

Ann O'Leary's Files
Office of Policy Development, Domestic Policy Council, First Lady's issues

BOX 1 of 3

POTUS DPC Weekly Reports

Resumes

Guns

HRC requests

HRC Memos

America's Children: Key National Indicators of Well-Being 2000

Background Information on Federal Childcare

Parents Matter: tips for raising teenagers

Older Americans 2000: Key indicators of well-being

Brain research

Teens and their parents in the 21st century

National youth summit

Can students end school violence

Consensus and progress

Correspondence

Entertainment software rating board PSA TV: 30

NGA resolutions

Custodial parents

Youth conference

Enclosures filed in

Overview Attachments #

20223

NARA # 17427

Team tasks

- ① WMA still signing - Thursday or Friday
also - appropriate to be delivered? HAD has got
ITM - you can push down down round
down round
- ② Laser it - Emergency last meeting - keep HMs at my
as "partial visit" p
2 emergency meeting not part of course
- ③ no guidance but focus on as to get at 2 Feb.
2 family planning
- ④ Early planning - case examine
Laser - 10 min to put the projects ???
Inter ~~at~~ rems. needs to be "intent safety review"
"technical protect review"
22. looking, filtering
- Classical - 25% - Prob. direct
- DTL & others - all survival
- TO - national activities - Recent peer (TTT, taken takes,
Wegman teams)
Early Childhood - All in the
Survival lessons, 2000
Child care curriculum 10 min

→ Natural Surg & Am Farm - 17 Juts
Long at tomorrow

Surgeon General Rept - need in chapter

Minors with "sel" entrance - 24000 or 19000 by h.s. government

Chilton / O'Brien - 2nd day back tomorrow
Drunk issues
Astrum

Long Term Inc - \$10,000 Long-term debt - 15% - 1500

2 Days long-term inc price

TR - 2nd day back, no manager of estate, new man, still in
business with

Older Americans Act

Volkswagen - TR - 2nd day back - 100% -



Charles E. Kieffer

12/04/2000 11:00:01 AM

Record Type: Record

To: Ann O'Leary/OPD/EOP@EOP

cc:

Subject: Re: Outstanding Budget Issues

Please give me a buzz (54790) about the following, which is not a definitive list and should not be used outside the WH):

Major non-appropriations issues:

Medicare givebacks
Minimum wage
Pending tax bill
New Markets
Bankruptcy reform

Major Open Issues in appropriations (four outstanding approps bills - Labor/HHS/Ed, Commerce/Justice/State, Legislative Branch and Treasury/ General Govt

worker protection rules - open
Labor/HHS/Ed funding - keeping the agreement on Ed, Labor and HHS funding
sea lions - block Stevens language
snowmobile limits - block Craig language
tobacco funding/restrictions - currently no money, no restrictions
low power FM - currently in - press to drop
immigration - currently Hatch language - press for 245i and Frank language
telephone tax repeal - in vetoed bill - open issue
Middle East funding - not yet addressed - need to provide \$750 m
VCRTF extension - out
Hate crimes - out

Other issues

delta reauthorization - out
pay-go balance waiver and shift pay-go items in approps to pay-go scorecard - in
DTSP0/Intel - not in
Freddie Mac rules change - in
TSP change allowing early employer contributions (want to modify)
Community Adjustment and Investment Program (CAIP) - not yet raised

→ P&S mty. 1/1 lms
4 lms, P&S
P&S

gpd for offer
→ dater mty
in lms
CR mty, merge
→ CR mty, merge
mty

Sunny
mty

National Service reauthorization - out

New Markets money for EZs - open pending tax discussions

SBA reauthorization - not yet raised

Gregg expected to drop SSN privacy language

ATT/merger language - out but expected to be reopened

00 NOV 9 4:50

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN

11-13-00

November 9, 2000

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MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed
Barbara ChowSUBJECT: DPC Weekly Report

1. Education -- Ballot Initiatives: A number of statewide education referendums were decided by voters on Tuesday. Following are some of the most significant outcomes: **Arizona** passed Proposition 203 by a 2-to-1 margin, which will end bilingual education in the state and replace it with English-immersion; and passed Proposition 301 which will raise the state sales tax to pay for school improvements, including lower class sizes, school construction and repairs, a longer school year, and higher teacher pay; **Arkansas** failed to pass an amendment that would have established a state lottery and legalized casinos with proceeds used to set up a stated education fund; **California** failed to pass Proposition 38, the voucher initiative, but did pass Proposition 39 which will change the vote required to pass local bonds for school construction from a two-thirds majority to 55%, and require annual performance and financial audits on the use of school bond projects; **Colorado** passed an amendment that will require the legislature to increase spending on schools by at least the inflation rate plus one percent over the next ten years; and failed to pass a referendum allowing the state to spend surplus revenues on K-12 math and science education programs; **Michigan** failed the school voucher initiative by more than a 2-to-1 margin; **Oregon** passed a measure that will require the legislature to provide enough funding for schools to meet state quality goals, or publish a report explaining why it was unable to do so; and failed to pass a pay-for-performance initiative as well as a measure that would have prohibited any public school instruction that encourages, sanctions, or promotes homosexual or bisexual behavior; **South Carolina** passed an amendment creating a lottery to finance education; **Utah** passed an initiative that requires all property, money, or other assets lawfully seized and forfeited to be sold or auctioned, with proceeds going to the state education fund; **Virginia** passed a measure requiring proceeds from the state's lottery to be earmarked for expenditure on local public schools; **Washington** passed initiatives to set a goal of no more than 18 children per class in grades K-4, and guarantee that annual cost-of-living increases be paid to school employees; and failed to pass an initiative that would have authorized the establishment of charter schools run by nonprofit corporations.

