels in a generation.

Earlier this month, the Justice Department released preliminary data showing that crime dropped in 1997 for an unprecedented sixth year in a row. Since 1993, violent crime has dropped by more than 15%, and murders are down by more than 25%.

Attending this event will be: Mayors and Police Chiefs from the cities receiving grants from the pilot program and representatives from national law enforcement organizations.

III. PARTICIPANTS

Briefing Participants:

The Vice President
Attorney General Reno
Bruce Reed or Elena Kagan
Lynn Cutler
Jose Cerda

Event Participants:

The Vice President
Attorney General Reno
Mayor Michael White, Cleveland, Ohio
Superintendent Terry Hillard, Chicago Police Department

Meet and Greet Participants:

Mayor Jim Patterson, Fresno, CA
Mayor Judith Valles, San Bernadino, CA
Mayor Joe Carollo, Miami, FL
Mayor Kurt Schmoke, Baltimore, MD
Mayor Michael White, Cleveland, OH
Mayor Quitman Mitchell, Bessemer, AL
Mayor Abe Pierce, Monroe, LA
Mayor Woodrow Stanley, Flint, MI
Mayor, Fred Nielsen, Muskegon, MI
Mayor Pro-Temp Phyllis Griggs, McAllen, TX

COPS-funded Police Officers:

Officer Thomas Harwood, Grant Park, IL
Officer Jamie Keneally, Boston, MA
Deputy Scott Dyke, Ottawa County, MI
Officer Chris Lonsford, Fontana, CA

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- YOU will briefly meet with Mayors receiving COPS grants and four police officers funded by the COPS Office.
- YOU will be announced into the room accompanied by the Vice President, Attorney General Reno, Mayor White, Superintendent Hillard, and uniformed police officers from the local area.
- The Vice President will make remarks and introduce Mayor White.
- Mayor White will make remarks and introduce Attorney General Reno.
- Attorney General Reno will make remarks and introduce Superintendent Hillard.
- Superintendent Hillard will make remarks and introduce YOU.
- YOU will make remarks and then depart.

VI.REMARKS

Remarks provided by Speechwriting.

January 6, 1998

ANNOUNCEMENT OF CHILD CARE INITIATIVE

DATE: January 7, 1998
LOCATION: East Room
TIME: 2:30 p.m.
FROM: Bruce Reed
Melanne Verveer
Elena Kagan

I. PURPOSE

To announce the child care initiative in your FY 1999 budget and highlight your commitment to helping American families succeed at home and at work.

II. BACKGROUND

Your child care initiative of about \$20 billion over five years is the largest single child care investment in our nations history. The initiative will help working families afford child care, improve the safety and quality of child care, promote early learning, and build the supply of good after-school programs.

At the White House Conferences on Early Childhood Development and on Child Care, you and the First Lady called together parents, experts, and advocates to discuss the importance of the earliest years of life and the challenge of ensuring that children get the care they need in those critical years and beyond. This initiative responds to what you heard at those conferences

-- that Americas working families, more than ever, are pressed to find safe, affordable care for their children. The child care initiative also builds on your record of providing opportunity to American families that includes: significant expansions of the Earned Income Tax Credit; an increase in the minimum wage; welfare reform; the Family and Medical Leave Act; childrens health insurance; and the \$500 per child tax credit.

The child care initiative will:

*Double the number of children receiving child care subsidies to more than two million by the year 2003 by increasing the Child Care and Development Block Grant by \$7.5 billion over five years.

*Help three million working families pay for child care by increasing their tax credits under the Child and Dependent Tax Credit (estimated at \$5.2 billion over five years).

*Provide a new tax credit for businesses that provide child care services for their employees (estimated at \$500 million over five years).

*Establish an Early Learning Fund to provide grants to communities to promote early childhood development and improve child care quality for young children, with an investment of \$3 billion over five years.

*Provide after-school care for 500,000 children per year by expanding the 21st Century Community Learning Center program, which provides start-up funds to school-community partnerships to establish or expand before- and after-school programs for school-age children, through an investment of \$1 billion over five years.

*Step up enforcement of state child care health and safety standards by establishing a Standards Enforcement Fund for state efforts to improve licensing systems and enforce standards, including by increasing unannounced inspections of child care settings, with an investment of \$500 million over five years.

*Promote training of child care providers by establishing a Child Care Scholarship Fund to support 50,000 scholarships per year, with an investment of \$250 million over five years.

*Invest in research by establishing a Research and Evaluation Fund to increase support for data, research, and evaluation in child care, as well as finance a child care hotline for parents and a National Center on Child Care Statistics, with an investment of \$150 million over five years.

*Increase Head Start to serve one million children by 2002 and double the number of children served by Early Head Start with an increased investment of \$3.4 billion over five years.

Child and Dependent Tax Credit Reform\$5.2 billion over five years
 Tax Credit for Businesses\$500 million over five years
 Child Care Block Grant Increase\$7.5 billion over five years
 Standards Enforcement Fund\$500 million over five years
 Early Learning Fund\$3 billion over five years
 Head Start Increase\$3.4 billion over five years
 Child Care Provider Scholarship Fund\$250 million over five years
 Research and Evaluation Fund\$150 million over five years
 21st Century Learning Center Program\$1 billion over five years

TOTAL:\$21.5 billion over five years

III. PARTICIPANTS

Briefing Participants:

Secretaries Shalala, Riley and Rubin, Bruce Reed, Gene Sperling, Melanne Verveer, Ron Klain, Elena Kagan, Susan Liss, Jennifer Klein, June Shih

Meet and Greet Participants:

Members of Congress (subject to change):

Senator Mary Landrieu
Representative Rosa L. DeLauro (D-CT)
Representative Ellen O. Tauscher (D-CA)
Representative Eleanor Holmes Norton (D-DC)
Representative Marge Roukema (R-NJ)
Representative Constance A. Morella (R-MD)
Representative James P. Moran (D-VA)
Representative Barbara B. Kennelly (C-CT)
Representative Patrick Kennedy (D-RI)
Representative Robert A. Weygand (D-RI)

Other Elected Officials:

Governor Lincoln Almond (R-RI)
State Senator Pat Piper (D-MN)
State Representative Jane Maroney (R-DE)
County Commissioner Jane Campbell (D-OH)
County Commissioner Jane Hague (R-WA)
County Councilmember Marilyn Praisner (D-MD)

Children and Families:

Bridie Eckenrode and daughter Sandy Eckenrode (8 years old)
Mark Dalton and daughter Hilary Dalton (6 years old)
Gary Dikeos and son Darien Dikeos (5 years old)
Beverly Lancaster-Hyde and daughter Camille Hyde (4 years old)
Sally D'Italia and daughter Sarah (15 years old)
Tanya Sanders and daughter Tia (15 years old)
Mary Anne Carter and son Matthew Lundy (5 years old)
Binnie Harris and son Juan Gary Jr. (4 years old)
Leslie Bermudez and daughter Vivianna (7 years old)
Marcus Wilkins and daughter Rebecca (8 years old)
Yvonne Reyes and son Mulawin Diwa Reyes-Lozada (4 years old)

Event Participants:

The President
The Vice President
The First Lady
Mrs. Gore

Cabinet Members Attending:

Secretaries Shalala, Rubin, Riley, Slater, and Administrator Barram

Audience:

Approximately 160 leaders in the child care community, including experts and advocates (see attached list). Most were also present for the White House Conference on Child Care.

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- *YOU will proceed to the Red Room for a briefing.
- *YOU will proceed to the Blue Room to meet with elected officials and Members of Congress.
- *YOU will meet with children and their parents in the Blue Room.
- *YOU, the First Lady, the Vice President, and Mrs. Gore will proceed to the East Room, accompanied by children.
- *YOU, the First Lady, the Vice President, and Mrs. Gore will proceed to stage.
- *YOU, the First Lady, and the Vice President will be seated on stage.
- *Mrs. Gore will make opening remarks and introduce the First Lady.
- *The First Lady will make remarks and introduce the Vice President.
- *The Vice President will make remarks and introduce YOU.
- *YOU will make remarks.
- *YOU, the First Lady, the Vice President, and Mrs. Gore will depart.

M E M O R A N D U M

TO: BRUCE REED, ELENA KAGAN

FROM: THOMAS FREEDMAN, MARY L. SMITH

RE: WORK AND FAMILY IDEAS

DATE: NOVEMBER 20, 1997

*Tax credits for those families who have chosen to have one parent stay at home and take care of their own children. (Idaho Statesman)

*Senator Dodd is attempting to craft a child-care bill that will likely include tax incentives for employers to help with child care, bigger child-care tax credits for families and larger block grants to the states. Five Republicans have committed to this effort: Orrin Hatch of Utah, James Jeffords of Vermont, Pat Roberts of Kansas, Olympia Snowe of Maine, and Arlen Specter of Pennsylvania.

*Expansion of HeadStart to reflect new research on the critical importance of the ages zero to 3.

*Expanded tax credits for child care.

*Help for after-school programs for older kids.

*Smart Start early-childhood program: North Carolina program that offers new mothers stipends for diapers and baby food if they stay home with their newborns instead of rushing back to work.

*Expand the Family and Medical Leave Act so that parents can take time off for childrens medical appointments, teacher conferences (President at Child Care Conference)

*Flex time laws allowing workers to choose between receiving overtime in pay or in time off (President at Child Care Conference)

*Kohl bill that would provide tax credits to businesses that construct on-site child care (Bruce)

*Increase amount of money in child care development block grant to states (Bruce)

*expand dependent-care tax credit, which is available to two-parent families with two parents that work (Bruce)

*Chafee bill: KidCare Act. Among other things, it would:

*Increase the current child-care tax credit for families making less than \$5,000, and increase the amount of pre-tax dollars employees can contribute to Dependent Care Assistance Plans

*Allow higher tax credits and greater pre-tax contributions for families who use accredited or credentialed child-care services, since they usually cost more

*Give child-care providers a larger tax deduction for educational expenses related to

achieving or maintaining accreditation

*Provide \$50 million to create and operate technology-based training that uses distance learning, the Internet and satellite resources to help child-care providers nationwide to receive training, education and support

*Allow businesses a charitable deduction for donating educational equipment to nonprofit child-care providers and public schools

*Help employers who provide child care by implementing a tax credit for startup costs for child-care centers, professional development expenses, and costs related to achieving accreditation

*Establish a \$260-million competitive grant program that would help states improve the quality of child care by doing such things as increasing the salaries of credentialed child-care providers; developing standards for the accreditation and credentialing of providers; offering scholarships to help providers pay for education and training, or for use on consumer-education efforts

TO: ELENA KAGAN
MICHAEL COHEN

CC: MARIA ECHAVESTE
JANET MURGUIA
MICKEY IBARRA
CRAIG SMITH

FROM: KAREN SKELTON

DATE: NOVEMBER 12, 1997

SUBJECT: BILINGUAL EDUCATION AND CALIFORNIA POLITICS

OVERVIEW

The "English for the Children" initiative, sponsored by Republican and former gubernatorial candidate Ronald Unz, is planned for the June 1998 ballot. The initiative would move California's 1.4 million non-English proficient students from "bilingual education" classes into an intensive program of "sheltered English immersion." Bilingual education would remain an option for parents who specifically request it through a waiver. Supporters and opponents both agree that the measure would essentially end bilingual education in California, and probably spark a move to do the same nationwide.

Half of the children in America who are classified as "nonproficient" in English live in California. Most of these students come from Spanish-speaking homes. California spends approximately \$300 million annually on bilingual education.

The question of whether to abolish bilingual education for these mostly Latino children is a politically charged question in California. The initiative is California's third potentially divisive "race" initiative in 4 years. In 1994, Proposition 187 barred public benefits for illegal immigrants. In 1996, Proposition 209 ended affirmative action.

THE POLITICS

The gut reaction of most Californians is that public school instruction should be conducted in English. Most people--Hispanic, Caucasian, Republican and Democrat--want kids to learn English as early as possible by the most effective means possible. Eleven years ago, Californians resoundingly approved a measure making English the state's official language.

The recent Los Angeles Times poll reflects this basic sentiment. The poll asked all registered voters whether they would vote for or against an initiative "that would require all public school instruction to be conducted in English and for students not fluent in English to be placed in a short-term English immersion program." The poll found 75 percent to 80 percent support for the initiative among every single voting group in the state. Liberals support it 2-to-1. Latino voters support the initiative by a ratio of 84 percent to 16 percent. Latino parents, like other parents, want their children to learn English and prefer that their children's courses be taught in English.

People disagree on the best way to achieve that result, or whether there's one best way in all circumstances. Nobody thinks it is bad for students to be bilingual. People disagree

on whether bilingual education is achieving that goal, or leaving students "limping along in both, masters of neither."

Under the best circumstances, the "English for Children" initiative will provoke a healthy debate on the merits of bilingual education in California. But, that is unlikely. Even though many Latinos may privately feel bilingual education has failed, they and other voters may be reluctant to attack such a "sacred cow."

The success of this initiative will depend more than anything else on the language in which it is framed. If the initiative is framed as anti-immigration, anti-affirmative action, anti-Latino, then Latinos are likely to fight against what they perceive to be "another racist campaign." Given the history of Propositions 187 and 209, it is likely this initiative will devolve into nasty hand-to-hand combat over race.

The divisive political rhetoric is heating up on both sides. The initiatives supporters declare it is "shameful that so many politicians continue to support a program which they realize does not work." Opponents of the initiative call it "anti-Latino racism."

At this time, most elected officials have not taken a position, but the line-up is taking shape. Last week, the California Teachers Association came out against the Initiative. On November 23, the United Teachers of Los Angeles will vote. Both sides have signed up endorsements that signal a tough fight ahead: Latino teachers say they support the initiative and a few Republican State Legislators say they oppose it. (See attached list)

CONCLUSION

It does not make political sense for us to take a position on the initiative at this time. First, we must assume for now that the Unz initiative is going to pass by a large margin, and it would take huge money to defeat it. Second, this initiative raises a California state issue that begs the question of federal "meddling."

Third, a popular Democratic Presidents opposition to the initiative will entice Governor Wilson, who has remained silent, to oppose the President and support the initiative. Other Republicans will follow Wilsons lead. We are then in the position of a sitting President fighting a sitting Governor over a California issue. We do not want this.

Fourth, a Presidential position at this point could adversely effect the 1998 elections in California. Given the presumed popularity of the initiative, we may assume that Democratic candidates in the State may support it. If the President opposes the initiative, it may cause a political disagreement between the Democratic President and Democratic candidates, and thus give the Republicans a "wedge" issue theyll readily exploit. If the President supports the initiative, he risks alienating "base voters" who the Democratic primary candidates must capture for a win. Thus, the Presidents least risky position in terms of the 1998 elections is to allow the candidates to make their own political determinations independent of the President.

Fifth, the State Legislature is considering drafting bi-partisan legislation which strikes a compromise between the Unz initiative and the position taken by the California Teachers Association. The legislation may be drafted by January. Our involvement any earlier will ensure negotiations collapse.

RECOMMENDATION

1. Keep the powder dry. Avoid knee jerk reactions. Do not get involved in the heated political rhetoric over the initiative. Wait for State Legislatures compromise.
2. Stay on the Offense. Unpack this issue and go back to what is at stake. Take a position that supports education for the 21st Century: bilingual graduates (however we get there), computers in the schools, local school flexibility.
3. Consult with gubernatorial candidates, Hispanic Caucus, Asian and Hispanic leaders, unions, and educational groups before making any decision on the initiative.
4. If we oppose the initiative, plan to spend a great deal of money to win.

PP

CURRENT POLITICAL ARGUMENTS

ARGUMENTS USED TO SUPPORT THE INITIATIVE (To Abolish Bilingual Education)

- *"Bilingual education" is a failed program.
- *The number of students classified as "limited English proficient" has more than doubled since 1982.
- *The number of students reclassified as "English proficient" has remained flat. Only 5% of students graduate to proficiency in a given year.
- *Bilingual Education does not work if it is not done right, and California cannot do bilingual education right.
- *Only a third of supposedly bilingual classes are taught by credentialed bilingual teachers.
- *California schools have been trying to recruit and train more bilingual teachers for 25 years.
- *Class-size reduction has made the teacher shortage even more acute.
- *California cant offer a high-quality bilingual program to more than a small number of students - - estimated at about 10% of English learners.

ARGUMENTS USED TO OPPOSE THE INITIATIVE (Save Bilingual Education)

- *Initiative would virtually end bilingual education.
- *Initiative Process is poorly designed for dealing with complex education issues.
- *Initiative removes flexibility from local schools over educational decisions.
- *Initiative exposes teachers and other educators to personal liability lawsuits.

PP

POLITICAL LINE-UP

SUPPORT INITIATIVE

- *Ron Unz, Silcon Valley Republican, former gubernatorial candidate, and author of the initiative
- *Gloria Matta Tuchman, Latina school teacher from Santa Ana and co-author
- *Jaime Escalante, Latino calculus teacher whose success with inner-city kids was the basis

of the movie "Stand and Deliver."

*Fernando Vega, past City Councilman and School Board Member, worked on Clinton-Gore 1992 campaign.

*Mayor Richard Riordan

*Darrell Issa, Republican Senate Candidate opposing Senator Boxer

OPPOSE INITIATIVE

*California Teachers Association

*MALDEF (Antonia Hernandez)

*Association of Latino Elected and Appointed Officials (Arturo Vargas)

*State Assemblyman Bill Leonard, Minority Leader

*State Assemblyman Rod Pacheco, only Republican Latino Assemblyman

*California Association of Bilingual Education

*U.S. Senator Barbara Boxer

NO POSITION YET

*California Federation of Teachers

*California Association of School Boards

*U.S. Senator Diane Feinstein

*PTA

*Lt. Governor Gray Davis (Democratic candidate for Governor in 1998)

*Atty. General Dan Lungren (Republican candidate for Governor in 1998)

*Delaine Eastin, Supervisor of Public Instruction

*Speaker Cruz Bustamante

*Assemblyman Antonio Villaregosa

*Supervisor Gloria Molina

ALTERNATIVE VIEW

*Democrat Al Checchi opposes the initiative but thinks bilingual education has failed. He favors intensive language schooling of 3 and 4 year olds who do not speak English. Separate provisions would be made for students who are older when they arrive in California schools.

*

October 14, 1997

MEMORANDUM TO BRUCE REED
ELENA KAGAN

FROM: JENNIFER KLEIN
NICOLE RABNER

CC: MELANNE VERVEER

RE: POLICY OPTIONS FOR CHILD CARE CONFERENCE

As you know, the President will announce two or three small policy initiatives at the White House Conference on Child Care as "downpayments" on his larger child care agenda (which will be outlined in an Executive Memorandum issued at the conference). This memorandum outlines the policy options that we are considering.

Working Group of Business Leaders. The President would appoint Secretary Rubin to co-chair, with a private sector executive, a working group of business leaders on child care. The group would report back within 60 days on strategies for developing public-private partnerships to improve the quality and affordability of child care. We are working with Treasury to set up the working group and to appoint a co-chair who could be announced at the conference. HHS and Treasury support doing this, as do many child care advocates and experts. Treasury has raised some concern that the group might make recommendations that the Administration is not prepared to accept. With those concerns in mind, we have narrowly defined the scope of their work.

Health Outreach in Child Care Centers. The President would announce a plan to enroll eligible children in child care centers in Medicaid or the new state childrens health program. This would build on the Administrations commitment to linking health care and child care through the Healthy Child Care America Campaign, which promotes safety and healthy development in child care and improves access to immunization, nutrition and other health services in child care settings. We are working with Chris Jennings and Jeanne Lambrew on a series of proposals, including:

*Clarifying regulations to ensure that child care centers and schools distribute information about these health programs, assist in filling out applications, and grant presumptive eligibility for Medicaid.

*Requiring states in their state plans for the childrens health program to describe how they will use child care centers to enroll children.

*Developing an agreement with child care providers, school nurses and teachers to work together on education and outreach to families. This would include release of a Medicaid

handbook for child care workers (currently being produced at HHS) and a simple brochure describing the new childrens health program.

Chris and Jeanne will discuss any health care proposals with the National Governors Association staff to ensure that states will support our policy.

Scholarships for Child Care Workers. The President would announce a new federal scholarship program for child care workers. Our suggestion had been to announce our support for Senator DeWines "Quality Child Care and Loan Forgiveness Act" that provides loan forgiveness for students in early childhood education programs. The bill allows 15% of the total amount of a loan to be forgiven for each year of employment and requests an appropriation of \$10 million for fiscal year 1998. Senator Kerry has a similar loan forgiveness bill that requests an appropriation of \$100 million for 1998. DOE is opposed to granting loan forgiveness to people entering particular professions, so the Department is developing an alternative proposal either through adult and vocational education or school-to-work. HHS also requested an increase of \$150 million for FY 1999 in the CCDBG to model a scholarship program after North Carolinas T.E.A.C.H. Program.

The President would also announce an outreach plan to let students in training to become child care workers know that many of them are currently eligible for Pell Grants.

Announcing policy in this area at the conference makes sense given strong agreement that the key to quality child care is the provider. A proposal would receive strong support from the child care and labor communities. However, we obviously need to resolve remaining issues with Education and HHS and to involve OMB and NEC before going forward.

Background Checks on Child Care Workers. This announcement could have three parts. First, the President would release a Department of Health and Human Services "checklist" of questions that employers and parents could use in interviewing and doing reference checks on child care providers. The ABA Center on Children and the Law recently completed a study finding that employer reference checks and personal interviews are among the most effective ways to screen child care providers. The Center also reports that 98 percent of respondents conduct personal interviews and 93 percent check references with past employers. However, there is no assurance that these checks are done right. The "checklist" would arm parents and employers with the information they need to do proper and thorough screening.

Second, HHS would issue regulations requiring any child care center receiving federal funding through the Child Care and Development Block Grant (CCDBG) to use the "checklist." HHS has authority to do this under provisions of the CCDBG allowing them to regulate health and safety in three specific areas (building and premises safety, training, and health and infectious diseases, including immunization). As you know, HHS recently issued regulations under this authority requiring federally-funded centers to ensure that the children in their care are properly immunized.

Third, the President would urge Congress to pass and the states to join the Interstate Crime Prevention and Privacy Compact. This compact, which is ready for transmission to the hill, would give access to criminal records for non-criminal purposes, including background checks on child care providers. While a slow and lengthy process, this would give the President an opportunity to talk about the importance of making this information available so that children in America will no longer be threatened by the few "bad apple" child care

workers.

These announcements are controversial for several reasons. Secretary Shalala strongly believes that we should not take any steps in this area at the conference, and is particularly opposed to issuing HHS regulations. Because of the uproar by the states after HHS issued the immunization regulations, Shalala is adamantly opposed to any action in this area. More generally, she is concerned that we will give the impression that we do not support child care providers -- who as a whole work hard, receive meager salaries, and work in difficult conditions. In addition, she believes that announcing a controversial policy at the conference will jeopardize our ability to accomplish our larger child care agenda.

September 16, 1997

TOBACCO ANNOUNCEMENT

DATE: September 17, 1997
LOCATION: Oval Office
BRIEFING TIME: 10:00 am - 10:30 am
EVENT TIME: 10:30 am - 10:55 am
FROM: Bruce Reed

I. PURPOSE

To launch the Administrations plan for comprehensive tobacco legislation to reduce youth smoking.

II. BACKGROUND

You will challenge Congress to enact federal tobacco legislation to reduce teen smoking and announce five key elements that must be included in any national legislation. You will also announce that you will invite Congressional leaders to the White House to work on this issue in the coming weeks. This is an opportunity to build on the FDA rule and the efforts of attorneys general to take further steps to curb youth smoking.

In your remarks, you will call for national tobacco legislation that includes the following:

1. A comprehensive plan to reduce teen smoking, including tough penalties if targets are not met, a public education campaign, and expanded efforts to prevent youth access to tobacco products. Legislation should set ambitious targets to reduce teen smoking by 30% in 5 years, 50% in seven years, and 60% in 10 years.
2. Full authority for the FDA to regulate tobacco products.
3. Changes in the way the tobacco industry does business, including: no marketing to children, increase document disclosure, and mandatory corporate compliance programs.
4. Progress toward meeting other public health goals, such as: the reduction of second-hand smoke, the expansion of smoking cessation programs, the strengthening of international efforts to control tobacco, and the provision of funds for medical research and other health objectives.
5. Protection for tobacco farmers and their communities.

The attached document, which will be released to the press, provides more specifics.

Since the announcement of a proposed national settlement on June 20, the Administration has consulted with the public health community, the attorneys general, members of Congress, tobacco farmers, and others to develop a comprehensive tobacco policy. At this event, you will be joined by several key representatives from the public health community and attorneys general to demonstrate unified support for your efforts.

III. PARTICIPANTS

Briefing Participants:

The Vice President
Secretary Shalala
Erskine Bowles
Bruce Reed
Elena Kagan
Don Gips

Event Participants:

The Vice President
Secretary Shalala
Secretary Glickman
Bruce Reed
Dr. C. Everett Koop
Dr. David Kessler
Four Members of Congress (as yet unknown)
Attorney General Michael "Mike" Moore (D-Mississippi)
Attorney General Grant Woods (R-Arizona)
Attorney General Christine Gregoire (D-Washington)
Attorney General Robert Butterworth (D-Florida)
Attorney General Skip Humphrey (D-Minnesota)
Dr. Randolph Smoak, Vice Chair of the Board, American Medical Association
Dr. John Seffrin, CEO, American Cancer Society
Dudley Hafner, Executive Vice President, American Heart Association
Matt Myers, Executive Vice President and General Counsel, Campaign for Tobacco Free Kids

IV. PRESS PLAN

Pool Press.

V. SEQUENCE OF EVENTS

- You will enter the Oval Office accompanied by the Vice President. (Other guests will be pre-positioned.)
- The Vice President will make welcoming remarks and introduce you.
- You will make remarks and then take questions from the pool.

VI. REMARKS

Remarks provided by Speechwriting.

*.MEMORANDUM

TO: BRUCE REED, ELENA KAGAN, MICHAEL COHEN

CC: MARY SMITH, WILLIAM KINCAID

FROM: TOM FREEDMAN
JULIE MIKUTA

RE: SOCIAL PROMOTION

DATE: JUNE 20, 1997

SUMMARY.

In preparation for the Presidents speech to the Mayors, it may be useful to discuss recent developments in the banning of social promotion, an effort being led by Chicago. On June 4, Mayor Daley supported the Chicago School Boards announcement that 26.6% of eighth graders [7,392 students] and 48% of ninth graders will not graduate on time for failing to master required subject matter. These students must attend summer classes and pass a standardized test, or they have to repeat the grade next year [6/4/97: Chic Sun-Times]. Many other school districts across the country have said they will end social promotion, but Chicago is one of the first-- and the first large metropolitan district-- to actually enforce its rule. President Clinton encouraged ending social promotion in his State of the Union Address and in a speech he gave to the National Governors Association Education Summit (3/27/96).

DETAILS ON CHICAGOS ACTIONS

*42,700 third-, sixth-, eighth-, and ninth- graders must attend summer school this year.

Criteria for attending summer school: [6/4/97: Chicago Sun-Times]

- 1.all grades: failed math or reading classes during regular school year
- 2.3rd graders: more than a grade level behind in a reading or math score on the Iowa test
- 3.6th graders: more than 1.5 years behind
- 4.8th graders: to graduate from eighth grade the student must attain minimum score of 7.0 on Iowa Test of Basic Skills (This is the standard for a beginning seventh grader; 8.8 is true grade level for an end-of-the-year eighth grader.)

*At the end of summer school, 8th graders retake Iowa Test; if they fail, they repeat the 8th grade (in most other districts, students need only to pass summer school to be promoted).

*estimated cost for this years summer school is \$40 million

*This is first year that the ban on social promotion is being imposed at the ninth grade level. Last year, it was imposed on eighth graders, but they were allowed to participate in June graduation ceremonies; at the time, there was a warning given that, in 1997, there would be no graduation for those who needed summer school [6/6/97, NYT].

*Last summer, 7,400 8th graders who took summer school, and 1,600 needed to repeat the grade. Now, the minimum test score is higher (last year it was 6.8; this year it is 7.0), so the superintendent, Paul Vallas, expects 2,000 to 2,500 eighth graders to repeat (no

mention of how many 3rd, 6th or 9th graders expected to repeat).

PREVIOUS ADMINISTRATION SUPPORT

In the State of the Union Address (2/97), and at the Education Summit held by the nations governors (3/27/96), President Clinton urged the ending of social promotions as a way to encourage students to meet higher standards.

WHATS DONE ELSEWHERE

Several other states and districts ban social promotion on paper, but this rule is not enforced in most places.

Places where ban on social promotion is enforced:

*In Gwinett schools (part of Atlanta metropolitan system) a ban on social promotion is enforced at the middle school level [Atlanta Jnal, 5/12/97]. In 1,667 of districts 80,270 students were retained [At Jnal 6/3/96].

*Several school districts in NY state have a policy of no social promotion [NY Beacon, 3/12/96].

*These states use exit tests to determine whether a child is ready to move on to the next grade: AK, LA, NC, SC, VA (no mention of whether or not students are always retained if they fail these tests) [LA Times, 6/29/96].

*Many states and districts enforce a no pass, no play rule.

Where law banning social promotion has not yet been tested

*In Detroit, the school board voted in 3/96 to ban social promotion at every grade level for school year of 1997-98 [Detroit News, 3/27/96].

Places where ban on social promotion is on the books, but not enforced:

*In 1984, the Texas Legislature banned social promotion, but this hasnt happened in schools. John Cole, president of the teachers group, estimates that 150,000 of TXs 3.6 million students were socially-promoted in 1995. (A State Board of Education rule limits number of times a student can be retained to once in PreK-4th grade and once in 5th-8th grade.) [Austin America-Statesman, 1/23/96]

*In Cincinnati the school board voted in 1991 to ban social promotion. The practice now is to require students to demonstrate mastery of certain skills at 3rd, 6th and 8th grades; they must attend summer school if unable to do so. If a student fails a grade twice, s/he is assigned to a remedial class with students their own age [LA Times, 6/29/96].

Places where social promotion occurs

*NYC: students are automatically promoted from 8th to 9th grade when they reach 16 years of age [NYT, 6/6/97].

*Chancellor Crew of NYC is currently investigating the banning of social promotion.

*In Atlanta, socially promoted students are assigned a team of teachers, psychologists and social workers who create an individualized plan of goals and strategies to bring student up to grade level.

*Bloomington, IL runs a program for socially-promoted students which focuses on basic academic skills, and is seen as successful [Pantagraph, Bloomington, 1/26/97].

RESEARCH ON SOCIAL PROMOTION AND FLUNKING STUDENTS

Albert Shanker, former President of the American Federation of Teachers, endorsed the ending of social promotion. Advocates of social promotion argue that flunking students stigmatizes them and creates discipline problems in the classroom. They are supported by most of the research in this area, which says that social promotion does not result in students performing better academically. Programs that combine social promotion with extra help/ support for the student are frequently seen as a preferred alternative to flunking students.

General Facts:

*40% of 2,312 members of TX Federation of Teachers [total membership = 25,000] surveyed in 1995 said failing students were promoted even after teachers recommended they be retained [at least 150,000 students] [Associated Press report, 9/1/96].

*A Texas Poll of 1,001 adult Texans done by TX Federation of Teachers in spring, 1996 found that 2/3 of respondents said that social promotion should be outlawed in TX [Dall Mng News: 4/16/96].

*According to a 1995 survey of 805 members of American Federation of Teachers, these are some of the main reasons social promotion is done:

1.61% believe that retention causes discipline problems;

2.61% believe retention doesnt help students;

3.58% say pressure from principal;

4.52% say pressure from parents;

also:

54% said they had promoted unprepared students during the previous year [LA Times, 6/29/96].

FF*A common recommendation as an alternative to retention is to create special programs for failing students such as after-school and weekend tutoring, career-development centers and smaller class size.

Research Supporting Social Promotion:

*National Center for Education Statistics (1992) found that the dropout rate for 16- to 24-year olds who had been held back at least once was more than double that of those who were never held back (no control mentioned) [Associated Press report, 9/1/96].

*Linda Darling-Hammond of Columbia University Teachers College argues that retention rates for low-income students is at least twice that of classmates [Associated Press report, 9/1/96].

*According to Lorrie Shepard, a University of Colorado education professor, students that help outside classroom while being promoted tend to do better than those who get same extra help but are held back [Associated Press report, 9/1/96].

April 2, 1997

MEMORANDUM FOR: PHIL LEVINE, MICHELE JOLIN

FROM: CYNTHIA RICE (6-2846)

SUBJECT: WHITEPAPER ON WELFARE CASELOADS

CC: BRUCE REED, ELENA KAGAN, LYN HOGAN

We appreciate the opportunity to comment on the draft whitepaper on welfare caseloads. Below are comments, both general and specific. Please let me know if more detailed comments, in the text itself, would be helpful.

Release of Report

Since caseload numbers for January 1997 will soon be available, we would like you to hold the release of the whitepaper so the two can be released together. The January 1997 numbers, which will show the caseload change during the Administration's first four years, will probably generate a fair amount of interest, and it seems to us to make sense to release the explanation of why caseloads have declined along with the latest data.

Model

We believe that the model, as constructed, may exaggerate the effect of the economy relative to policy initiatives. Specifically, the model leaves out certain policy initiatives which may correlate with a good economy or which could help explain some of the "unexplained" 26%. For example, there have been large increases in Earned Income Tax Credit, child support collections, and overall (federal plus state) child care spending since 1993, all of which helped encourage people to leave the welfare rolls.

In general, the paper doesn't explain well why there is a 26% "unexplained" portion. Could the fact that you counted only state-wide waivers have increased the "noise" in the model? We think the paper should discuss some obvious suspects, like public attention to welfare reform because of national and state debates, EITC, child care, etc.

Description

The discussion of "advanced responses" of the waivers (p. 5 and 10) misses an important point -- in order to apply for and obtain a waiver, states had to have a plan endorsed by their legislatures. Thus, a state like New Jersey had already passed a state law calling for the changes before it obtained the necessary waivers. The debate and passage of the new laws usually would get a lot of publicity, and there was little public recognition that the laws would not be implemented until the federal government gave permission. Thus the "advance response" isn't as much of a mystery as you imply. Similarly, the attention to welfare reform given during and immediately after the welfare bill signing seems to in and of itself contributed to a decrease in caseloads.

Also, speculating about the effects of the new law ("Implications for Welfare Reform" section) is outside the scope of the analysis and does not fit comfortably in an Administration document. It should be dropped.

Data Used in Report

Because of the parameters of the analysis, the whitepaper uses some data that is different than those commonly cited by the Administration. For example, the paper examines only 35 statewide waivers, while the Administration has repeatedly cited the fact that it has given waivers to 43 states. Also, the whitepaper uses decline in the percentage of the population on welfare through September 1996, while we are about to release data re: the percentage decline in the caseload through January 1997. I think the paper should refer to the more commonly used statistics at least once to help clarify potential confusion.

Also, rounding is applied inconsistently, making 42% into "almost half" but 32% into "almost a third." 42% seems a lot closer to two-fifth than to one-half. Also, page 5 says "45 percent" of caseload decline can be attributed to economic growth, and "roughly 30 percent" to federal welfare waivers.

*- 1 -

TO: Bruce Reed and Elena Kagan
FROM: Cynthia Rice
DATE: February 28, 1997
SUBJECT: Bipartisan Congressional Meetings regarding Welfare to Work
CC: Diana Fortuna and Lyn Hogan

Goals

Ideally, I think we want the bipartisan Congressional meetings to:

- *Reinforce the Presidents image as a welfare reform leader who is tough on work but cares about kids.
- *Engage Congressional leaders in a public-private effort to move a million more people from welfare to work.
- *Garner support for the Presidents Welfare-to-Work Jobs Challenge and Work Opportunity Tax Credit proposals.

We want to avoid having the President appear as if he:

- *Wants simply to spend more money on welfare.
- *Wants to "re-open the bill."

Establish Responsibility

In my view, the President must first persuade members of Congress that they have a responsibility to help welfare reform succeed and that they can play a critical role in ensuring people move from welfare to work. Most members feel as though theyve done their part to reform welfare and now its the governors responsibility. Theyve turned their attention to other issues and are waiting passively for a progress report. Instead, we should foster the view that they are community leaders ideally positioned to forge the local public-private partnerships that will make welfare reform succeed.

Of course, lecturing the Congressional leadership would be ill-advised. Instead, the President could lead by example, by sharing with the group what he is doing to bring business, government, civic, and religious leaders together. He could also distribute materials they might find useful in their own efforts, such as information about model welfare-to-work efforts and private and public resources available to employers.

View Welfare through the Eyes of a Small Businessperson

The President may wish to suggest that members of Congress view welfare reform through the eyes of a small businessperson, with whom many members may sympathize. (Ideally, we would announce a small business associations endorsement of the Presidents plan that day.) That businessperson probably:

*Has never considered what he could do to help reform welfare, and, most likely, no one has ever asked him to help.

*Wouldnt know where to find a welfare recipient to hire. Calling a local government agency would probably be fruitless. Calling a local social service group might inundate the business with too many job seekers.

*Thinks hiring welfare recipients is too risky. Former welfare recipients, particularly those without much work experience, may be less productive, at least at first. They may need special assistance which the company is not prepared to provide.

Looking at welfare from this perspective indicates that successful welfare reform requires:

*Leaders from all walks of life personally asking business owners and other employers to hire welfare recipients.

*Public and private agencies providing easy-to-use information about resources available to both employers and welfare recipients.

*Temporary financial protection for employers hiring people on welfare.

Make the Case that the Presidents Proposals are Critical to Welfare Reform

The new law does a lot to motivate welfare recipients to work. Among other things it:

*Sanctions those who wont work.

*Imposes time limits.

*Provides child care to make work possible.

The new law gives states vast flexibility to design welfare programs suitable to their own needs and circumstances. But the new law doesnt target any funding specifically for work-related activities, and, according to the Congressional Budget Office, it does not provide adequate funds to meet the strict new work rates.

As a result of these and other concerns, the President has proposed two new welfare-to-work initiatives:

*Welfare-to-Work Jobs Challenge: The Jobs Challenge is designed to help cities and states provide subsidies and incentives to private business to create jobs for welfare recipients. It would establish a \$3 billion fund to help move a million of the hardest-to-employ welfare recipients into jobs by the year 2000. It would also allow the use of vouchers that individuals could use to obtain the tools to succeed on the job.

*Work Opportunity Tax Credit: The President would create tax credits to help create jobs for the hardest-to-employ -- long term welfare recipients. A new tax credit would let employers claim a 50 percent credit on the first \$10,000 a year of wages, for up to two years, for workers they hire who were long-term welfare recipients. In addition, the budget expands a smaller, existing tax credit to include certain food stamp recipients.

Expect Both Resistance and Support from Key Participants

The current views of likely participants vary widely:

*House Republicans: In a letter to the President last month, Ways and Means Committee chairman Bill Archer expressed concern that "welfare recipients should not be given jobs at the expense of the working poor who may not qualify for a corporate tax credit."

*House Moderate Democrats: The "Blue Dogs" have long advocated a separate fund dedicated to welfare-to-work activities. A \$3.6 billion work fund is part of the balanced budget plan they proposed this week (as well as the one they proposed last year). The Blue Dogs would like to lay this plan on the table at the bipartisan welfare-to-work meeting. Their budget does not include any employer tax credits, not because they dislike them particularly, but because they believe the budget should be balanced before taxes are cut.

*Leadership Democrats: Some Democrats view employer tax credits as a business giveaway and cite studies which found similar credits increased hiring only marginally. They may accept credits only as part of a package which also includes the \$3 billion fund, which they prefer.

*Senate Republicans: Some Senate Republicans would rank a block grant for legal immigrants higher than these work initiatives, and doubt that a balanced budget deal would contain funds for both.

*MEMORANDUM FOR ERSKINE BOWLES

FROM: Sylvia Mathews

SUBJECT: Minority Issues Meeting

On February 25, I assembled the group that will meet once every two weeks to discuss minority issues. (See attached list of working group members.) The purpose of these meetings is to stay in front of the minority issues facing the Administration. In most cases, the function of the group will be to ensure that issues are receiving appropriate attention and moving through the proper policy processes, not directly working on these issues. Also, the group will provide a forum for senior staff to express their concerns and ideas in this area.

The following list provides a brief summary of issues we covered during Tuesdays meeting. We encourage you and senior staff to let us know of any issues that also should be considered, and to bring such issues to our attention as we move forward. The next meeting will be scheduled during the week of March 10.

Agenda Items:

*Procurement Issues: Legislative Affairs will post the group regarding a Congressional hearing on Thursday February 27 that may touch upon the elimination of Section 8a. Dawn Chirwa, in WH Counsel's office, will meet with the interagency affirmative action procurement reform group, and then Hill and outside briefings on a proposed regulation reforming procurement, will occur. This proposed regulation is the first step towards conforming the government-wide affirmative action provisions of the Federal Acquisition Regulations to the Justice Department's May 1996 proposal for affirmative action reform.

*Cocaine Sentencing: This is an issue of focus for the Congressional Black Caucus. The the last review of these cocaine sentencing guidelines by the U.S. Sentencing Commission produced a very divisive reaction. The Commission is conducting another review of these guidelines. The Commission has been in contact with Dawn Chirwa to make the White House aware, generally, of the process in place to facilitate their review of this controversial issue. This time, the Commission intends to solicit the views of numerous parties, including the Hill, before making recommendations.

*DC church visit by POTUS: There is a scheduling request for the President to attend a service at the Methodist Baptist Church in D.C. This event is part our outreach D.C. effort and is something on Eleanor Homes Nortons radar screen.

*Native Americans: The Native American community has expressed their concerns on a number of personnel fronts: the gambling commission, the Department of the Interiors Assistant Secretary for Indian Affairs, and a person in the WH who is Native American. Bob Nash and I will follow up on these issues in our next meeting.

*Hispanic Issues: The NEC is working on some Hispanic economic issues and will come back to the group on these issues in our next meeting. SMAT Delete this? - Also, it was noted that a Hispanic group recently gave us a "D-" on their report card on White House diversity.

*Piscataway (New Jersey) case: The Supreme Court has requested the views of DoJ in this case as to whether it is constitutional for a school board to lay off a white teacher

rather than a black teacher, both being equally qualified, in order to promote diversity within the school. WH Counsel is monitoring DoJ's progress on developing their argument in this case.

*Prop. 209: A District Court in California has stayed implementation of Prop. 209, pending a trial on the constitutionality of the initiative. The State appealed, and the Ninth Circuit will decide shortly whether or not to reverse the District Court's decision. DoJ believes that the Ninth Circuit panel which will rule on this issue will reverse the decision, just on the issue of whether the initiative can be stayed. WH Counsel is monitoring developments in this case.

Working Group Members:

Sylvia Mathews
John Podesta
Chuck Ruff
Rob Weiner
Richard Hayes
Dawn Chirwa
Rahm Emmanuel
Maggie Williams
Alphonse Maldon
Kathy Wallman/Anna Gomez)
Kumiki Gibson
Janet Murguia/Tracey Thornton
Elena Kagan
Bob Nash
Maria Echaveste
Melanne Verveer
Andrew Mayock

cc:Vicki Radd

Rahm Emanuel

John Podesta

Doug Sosnick

send list to attendees

work up agenda (JG)

background issues memos to ME, BN

7963 -

To: Bruce Reed
Elena Kagan

From: Mary L. Smith

Re: Native American Reports to the President

Date: November 30, 1998

At the Native American economic development conference on August 6, the President announced several initiatives that would improve economic development in Indian country. Attached are drafts of the reports required by the President. Although I have given you some of these drafts earlier, I thought I would give them to you in one package. With the exception of the MOU, the agencies are planning to sending the two reports to the President by December 2 or 3. Attached are the following:

(1) Interagency plan on Native American education. At the conference, the President signed an executive order on American Indian and Alaska Native education. This executive order required an interagency plan with recommendations identifying initiatives, strategies, and ideas in order to improve Native American education. The centerpieces of the draft plan include 1000 new Native American teachers and increased funding for the Bureau of Indian Affairs school construction and operation.

(2) Strategic plan for Native American economic development. At the conference, the President directed the Small Business Administration, the Department of the Interior, and the Department of Commerce to develop a strategic plan to coordinate existing economic development initiatives and to detail future efforts. The centerpiece of the proposal would provide a toll-free number, located at the Bureau of Indian Affairs, in which tribes could access information about how the federal government can assist in economic development efforts. This number would provide one point-of-contact for tribes across all government agencies and would eliminate the need for tribes to be familiar with the intricacies of specific government programs. Calls will be answered in a problem-solving manner by staff people trained on the specific economic development programs offered by each agency. In addition, the BIA will organize business seminars throughout Indian country (staffed by various agency representatives) which will consist of both general sessions and individualized technical assistance.

(3) Memorandum of Understanding to Implement the Access Center. The attached MOU describes how the access center and the tollfree number would be implemented. The MOU outlines the staffing, training, and commitments of each of the agencies in order to make the access center operational. We will send this MOU through the OMB vetting process.

AUGUST 13, 1997

RELIGIOUS EXPRESSION IN THE FEDERAL WORKPLACE

DATE: August 14, 1997

LOCATION: White House

TIME: 9:50 A.M.

FROM: Maria Echaveste, Charles Ruff

I. PURPOSE

The narrow purpose of this event is to announce the issuance of Guidelines addressing religious expression in the federal workplace. More broadly, the event furthers two other goals. First, it gives you the opportunity to discuss the importance of religious faith and religious liberty in the American experience. Second, the event allows you to note the accomplishments of the Administration in working with a broad coalition of religious groups. (The coalition that authored the Guidelines also worked with the Administration on the passage of the Religious Freedom Restoration Act (RFRA) and the Guidelines addressing religious expression in the public schools.) In this way, you can tie the religious liberty issue to the Administration themes of community, diversity, and mutual respect.

II. BACKGROUND

The Guidelines were negotiated between the Counsel's Office and the Department of Justice, on the one hand, and representatives from a broad coalition of religious groups, on the other. Four key players from the religious community deserve special recognition. Those persons are Steve McFarland of the Christian Legal Society, Marc Stern of the American Jewish Congress, Eliot Minberg of People for the American Way, and Oliver Buzz Thomas, formerly of the Baptist Joint Committee.

The idea for the project was initiated in response to the 1995 proposed EEOC guidelines addressing harassment in the workplace. The sections of the proposed EEOC guidelines addressing religious harassment were controversial and generated wide-ranging opposition from religious groups who believed that the EEOC guidelines might be construed by employers as prohibiting all religious activity in the workplace. The religious leaders believed that a set of guidelines dealing with religious expression in the workplace could be drafted which would be acceptable to most, if not all, religious organizations; and the Counsel's Office suggested that it might be possible to issue the guidelines as a joint project of the White House and the religious groups if the guidelines were modified to meet certain objections and if they were narrowed to apply only to the federal workplace.

The recent Supreme Court decision on the RFRA also adds to the significance of this event. As of now, the religious groups are divided as to the response to the Court's decision (e.g., federal legislation, constitutional amendment, state RFRAs) and the Administration has not yet taken a position on this subject. This event, however, will allow you to stake out a position obviously supportive of religious liberty without entering into the ongoing debate. First, it gives you an opportunity to announce publicly for the first time that the Administration interprets RFRA as still being in force with respect to the federal government (that is, that the Court's decision invalidated RFRA only to the extent the Act

applies to the states). Second, the event demonstrates that the Administration remains committed to religious liberty issues. Third, the issuance of the Guidelines shows that meaningful actions protecting religious liberty can be taken without the need of a constitutional amendment.

Finally, the event will be truly ecumenical. Participants will include members of the Christian Right, the secular left, religious moderates and federal officials.

III. PARTICIPANTS

Pre-brief participants:

Maria Echaveste, Charles Ruff, Ann Lewis, William Marshall, Elena Kagan

Event participants:

Vice President Gore, Secretary Richard Riley, Representatives Floyd Flake (D-NY) and Ben Cardin (D-MD), 180 participants including diverse religious leaders, federal agency general counsels and federal employee union representatives.

IV. PRESS PLAN

Open press.

V. SEQUENCE OF EVENTS

To be provided by Social Office.

VI. REMARKS

To be provided by Speechwriters.

April 5, 1999

HATE CRIMES ANNOUNCEMENT

DATE: April 6, 1999
LOCATION: Roosevelt Room
BRIEFING TIME: 10:00AM - 10:30AM
EVENT TIME: 10:30AM - 11:00AM
FROM: Bruce Reed, Mary Beth Cahill

I. PURPOSE

To urge Congress to pass quickly pending federal hate crimes legislation, and to demonstrate the broad base support for this legislation. Also, to announce other hate crimes initiatives targetted toward children, such as a public-private program that will develop a program for middle school children.

II. BACKGROUND

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the National Middle School Association, the Anti-Defamation League, and Cable in the Classroom. This effort is supported by the NAACP, the Leadership Conference for Civil Rights, the National Council of La Raza, the National Asian Pacific American Legal Consortium, the National Association of Protection and Advocacy Systems, the National Education Association, and the National School Boards Association, and the Partnership welcomes support from other organizations that deal with these issues. Recognizing that tolerance cannot be taught in a single day and that raising awareness of diversity should be integrated into students daily lives, this public-private partnership entitled "Dealing with Our Differences," will provide an opportunity for an ongoing dialogue for middle-school students to learn about the harmful impact of intolerance and to highlight positive ways that young adolescents are dealing with diversity issues. The Partnership will develop in-school lessons and activities supported with cable TV programming; videos and websites; a nationally-televised forum on diversity and tolerance at the end of October; and post-show lessons and activities.

Creating New Studies About Hate Crimes in Schools and Colleges. In order to better understand the problem of hate crimes and intolerance among young people, you will call on the Departments of Justice and Education to include in their annual report card on school safety a section on hate crimes among young people, both at and away from school. In addition, you will direct the Department of Education, with appropriate assistance from the Department of Justice, to collect data on hate crimes and bias on college campuses for periodic publication.

III. PARTICIPANTS

Briefing Participants:

Bruce Reed
Elena Kagan
Mary Beth Cahill
Janet Murguia
Eddie Correia
Richard Socarides
Paul Glastris

Event Participants:

Attorney General Drew Ketterer (ME), Vice Chair, National Association of Attorneys General and Chair, Civil Rights Committee
Rt. Rev. Jane Holmes Dixon, Suffragan Bishop of the Episcopal Diocese of Washington

On-Stage (No Speaking Role):

Secretary Richard Riley
Acting Assistant Attorney General Bill Lan Lee

IV. PRESS PLAN

Pool Press.

V. SEQUENCE OF EVENTS

- You will enter the Roosevelt Room, accompanied by Secretary Richard Riley, Acting Deputy Attorney General Bill Lan Lee, Attorney General Drew Ketterer, and Bishop Jane Holmes Dixon.
- Attorney General Ketterer will make brief remarks and introduce Bishop Jane Holmes Dixon.
- Bishop Jane Holmes Dixon will make brief remarks and introduce you.
- You will make remarks and depart.

VI.REMARKS

To be provided by speechwriting.

August 8, 1998

PATIENTS BILL OF RIGHTS EVENT

DATE: August 10, 1998
LOCATION: Commonwealth Convention Center
EVENT TIME: 11:00 am - 12:15 pm
FROM: Bruce Reed/Elena Kagan/Chris Jennings

I. PURPOSE

To highlight the critical differences between your Patients Bill of Rights proposal and Republican proposals, and to announce that you will veto the House Republican Leadership bill if sent to you by Congress. You will also announce that the Office of Personnel Management is implementing a new regulation to prohibit anti-gag rules, as part of your ongoing efforts within the federal government to implement the patients bill of rights for all Federal Health Plans.

II. BACKGROUND

For nine months, you have been calling on the Congress to pass a strong enforceable patients bill of rights. Unfortunately, the Republican Leadership only recently responded with proposals that are more symbolism than substance. While the Republican Leadership stalls on providing Americans with real patient protections, the Administration continues to implement these patient protections for the 85 million Americans in Federal health plans. However, Congress must act to make these rights real for all Americans. Unfortunately, the Republican proposals:

TAKE A STEP BACKWARDS FOR SOME CRITICAL PROTECTIONS.

*Undermine existing medical privacy protections. The House Republican Leadership bill would increase the number of individuals who can who can review health records and give them out without consent or knowledge. It would also obliterate the medical privacy guarantees many states have on the books to protect patients today.

*Do not have real emergency room protections. The Republican Leadership proposals do not contain the prudent layperson standard that were implemented for Medicare and Medicaid during the Balanced Budget Act of 1997. It also does not require health plans to cover patients who have to go to an emergency room outside of their network and does not assure coverage for any treatment beyond an initial screening. This puts patients at risk for huge costs for critical treatment that a doctor believes should take place in the facility where they were initially admitted.

CONTAIN HOLLOW PROMISES.

*Let HMOs, not health professionals, define medical necessity. The Republican Leadership proposals include an external appeals process that simply does not assure patients a fair independent review. They allow health plans to develop their own definition of medical

necessity, meaning that HMOs, not health professionals, get to determine what is medically necessary. This loophole will make it extremely difficult for patients to prevail on an appeal to get the treatment their doctor believes they need. The proposal also charges patients that need to address a grievance with their health plan.

*Allow dangerous financial incentives to limit critical patient care. The Republican legislation does not contain important provisions that prevent patients from being put at risk through unknown destructive financial incentives to limit patient care. This means that a patient may not even know about the treatment that may prove most effective.

LEAVE OUT ESSENTIAL PROTECTIONS PATIENTS NEED AND DESERVE.

*Do not guarantee direct access to specialists. The Republican Leadership proposals do not guarantee patients with critical health needs direct access to the specialists they need. This means that patients with cancer or heart conditions may be denied access to the doctor they need to treat their condition.

*Do not protect patients when physicians have been dropped from a health plan. The Republican bills do not assure that a patient's care will not abruptly change if their provider is unexpectedly dropped from a health plan or if their employer changes health plans. Therefore pregnant women or individuals undergoing care for a chronic illness may have their care abruptly halted in the middle of their treatment, which can severely undermine their health.

*Do not compensate patients who are maimed or who die as a result of a wrongful health plan action. The proposed per day penalties in the Republican plans are wholly insufficient for patients who suffer serious harm or even death because of a wrongful action by a health plan. These penalties are designed to bring health plans into compliance, rather than compensate patients who have been harmed or die because of a health plan's actions. A health plan that denies a service so that a child can no longer benefit from a lifesaving cancer treatment will only be penalized for the number of days it takes for the plan to comply: they do not have to compensate the family who, as a result of their denial, has a child with a now untreatable disease.

LEAVE MILLIONS OF AMERICANS OUT IN THE COLD.

*Does not cover all health plans, leaving out millions of Americans. The Republican bill does not assure patient protections for all health plans, thereby leaving millions of Americans completely vulnerable from these protections.

You will also announce that the Office of Personnel Management is implementing a new regulation prohibiting "anti gag" rules, as part of their efforts to meet your Executive Memorandum directing all Federal Health Plans to come into compliance with the patients bill of rights. Earlier this year, OPM notified all participating health plans through the annual call letter that they will have to provide new patients protections as a condition of participation, including assuring access to specialists, continuity of care, and access to emergency room services. The Federal Employees Health Benefits Program has 350 participating health plans that serve 9 million Federal Employees and their families, including over 100,000 people in Kentucky. While Republicans Leadership delays passing strong patient protections, the Clinton Administration is implementing the patients bill of rights for the 85 million Americans in Federal health plans.

III. PARTICIPANTS

Mayor Jerry Abramson
Senator Wendell Ford
Governor Paul Patton
Dr. Kenneth Peters, President, Kentucky Medical Association
Dr. Linda Peeno, former HMO executive

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- YOU will be announced onto the stage accompanied by Governor Patton, Senator Ford, Mayor Abramson, Dr. Peters, and Dr. Peeno.
- Mayor Jerry Abramson will make remarks and introduce Senator Wendell Ford.
- Senator Wendell Ford will make remarks and introduce Governor Paul Patton
- Governor Paul Patton will make remarks and introduce Dr. Kenneth Peters.
- Dr. Kenneth Peters will make remarks and introduce Dr. Linda Peeno.
- Dr. Linda Peeno will make remarks and introduce YOU.
- YOU will make remarks.

[NOTE: During your remarks you will proceed with a hand-held microphone to an aisle with a chart listing the key patient protections missing in the Republican proposals. You will write a check mark next to each protection indicating that they are included in your proposal.]

- YOU will complete your remarks at the podium, work a ropeline and then depart.

VI. REMARKS

Provided by Speechwriting.

April 5, 1999

HATE CRIMES ANNOUNCEMENT

DATE: April 6, 1999
LOCATION: Roosevelt Room
BRIEFING TIME: 10:00AM - 10:30AM
EVENT TIME: 10:30AM - 11:00AM
FROM: Bruce Reed, Mary Beth Cahill

I. PURPOSE

To urge Congress to pass quickly pending federal hate crimes legislation, and to demonstrate the broad base support for this legislation. Also, to announce other hate crimes initiatives targeted toward children, such as a public-private program that will develop a program for middle school children.

II. BACKGROUND

Today you will applaud public and private efforts to teach children about tolerance and urge Congress to quickly pass the pending federal hate crimes legislation. This legislation strengthens the existing federal hate crimes law by (1) extending the situations where prosecutions can be brought for violent crimes motivated by bias based on race, color, religion, or national origin; and (2) expanding the federal hate crimes statute to protect against hate crimes based on sexual orientation, gender, or disability. You will also announce a new public-private partnership which will focus attention on issues of hate, tolerance, and diversity in middle-grade schools. Finally, you will call on the Departments of Justice and Education to include hate crimes in its annual report card on school safety and to report on hate crimes and bias on college campuses.

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Anti-Defamation League, and Cable in the Classroom, with assistance from the Departments of Justice and Education. This effort is supported by the NAACP, the Leadership Conference for Civil Rights, the National Council of La Raza, the National Asian Pacific American Legal Consortium, the National Association of Protection and Advocacy Systems, the National Education Association, and the National School Boards Association, and the Partnership expects support from other organizations that deal with these issues. Recognizing that tolerance cannot be taught in a single day and that raising awareness of diversity should be integrated into students daily lives, this public-private partnership -- entitled "Dealing with Our Differences" -- will provide an opportunity for middle-school students to learn about the harmful impact of intolerance, and will highlight positive ways that young adolescents are dealing with diversity issues. The Partnership will develop in-school lessons and activities supported with cable TV programming; videos and websites; a nationally-televised forum on diversity and tolerance at the end of October; and post-show lessons and activities.

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Janet Murguia
Eddie Correia
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Event Participants:

Attorney General Drew Ketterer (ME), Vice Chair, National Association of Attorneys General and Chair, Civil Rights Committee
Rt. Rev. Jane Holmes Dixon, Suffragan Bishop of the Episcopal Diocese of Washington

On-Stage (No Speaking Role):

Secretary Richard Riley
Acting Assistant Attorney General Bill Lan Lee

IV. PRESS PLAN

Pool Press.

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- You will enter the Roosevelt Room, accompanied by Secretary Richard Riley, Acting Deputy Attorney General Bill Lann Lee, Attorney General Drew Ketterer, and Bishop Jane Holmes Dixon.
- Attorney General Ketterer will make brief remarks and introduce Bishop Jane Holmes Dixon.
- Bishop Jane Holmes Dixon will make brief remarks and introduce you.
- You will make remarks and depart.

VI.REMARKS

To be provided by speechwriting.

October 24, 1997

MEMORANDUM FOR ERSKINE BOWLES

FROM: PETER RUNDLETT AND ANDREW MAYOCK

SUBJECT: Race Initiative Meeting

I. PURPOSE:

At our last meeting on October 10, 1997, you indicated that you wanted to convene meetings with the leaders of the Race Initiative Working Groups on a biweekly basis. This will be our second meeting with this group, and the specific purposes of this meeting are the following:

- (1) For you to review and comment on the activities and events that the Race Initiative seeks to accomplish by the end of December. (See attached draft memo to the President).
- (2) For you to lead a discussion on the proposals for the first Race Town Hall meeting with the President on December 3, 1997. (See attachment re: proposed Town Hall ideas).
- (3) For you to comment on proposed talking points on the Race Initiative.
- (4) For you to receive a brief report from each of the ten working groups on how they have refined their year-long work plans, and, more specifically, what progress they have made in accomplishing their goals since the last meeting.

II. BACKGROUND

At our last meeting, the leaders of the ten working groups presented their initial plans to you for your comment. After the meeting, a memorandum was circulated to the working group leaders that incorporated your comments and detailed their immediate tasks. Since that meeting the ten working groups have refined their work plans and outlined in greater detail their specific short-term plans for accomplishing the goals of the Race Initiative.

A memorandum to the President has been drafted that proposes a list of specific accomplishments the Race Initiative intends to achieve by the end of December. Because this outlines the short-term goals and work over the next two months, we would like to begin the meeting by discussing these plans. This discussion will help give greater direction to the Initiatives immediate efforts, but it will also help lay the groundwork for a smaller group meeting with the President at the end of the month to present the Initiatives short-term plan for his review and comment.

We also seek your counsel on the proposal for the first Race Town Hall meeting on December 3, 1997. It would be helpful if you could solicit comments on the Town Hall from those that have not participated actively in the working groups.

Also, if possible, we would appreciate your comment on the proposed talking points for the

Race Initiative, which will be reviewed.

As you will see, much progress has been made: the work plans are more detailed, with timelines established and individuals identified to complete specific tasks. As the attached agenda indicates, each working group will distribute copies of their revised work plans, and each will provide a brief summary of their progress at the end of the meeting.

On this point, we have received detailed comments from only one of the senior staff members that you asked to provide them. A few have indicated that they don't object to the proposed plans, but it would be helpful if you could re-emphasize to them that their comments are wanted and needed.

III. PARTICIPANTS

See attached list.

IV. ATTACHMENTS

Agenda

List of participants

Copy of October 14 Follow-up memorandum (provided by Jason)

Draft memorandum to the President on the Race Initiative

Draft Proposals for Town Hall Meeting

(Note: Refined work plans will be distributed at the meeting)

■ The Presidents Initiative on Race

3:00 p.m., October 23, 1997

Roosevelt Room

AGENDA

I. Discuss Proposed Short-term (i.e., by Christmas) Accomplishments of the Race Initiative.

II. Discuss Proposed Race Town Hall for December 3, 1997.

III. Discuss Proposed Talking Points on the Race Initiative.

IV. Distribution of the revised work plans and brief reports from the following ten working groups:

Tough Issues

Living Report

Policy/Enforcement

Recruiting Leaders/Outreach

Promising Practices

Dialogue in Communities

Youth

Cabinet Affairs

Advisory Board

PR

Race Initiative Meeting Participants

3:00 p.m., October 23

Roosevelt Room

White House Staff Working on the Race Initiative and Race Initiative Staff

Michele Cavataio

Maria Echaveste

Chris Edley

Mickey Ibarra

Bobbie Greene

Claire Gonzales

Michele Jolin

Elena Kagan

Ann Lewis

Susan Liss

Lin Liu

Goody Marshall

Sylvia Mathews

Andrew Mayock

Cheyl Mills

Minyon Moore

Nelson Reyneri

Peter Rundlet

Mike Sorrell

Gene Sperling

Mike Wenger

Judith Winston

Senior Staff

Paul Begala

Sidney Blumenthal

Rahm Emanuel

John Hilley

Ron Klain

Mike McCurry / Joe Lockhart

Cheryl Mills

John Podesta

Doug Sosnik

Melanne Verveer

Michael Waldman

April 29, 1998

MEETING WITH THE CONGRESSIONAL ASIAN PACIFIC CAUCUS

DATE: Thursday, April 30, 1998

LOCATION: Cabinet Room

TIME: 4:10 pm - 5:10 pm

FROM: Larry Stein

Janet Murguia

I. PURPOSE

To meet with the Executive Committee of the Congressional Asian Pacific Caucus regarding issues of concern.

II. BACKGROUND

The Congressional Asian Pacific Caucus was formed on May 16, 1994, to establish an organized effort within the Congress to advocate for the needs of Asian Pacific Americans. The activities of the Caucus are coordinated by an Executive Committee. Since October of 1996 when Congressman Norman Mineta of California resigned from Congress, Congresswoman Patsy Mink of Hawaii has chaired the Caucus. In the 105th Congress, the Caucus has taken the lead in advocating for fair and equitable treatment of legal immigrants; opposing efforts to repeal affirmative action; and also opposing English Only initiatives.

This will be your first official meeting with the Congressional Asian Pacific Caucus and they have a specific agenda of items that they would like to discuss with you. Their agenda for your meeting includes: Asian Pacific Islander appointments; Progress on redress for Japanese Latin American internees; Filipino veterans issues; Insular affairs and the Pacific region policy development; and Asian Pacific American concerns related to the tobacco settlement.

The following information provided by the Offices of Presidential Personnel, Public Liaison, National Security Council, Intergovernmental Affairs, and the Domestic Policy Council will provide some background on each of these agenda items with the relevant talking points attached:

Appointments

We are proud of our record of appointing more minorities than any former Administration. Asian Pacific American appointees represent 3.2% of the Administration. (Approximately equivalent to the Civilian Work Force (3.4%) for APAs.) Our numbers are more than triple the 1% of the Bush Administration.

There are currently 30 Asian Pacific Americans selected for or appointed to Senate confirmed positions.

Since the 1996 election we have continued to hire Asian Pacific Americans to all levels of the Administration.

Donna Tanoue, Chair designate, Federal Deposit Insurance Corporation.

Nancy-Ann Min Deparle, Administrator, Health Care Financing Administration, Department of Health & Human Services

Bill Lann Lee, Acting Assistant Attorney General for Civil Rights,
Department of Justice

We hope soon to nominate Norman Mineta as Member, Metro Washington Airports Authority.

Since the 1996 election, 4% of all Schedule Cs appointed have been Asian Pacific Americans.

Japanese Latin American Internees

A group of Japanese Latin Americans who were forcibly brought to the United States during World War II and then interned with Japanese Americans has sued the United States government to provide the same redress made available to Japanese American internees by the Civil Liberties Act of 1988. (You have previously responded to several Congressional letters urging that we settle this case.) The Department of Justice (DOJ) does not believe that it can provide redress to these individuals under the Civil Liberties Act because the Act limits eligibility to persons who were U.S. citizens or permanent. However, because of the strong equities in favor of this group, the DOJ is actively seeking to settle the case. DOJ has made a settlement offer to the plaintiffs and expects that the offer will be favorably received.

Filipino American Veterans Issues

--World War II Benefits

President Ramos proposed that the United States provide each of the 70,000 surviving Philippine World War II veterans a lump-sum pension payment of \$20,000. This proposal would disadvantage non-career U.S. veterans who do not receive pensions; their benefits are based on service-related disabilities and need. The fiscal 1999 budget requests funding to equalize disability compensation to disabled Filipino veterans, living in the United States. The increased benefits will provide financial relief to Philippine veterans who because of disabilities, advanced age, and the high cost of living are facing real hardship here. We also have requested funding to keep open the Veterans Affairs Office and Outpatient Center in Manila. It is the only such facility the Department of Veterans Affairs maintains overseas.

--Bells of Balangiga

President Ramos requested your assistance in returning at least one of two bells taken by U.S. troops from the Philippine town of Balangiga to Wyoming in 1901. He raised the issue during your luncheon meeting in April. Return of the bells could be a factor in securing Philippine Senate support for Visiting Forces Agreement later this year, and for Ramos party in the May elections. The Filipinos have proposed a "shared solution" in which the United States and the Philippines would each keep one original bell and one replica. There are no statutory impediments to your implementing the shared solution, although it would require funding from the Philippines or the private sector, since Defense is precluded from incurring any expenses.

However, this is an especially emotional issue for veteran groups in Wyoming, who do not support any initiative that would remove any of the Bells from a memorial site. Senator Thomas (R-WY) recently introduced legislation that effectively blocks any return of the Bells without Congressional approval. Thomas has supported our China initiatives and has suggested that forcing a solution on the bells would upset our good relationship with him.

We have raised with Thomas the possibility of loaning the Filipinos the bells during this centennial year of their declaration of independence from Spain, but he opposes this option because it would amount to dismantling the memorial, even if only temporarily.

Insular Affairs and the Pacific Region Policy Development

--Guam Visit and Centennial

Delegate Robert Underwood of Guam will probably ask you to (1) visit the island during the China trip and (2) issue a statement June 21st on the Centennial of the taking of the territory during the Spanish-American War if you will not stop there.

Guamanians have asked you to visit the territory during every visit to the region and especially want presidential recognition in connection with the Centennial. These citizens view the anniversary as particularly significant because they still lack votes in their national government. You have indicated an interest in stopping in Guam but a visit appears more likely to be scheduled during the India trip later this year. A Centennial message is already being planned.

--White House Attention to Territories

Delegate Eni Faleomavaega (Eni) of Samoa plans to ask that the Office of Intergovernmental Affairs be assigned responsibility for the smaller territorial jurisdictions similar to its responsibility regarding Puerto Rico. President Kennedy transferred responsibility for policy regarding Puerto Rico from the Interior Department to the Office of the President. The action is regarded in the islands as a step in its political development and as justified because of its lack of votes in the Federal Government. The responsibility was assigned in this Administration to Intergovernmental Affairs and, under it, an Interagency Group that coordinates Puerto Rico questions and ensures attention to them.

The Interior Department is responsible for relations with the other territorial areas -- Guam, the Virgin Islands, and the Northern Marianas as well as Samoa -- other than in matters within other agencies' jurisdiction, but these are most issues that arise. Insular officials have asked for White House responsibility but Interior has not wanted to give up its role. (Staff there and here are, however, considering proposing an interagency group to ensure attention by other agencies.)

Tobacco Settlement

--Health Care/Tobacco Concerns of Asian Americans

Asian American Members of Congress were pleased that you highlighted Asian-American-specific data when you received the Surgeon General's report on minority tobacco use. That report noted that there has been a 17 percent increase in smoking among Asian American high school students; it also chronicled how tobacco companies have promoted their products by sponsoring numerous ethnic activities and events, such as Chinese New Year festivities and events related to Asian/Pacific Heritage month.

Immediately after release of the report, however, some members of the minority caucuses wrote Dr. Satcher to raise concerns about the lack of data on residents of the insular areas, particularly the Pacific Islands. They urged the Surgeon General to ensure that future health reports incorporate this data, so as to inform health care providers and other experts about the extent of tobacco-related problems for this population. Some members of the Caucus are searching for specific funding set-asides for minorities in the tobacco legislation. Such proposals are unlikely to be enacted, and may not be advisable. We are working with numerous organizations to develop the best alternatives to ensuring that the needs of special populations are adequately addressed in any tobacco legislation.

--International Aspects of the Tobacco Legislation -- Impact of Advertising on Asian Markets
Tobacco is expected to kill about 500 million people alive in the world today, including more than 200 million of today's children and teenagers. This will exceed deaths from HIV, malaria, and tuberculosis combined. By 2030, based on current smoking rates, tobacco will kill about 10 million people annually, with more than percent of those deaths occurring in developing nations. Asia is the largest market for cigarettes, and China alone accounts for one-third of all cigarettes smoked. (In China, there are 300 million smokers.) Some Asian countries such as Vietnam have male smoking rates of over 70 percent. Per capita consumption is growing in developing countries, in part because of more aggressive marketing practices. US companies and their subsidiaries and affiliates supply approximately one-fifth of the world's supply of cigarettes. In 1996, more than 70 percent of cigarettes sold by Philip Morris and 57 percent of those sold by RJR Nabisco were sold overseas. We believe that the public health spending in the McCain bill should include significant funding (about \$200 million per 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 are working to change. Specifically, the bill contains a provision that the State Department and HHS consider problematic and unenforceable, which would unilaterally require US companies to abide by the new labeling and advertising requirements when doing business in other countries.

III. PARTICIPANTS

Pre-Brief

President

Erskine Bowles

John Podesta

Sylvia Mathews

Larry Stein

Janet Murguia

Doris Matsui

Elena Kagan

Rob Weiner

Mara Rudman

Jeff Farrow

Meeting

President

Erskine Bowles

John Podesta

Sylvia Mathews

Larry Stein

Janet Murguia

Doris Matsui

Elena Kagan

Rob Weiner

Mara Rudman

Jeff Farrow

Members of Congress

Sen. Daniel Akaka, Secretary
Rep. Patsy T. Mink, Chair
Rep. Robert Underwood, Vice-Chair
Rep. Neil Abercrombie
Rep. Eni Faleomavaega
Rep. Robert Matsui
Rep. Nancy Pelosi

IV. PRESS PLAN

White House Photo only.

V. SEQUENCE OF EVENTS

As usual.

VI. REMARKS

None.

VII. ATTACHMENTS

Talking Points

- I. Appointments
- II. Japanese Latin American Internees
- III. Filipino Veterans
- IV. Insular Affairs and the Pacific Region
- V. Tobacco

October 15, 1997

MEMORANDUM FOR ERSKINE BOWLES

FROM: Beverly Barnes

RE: Asian Pacific American Meeting

Following is a briefing paper prepared by Doris Matsui on issues that are likely to be raised during your meeting with local members of the Asian Pacific American community. Doris has provided not only their concerns, but also background information that they will be pleased to see you aware of and talking points on Administration positions/activities.

I have also included an article that ran in Mondays USA Today, which offers a good look at the community's perspective on the bias they face.

Doris Matsui and Sylvia Mathews will attend this meeting. We will also ask Bob Nash and Elena Kagan to come, as the group is concerned about political appointments as well as immigration and welfare reform issues.

Doris would be happy to review some of the group's concerns with you in advance of the meeting. She suggests you take an informal tone and begin by telling the group that you want to listen to their concerns and have an exchange.

She recommended that you emphasize the following points:

1. The White House and the Administration is outraged that the Asian Pacific American community have been unfairly represented and portrayed during the campaign finance controversy. It is very important for everyone to understand that Asian Pacific Americans should and will not be held to a different standard than other Americans participating in the political process.

2. The Administration has not shunned the Asian Pacific American community. Concerns that the campaign finance controversy has negatively affected political appointments for Asian Pacific Americans are unfounded. This controversy did and will not affect these appointments in any fashion.

3. We need your advice, feedback and help to reach out to the Asian Pacific American community across the country. Many of you represent communities which have strongly supported the President and we greatly appreciate your support. It is important for all of us to work together for the betterment of the Asian Pacific American community.

0.a..Draft Agenda

Meeting with Federal Agency Liaisons to the Presidents Initiative on Race
October 7, 1997

*Welcome (Erskine / Silvia?)

*General Overview (Judy Winston)

-Mission, goals, structure, accomplishments

-5 areas for support from federal agencies (outreach, policy, data collection, management practices, promising practices

*Thanks for coming (Goody Marshall)

1.Message/outreach (Claire Gonzales, Ann Lewis)

a.Provide materials (e.g. speakers kit, Glickman memo)

b.Discuss involvement of Cabinet

c.Update on plans for town meetings

2.Policy (Lin Liu, Elena Kagan)

a.DPC policy process / "we need your best ideas" (Elena)

b.Sharing race-related policy announcements (Lin)

3.Data collection (Lin Liu)

a.Federal detailees

b.Going beyond government data

4.Promising practices (Lin Liu)

a.Discussion of strategic plan

5.Management practices / Getting Federal house in order

a.Working with PMC and NPR

b.Using your best practices memos as starting point

*Presentations by agencies that have begun activities (Treasury, HUD)

-Discussion of how agencies can work together on outreach?

*Next steps for liaisons:

-Give us your best ideas

- What else do you need from us

**00

December 5, 1997

MEMORANDUM FOR SYLVIA MATHEWS
JUDITH WINSTON

FROM: THURGOOD MARSHALL, JR.
JON P. JENNINGS

SUBJECT: Cabinet Affairs Race Initiative Weekly

Department of Treasury

Conversations That Bring Us Together: On November 28, Treasury issued a press release on a One America roundtable conversation on race. The roundtable was hosted by Alex Rodriguez, Deputy Assistant Secretary for Administration, in Boston. The release went out to national and regional media markets.

Department of Justice

Anniversary of the Civil Rights Division: DOJ is attempting to hold an event commemorating the 40th Anniversary of the Civil Rights Division. Either the Attorney General or the Deputy Attorney General will speak about the success of the Division and the need for an Assistant Attorney General.

Department of Interior

Tuskegee Airmen Historic Site: The National Park Service (NPS) Southeast Region is conducting a study of Moton Field, the small Tuskegee, AL, airport that served as a training base for the black Tuskegee Airmen of World War II fame, to determine whether the site should become part of the National Park System. The study is being funded by a \$75,000 grant from AL Department of Economic and Community Affairs. Moton Field could come under NPS management as a separate park unit or as part of Tuskegee Institute National Historic Site.

United States Department of Agriculture

Professional Agricultural Workers Conference: On December 8, Secretary Glickman will address the Professional Agricultural Workers Conference, a forum in Tuskegee, AL, where participants will discuss improving the quality of rural life for people in the South. Hosted by Tuskegee University and supported by the University, 1890 Land Grant Institutions, other organizations, and USDA agencies, this years conference theme is "Access and Equality Issues in Policies and Programs for Agriculture and Rural Development." Other USDA employees are scheduled to participate.

New Director of Outreach: Sam Thornton has been named by Secretary Glickman as Director of the Office of Outreach, with a staff of eight.

D.C. Race Initiatives: In response to the Presidents One America initiative on race, Under Secretary for Food, Nutrition, and Consumer Services Shirley Watkins began her Food and Nutrition Service-District of Columbia initiative to reach out to the African-American Community. As part of this project, Consumer Advisor Joyce Willis met with Washington ministers on November 24 on the plan, "Do It Here First: How Churches Can Make Food and Consumer Service Programs Available To The Community." Future plans include meeting with the Under Secretary, and an all-day educational seminar for ministers interested in participating in the plan.

Speech: On December 10-11, Acting Assistant Secretary Reed will speak at the National Organization of Professional Black Natural Resources Conservation Service employees training conference in Atlanta, GA.

Speech: On December 12, Under Secretary Lyons will speak at the National Organization of Professional Black Natural Resources Conservation employees training conference in Atlanta, GA.

Interview: On December 1, Secretary Glickman discussed civil rights in an interview with Knight Ridder.

Department of Commerce

Bureau of the Census Director Martha Farnsworth Riche: December 11-12: Participate in the Race and Ethnic Advisory Committee meeting at the Census Bureau in Suitland, MD.

Department of Labor

National Council of Negro Women: On December 9, Secretary Herman will address the National Council of Negro Women in Washington, DC.

Department of Housing and Urban Development

Housing Discrimination: On November 25, Secretary Cuomo continued HUDs fight against housing discrimination by announcing charges against the owners and managers of an apartment complex in Richmond, VA, who are refusing to rent to African-Americans. A HUD investigation found several white tenants who said that the on-site apartment manager, Rita Lewis, boasted to white tenants that she would not rent to African-Americans. The manager no longer works at the 160-unit Wedgewood Village Apartments. One white tenant said Lewis ordered her to tell her son to stop bringing black friends to visit him at Wedgewood. Another white tenant who provided childcare in her apartment said Lewis told her to refuse to care for black children. HUD filed civil charges against Lewis, the apartment management company, and the owners of the apartments, alleging violations of the Fair Housing Act for discriminating against prospective black tenants. In addition, HUD issued an order barring Lewis from employment by any company that receives HUD housing assistance for one year.

Department of Transportation

Race Discussion: On December 1, Secretary Slater traveled to Miami, FL, to participate in a round table dialogue on the Presidents race relations initiative. The round table was attended by over 65 business and community leaders and received considerable national media

coverage.

Conversations That Bring Us Together: DOT has eight commitments from senior staff to lead small round table discussions on race over the next few weeks. Several staff members attended training at the New Executive Office Building on November 24.

FRA Update: FRA has incorporated an internal reporting system, in order to insure that all efforts toward the One America concept are recognized and fully implemented. In this internal reporting system, all Associate Administrators and the Chief Counsel have been asked to submit the name of an employee in each functional area who will serve as the contact person for weekly reporting of race relations items. In addition, the Office of Civil Rights will initiate programs designed to promote constructive dialogue within the FRA and to unite individuals along a path to improve internal race relations.

Coast Guard: On November 19, the first of two award ceremonies was held recognizing selected Coast Guard units for their participation in the Coast Guard Partnership in Education 2000 Program. Outstanding unit achievement in this program is recognized each year. The program, started in 1991, is one of the Coast Guard's formal steps to achieving a more diverse workforce by reaching out to women and to minority communities. It is designed to enhance educational opportunities and career awareness for the Nation's youth regardless of their ethnic and racial backgrounds and genders, as well as giving them exposure to positive Coast Guard role models both on the job and in the classroom.

Minority Educational Institutions (MEIs): On December 1, OSDBU signed Cooperative Agreements with five Hispanic Serving Institutions to provide training to small, women-owned and Disadvantaged Business Enterprises (S/DBEs) in the use of and access to Electronic Commerce and Internet business use. Under the Agreement, each MEI will also receive funding for transportation-related student internships and to provide information dissemination and outreach activities regarding the Presidential initiative to hire individuals off the welfare rolls and the DOT Garrett A. Morgan Technology and Transportation Futures Program. As of December 1, OSDBU has Cooperative Agreements with 14 MEIs, including 8 HBCUs, totaling \$880,000.

National Black Caucus: On December 10, FTA Administrator Linton will address the Annual Legislative Conference of the National Black Caucus of State Legislators in Milwaukee, WI.

Race Relations: On November 24, Secretary Slater participated in a press conference by the Leadership Conference on Civil Rights. He joined government, civic, and corporate leaders to launch a new website to help combat hate crimes.

Department of Energy

"One America" Event in San Diego: On December 5, Secretary Pea will hold a race relations discussion with students at San Diego State University's Aztec Center to amplify the President's message under the Race Initiative. The Secretary will host a dialogue with 20-25 students as part of the "One America: Conversations that Bring Us Together" national effort of encouraging dialogue on race and diversity. The roundtable will also be observed by an audience of approximately 100 college and high school students.

Department of Education

Hispanic Dropout Rates: In mid-December, DOEd plans to release of a Congressionally-mandated report on dropout rates among Hispanic Americans. Secretary Riley, Congressman Hinojosa, and Senator Bingaman probably will participate in the release. Hispanic Americans have very high school dropout rates compared to other ethnic groups.

One America: Secretary Riley is scheduled to host a "One America: Conversations that Bring Us Together" event in Baltimore on December 11.

Race Initiative: The Secretary was interviewed by USA Today at the White Houses request for a story that ran Monday announcing the beginning of the "Conversations That Bring Us Together" initiative. Secretary Riley held the first of several Administration official-led sessions. Leslie Thornton held a race round table in Philadelphia as well.

Race Town Hall: Secretary Riley traveled to Akron, OH, to participate in the Race Town Hall with the President.

Conversations That Bring Us Together: DOEd promoted agency officials race discussions by issuing news advisories and releases and making calls to local reporters. Fox News in Philadelphia covered one and the Philadelphia Inquirer plans to cover another.

Department of Veterans Affairs

Conversations That Bring Us Together: On December 3, the Assistant Secretary for Human Resources and Administration will host VAs first dialogue on race. The Assistant Secretary has invited 11 members of the public, representing a cross-section of our racially and ethnically diverse society, to gather in VAs Omar Bradley Conference Room. They will offer their responses to a series of questions offered by the White House Initiative staff for discussion and they will provide insight based on their views and personal experiences. Their insights will be conveyed to the White House for consideration in developing further plans for the Initiative on Race and in formulating national policy on this important issue. VA expects that this event will be the first in a series of discussions hosted by VA officials under the program of "One America: Conversations That Bring Us Together."

Small Business Administration

Conversations That Bring Us Together: The Administrator, Deputy Administrator, General Counsel and other SBA staff have held or are planning to hold race roundtable discussions.

Office of Personnel Management

Race Town Hall: Planning is underway for Director Lachance to participate in a series of events to include a town meeting discussion on race in mid-December in Pennsylvania. Details will be in next weeks report..

Social Security Administration

Conversations That Bring Us Together: On December 9, Commissioner Apfel will host a roundtable discussion as part of the President's Racial Reconciliation Initiative. The

Commissioner will visit an Asian community resource center for a "One America" conversation with 16 multi-ethnic community leaders in the Seattle area.

cc:

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November 14, 1997

Cabinet Affairs Race Initiative Weekly - page 1

MEMORANDUM FOR SYLVIA MATHEWS
JUDITH WINSTONFROM: THURGOOD MARSHALL, JR.
JON P. JENNINGS

SUBJECT: Cabinet Affairs Race Initiative Weekly

Department of Treasury

Hate Crimes Conference: On November 10, Under Secretary Kelly and Assistant Secretary Johnson attended the White House Conference on Hate Crimes to speak on Treasurys role in investigating bombings and arsons through ATF, and about FLETCs training programs on hate crimes for state and local law enforcement. In the coming months, Treasury will assess recommendations emerging from the conference intended to improve law enforcements capacity to deal with hate crimes. Under Secretary Kelly also did a live interview on CNN discussing Treasurys work on hate crimes.

Minority Business Leaders: On November 17, Secretary Rubin will address the Minority Business Leaders Conference in Chicago, Il.

Department of Justice

Bill Lee: On November 5, the Attorney General held a press conference reiterating her support for the nomination of Bill Lann Lee to become the first Asian American to head DOJ's Civil Rights Division.

Hate Crimes Conference: On November 10, the Attorney General joined President Clinton and Vice President Gore for the White House Conference on Hate Crimes. The Attorney General highlighted the Clinton Administrations programs that are helping to prevent hate crimes.

Department of Interior

National Congress of American Indians: On November 18, Secretary Babbitt will address the National Congress of American Indians in Santa Fe, NM. Secretary Babbitt will also introduce the new Assistant Secretary for Indian Affairs, Kevin Gover.

Gettysburg National Cemetery: On November 19, Secretary Babbitt will address the annual Gettysburg Address Commemoration at Gettysburg National Cemetery. He will deliver the Clinton Administrations message on the Race Initiative.

United States Department of Agriculture

Hate Crimes Conference: Secretary Glickman led a breakout session, with a focus on community responses, at the White House Conference on Hate Crimes.

USDA Civil Rights Team: USDA civil rights teams have completed work on 60 of the 92 recommendations of the USDA Civil Rights Action Team and are at 80 percent completion.

Intertribal Council: USDA is working with the Great Lakes Intertribal Council (GLITC) to organize a three-day conference for November 18-20 to create better mutual understanding between USDA and GLITC members, and clarify how tribes may tap into USDA programs and structure.

Child Nutrition: On November 4, Under Secretary for Food, Nutrition, and Consumer Services Shirley Watkins was interviewed by Chicago Defender, the city's largest African American newspaper, on the upcoming Child Nutrition Reauthorization Act and civil rights.

FOIA: The Coalition for Minority Employees requested information on employment and promotion by race and gender for the past six years.

FOIA: The Coalition for Minority Employees asked for information on Forest Services hiring practices.

Department of Commerce

MED Week: DOC and SBA will co-sponsor the 15th Annual MED Week National Conference to be held November 20-22 in Washington. Secretary Daley and Minority Business Development Agency Acting Director Courtland Cox will participate in the conference.

Department of Labor

Out-of-School Youth Initiative: This week, Secretary Herman announced DOL's goal to assist out-of-school youth gain the education, training and access to jobs they will need to support themselves and their families as they become contributing members of society. The Opportunity Areas for Out-of-School Youth Initiative, which targets empowerment zones and enterprise communities, would provide seed funds to high poverty urban and rural areas to boost the employment rate of out-of-school youth.

BNA Speech: Secretary Herman spoke to the editorial board of the Bureau of National Affairs (BNA) regarding the progress made by the President's Initiative on Race and DOL's efforts in this area.

Department of Health and Human Services

Hate Crimes Reception: On November 10, Secretary Shalala spoke at the White House Conference on Hate Crimes reception.

Department of Housing and Urban Development

Hate Crimes Conference: On November 10, Secretary Cuomo attended the White House Conference on Hate Crimes. He also held a related press conference on HUD's "Make Em Pay" initiative which sharply increases fines and enforcement for housing-related acts of hate violence and intimidation.

Housing Discrimination: On November 13, Secretary Cuomo called into a Fair Housing Press

Conference in Chicago, IL. The press conference was held by the Leadership Council and involves a housing discrimination case involving an African American nun who was evicted based on race.

"Make Em Pay" Initiative: As part of his crackdown on hate crimes, President Clinton announced a five-part "Make Em Pay" initiative to fight housing-related acts of hate violence and intimidation with sharply higher fines and increased enforcement. The Presidents announcement came on November 10 at the White House Conference on Hate Crimes. Make Em Pay is one of a series of actions the President announced at the Hate Crimes Conference. It calls for increasing penalties for hate acts involving housing discrimination; a closer partnership between HUD and DOJ civil rights, advocacy groups and fair housing organizations to identify and fight these crimes; better training for those fighting discrimination; and creative uses of interactive technologies to fight discrimination. A new HUD internal task force will monitor progress of the Make Em Pay investigations, civil prosecutions, and outreach efforts and compile monthly progress reports.

Department of Energy

MED Week: On November 21, Secretary Pea will introduce the Diversity Contract Clause. The clause would require DOE contractors to insure balanced opportunities for workforce development, educational opportunities, community involvement, small business development, and economic development/technology transfer. DOE has put together the first comprehensive agency effort aimed at Federal Government contractors. Secretary Penas keynote address will follow remarks by Administrator Alvarez, DOC Deputy Secretary Mallet, and Acting Director Cox of the Minority Business Development Agency.

Department of Veterans Affairs

EEO Awards Program: On October 29, VA held its 10th Annual Secretarys EEO Awards Ceremony. Five VA employees from medical centers throughout the country and VA Central Office received awards for enhancing the Departments EEO Program in five categories. The categories for recognition were; Non-Supervisory Employees, Supervisors and Managers through GS-14, Managers and Executives GS-15 and above, EEO Program Representative, and People with Targeted Disabilities and Disabled Veterans. Remarks were made by VAs Acting Secretary Gober.

HACU Annual Conference: VAs Assistant Secretary for Public and Intergovernmental Affairs, Kathy Jurado, participated in the Hispanic Association of Colleges and Universities 11th Annual Conference which was recently held in San Antonio, Texas. Ms. Jurado made remarks during the Opening Plenary Session on VAs Memorandum of Understanding with HACU, and conducted a workshop entitled "Veterans Education Benefits: Montgomery GI Bill," to encourage Hispanic veterans to utilize those benefits within ten years of military separation. Assistnat Secretary Jurado also discussed how educational institutions can partner with VA to reach and encourage those veterans to use their benefits to achieve their educational objectives. She also participated in a Town Hall meeting on educational opportunities for the Hispanic community.

U. S. Pan Asian American Chamber of Commerce Business Luncheon: VAs Director, Affirmative Employment Service recently attended the monthly business luncheon sponsored by the U. S. Pan Asian American Chamber of Commerce. A panel of distinguished speakers addressed the

luncheon topic "Race Relations: Can We Get Along?" The panelists were Roger Clegg, General Counsel, Center for Equal Opportunity; Kwasi Holman, Executive Vice President, District of Columbia Chamber of Commerce; Stanley Karnow, Author and Journalist; H. Robert Sakinawa, Washington Representative, Japanese American Citizens League; and Abigail Thernstrom, Co-Author, America in Black and White: One Nation, Indivisible.

Hispanic Interns In Health Care Professions: VA announced its plans to sponsor 50 Hispanic students in health care internships in its medical centers, clinics and nursing homes nationwide next summer. This initiative is being undertaken in partnership with the Hispanic Association of Colleges and Universities (HACU). The HACU internship program will provide VA with a more effective recruitment tool in each of the countrys Hispanic Serving Institutions. A website has also been made available for students to obtain more information about the VA health care system and HACU summer internships (www.va.gov/hacu.htm).

National Congress of American Indians: On November 18, Acting Secretary Gober will address tribal leaders and delegates during the National Congress of American Indians 54th Annual Convention in Santa Fe, NM.

Small Business Administration

MED Week: Administrator Alvarez will participate in the activities related to Minority Enterprise Development Week. On November 20, she will kick off the conference with remarks at the opening reception. On November 22, she will give the lunch speech and present an award to Representative Al Wynn.

Office of Personnel Management

Hispanic Caucus Meeting Postponed: Last week we reported that Director Lachance was scheduled to meet with Members of the Congressional Hispanic Caucus on November 6 to discuss OPMS Nine Point Plan to address the under representation of Hispanics in the Federal workforce. Caucus Chairman Xavier Becerras office canceled the meeting due to House business. We expect this meeting will be rescheduled for early next year.

CC:

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November 7, 1997
Cabinet Affairs Race Initiative Weekly - page 1
MEMORANDUM FOR SYLVIA MATHEWS
JUDITH WINSTON

FROM: THURGOOD MARSHALL, JR.
JON P. JENNINGS

SUBJECT: Cabinet Affairs Race Initiative Weekly

Department of Justice

Hate Crimes Conference: The Attorney General and the Deputy Attorney General will attend the White House Conference on Hate Crimes. The Attorney General will preside for most of the conference. She will lead a break out group on "Law Enforcement Response to Hate Crimes" and a plenary session with other Cabinet Members. Deputy Attorney General Holder will lead a break out group on "Understanding the Problem: Improving Hate Crimes Statistics. The Attorney General will close the conference at an evening reception at the Holocaust Museum.

Department of Interior

Gettysburg National Cemetery: On November 19, Secretary Babbitt will deliver the Clinton administrations message on the Race Initiative at the annual Gettysburg Address Commemoration at Gettysburg National Cemetery in Pennsylvania.

United States Department of Agriculture

New Investigators: USDA has four temporary investigators in the Office of Civil Rights, and is hiring another 11. In addition, five contractors have been assigned cases for investigation, and another five are expected to be approved soon by the Small Business Administration.

Howard Law School: USDA reached an agreement with Howard University Law School to allow 11 third-year students to begin working 20 hours a week with the Office of Civil Rights. Another three students from local law schools are expected.

Grant Awards: On October 28, Secretary Glickman announced nearly \$2 million in grant awards to 29 tribal colleges under USDAs new Tribal Colleges Extension Program.

Hispanic Advisory Council: On October 30, the Secretary announced the establishment of a Hispanic Advisory Council at USDA to provide leadership on Hispanic issues at the Department. The Secretary appointed its first 13 members.

Nutrition Outreach: USDA continues outreach efforts to minorities and hard-to-reach populations. On November 4, the Under Secretary for Food, Nutrition, and Consumer Services

was interviewed by The Chicago Defender, Chicagos largest African American newspaper. On November 5, she held a Hispanic outreach roundtable to discuss nutrition programs, improving outreach to the Hispanic community, and educating the Hispanic community on available nutritional resources.

Hate Crimes Conference: Secretary Glickman will lead a breakout session on "Preventing Hate Crimes" at the White House Conference on Hate Crimes.

Department of Labor

Morgan State Address: On November 6, Secretary Herman delivered the Founder's Day convocation to 1,500 students and alumni at Morgan State University in Baltimore, MD. Secretary Herman's address focused on the importance of Historically Black Colleges (HBCUs) in preparing young people in the fields of science; education; engineering; and math. The Secretary encouraged young people to maximize the opportunity of higher education to create better lives for themselves; families; and communities.

Department of Housing and Urban Development

Housing Discrimination Grants: On October 30, Secretary Cuomo awarded \$11.5 million to state and local government agencies in 32 states, part of a continuing crackdown on housing discrimination ordered by President Clinton. The agencies work in partnership with HUD to investigate discrimination complaints. Additionally, the Secretary announced civil charges against a Davenport, IA landlord who refused to rent to two African-Americans because of their race. He said that he has not rented to African Americans in about 25 years. At the Presidents direction, HUD will double the number of fair housing enforcement actions it takes during the Presidents second term.

Hate Crimes Conference: Secretary Cuomo will lead a break out session on "Hate Crimes in Public and Private Housing" at the White House Conference on Hate Crimes.

Department of Transportation

Hate Crimes Conference: Secretary Slater will lead a break out session on "Counteracting Organized Hate" at the White House Conference on Hate Crimes.

Race Initiative Meeting: On November 4, the Department held its bi-weekly Interdepartmental Race Relations Committee Working Group meeting. Brenda Toineeta, Associate staff for the Outreach and Program Development Group of the President's Race Initiative Advisory Board gave an overview of the President's Initiative on Race and the Board's progress and plans to date. This meeting also included discussions defining the Departments role in achieving the goals of the President's Race Initiative.

Department of Energy

OMB Clearance on Diversity Contract Clause: The clause would require DOE contractors to insure balanced opportunities for workforce development, educational opportunities, community involvement, small business development, and economic development/technology transfer - this is the first comprehensive agency effort aimed at federal government

contractors. We are currently developing a media strategy for rolling out this initiative. This will most likely take place in November.

Department of Education

Hate Crimes Conference: Secretary Riley will attend the White House Conference on Hate Crimes. The Secretary will lead a break out session on "Hate Crimes in Schools (K-12): Prevention and Response. Assistant Secretary for Postsecondary Education David Longanecker will co-chair a session on "Hate Crimes in Higher Education".

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