2. Welfare -- Food Stamp Rule: On or about November 20, USDA will publish a final food stamp rule implementing changes required by the welfare reform law, subsequent amendments to the law, and executive actions to facilitate participation. The proposed rule generated over 400 comments, which resulted in significant changes in the final rule. In general, these changes are intended to increase access to food stamps by removing barriers that make application difficult or

THE PRESIDENT'S NEWS SERVICE
11-13-00

time consuming, particularly for low-income working families and legal immigrants. We expect that there will be significant positive interest in the final rule among advocacy groups and states and are exploring opportunities to highlight the release given the tight time frame for publication. The rule will go into effect 60 days after publication.

The final rule will make it easier for working families to access food stamps. First, it includes an option for states to provide a three-month transitional food stamp benefit as a critical work support for households leaving welfare. Second, the rule allows states to relieve households of the requirement to report changes in income for a six month period, reducing the amount of time working families need to spend in food stamp offices. Third, it simplifies current rules regarding the counting of vehicles toward the resource test for eligibility and excludes certain low-equity vehicles from consideration altogether. Finally, it restores application processing provisions that provide protections for applicants, requires states to inform applicants that rules about receipt of cash assistance (like time limits) do not apply to food stamps, and strengthening systems to ensure that food stamp cases are not erroneously closed automatically when a cash assistance file is closed.

This rule also finalizes the changes in immigrant eligibility that were enacted in the welfare reform act and modified in subsequent legislation. Within statutory confines, the rule minimizes unnecessary access barriers for eligible immigrant households and eligible citizen or immigrant members of mixed-status households

3. Guns -- Gun Show Ballot Initiatives: Citizens of Colorado and Oregon voted overwhelmingly in favor of state ballot initiatives to close the gun show loophole this week. Colorado's Amendment 22, which you helped kick off in April, passed by a margin of approximately 70 - 30 percent and Oregon's Measure #5 passed by a margin of 62 - 38 percent. The measures are similar to the Lautenberg language passed by the Senate last year and to gun show measures that failed in the Colorado and Oregon state legislatures under significant pressure from the gun lobby. Gun safety advocates outspent the gun lobby in support of the ballot initiatives and tout the measures as key victories in their grassroots efforts to counter the NRA.

4. Health Care -- Update on Balanced Budget Refinement Act: Next week, when the Congress returns, there will be great interest in the health care provider community and with many members of the Congress in passing and signing a series of health care provider and beneficiary improvements to the Balanced Budget Act of 1997. We continue to have a veto threat out on this legislation because it dedicates such a large percentage of the funds to excessive HMO payment increases without accompanying accountability requirements. We have also strenuously objected to the omission of bipartisan supported and inexpensive investments in health coverage improvement for children with disabilities, individuals moving from welfare to work, low-income seniors, and legal immigrants. Last Friday, a broad based coalition of advocates for children, seniors, people with disabilities, and legal immigrants decried the current BBRA package, saying that "This is not about money. It is a question of priorities...H.R. 5543 represents skewed priorities that do not reflect the interests of the American people." On Thursday, Chief of Staff John Podesta met with the Democratic leadership to discuss this issue and a number of outstanding, unresolved policy disputes in the Congress. Senator Daschle and

Congressman Gephardt agreed that we should continue to hold out for at least some of these policies prior to supporting any final package in the Congress. We will attempt to engage the Republican and Democratic leadership on this issue early next week.

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6-12-00

Ann O'Leary

THE WHITE HOUSE
WASHINGTON

06 JUN 9 -- 11:25

Pg. 1

Burkhardt
(for reply)
Pg. 3

June 10, 2000

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed *BR*
Barbara Chow *BC*

SUBJECT: DPC Weekly Report

*Q. J. A. - Samuel
C. F. D. - PLS*

✓ **1. Tobacco -- Magazine Advertising:** This week Philip Morris agreed to stop advertising its cigarette brands in magazines in which minors make up at least 15 percent of total readership. This action follows a report published last month that showed cigarette advertising in magazines with sizable youth readership had increased by nearly \$30 million (33 percent), despite the tobacco industry's pledge in 1998 to stop marketing to minors. In response to this report you issued a statement calling on the State Attorneys General to take action to stop these practices. Unfortunately, three other major cigarette makers, R. J. Reynolds, Brown & Williamson, and Lorillard, affirmatively announced that they would not follow Philip Morris's lead in curtailing such advertising.

2. Tobacco -- Federal Litigation: There are separate provisions included in a number of House and Senate appropriations bills that would severely restrict and possibly stop the Justice Department's pursuit of federal tobacco litigation. Most of the provisions would prohibit agencies from assisting Justice with the costs of the litigation, and a few of the appropriations bills curtail litigation efforts beyond the tobacco case. We are working with the Hill and others on a comprehensive strategy to defeat these provisions.

*Burkhardt
(for repl)*

✓ **3. Crime -- Guns:** This week, Chicago filed a lawsuit under the Freedom of Information Act against the ATF for refusing to provide comprehensive information on crime gun traces. Chicago has worked with the ATF since 1998 to obtain the data for their lawsuit against the firearms industry and has received a significant amount of information from ATF. However, Chicago is still seeking the names of all multiple firearms purchases and full access to the National Tracing Center database of all crime guns in the U.S. ATF has denied this data request because they believe it violates the privacy rights of gun owners and could jeopardize open investigations. They are also concerned about the political fallout on the Hill by pro-gun members during appropriations battles. ATF spoke with Chicago officials last Friday to offer their assistance in providing additional data that excludes sensitive law enforcement information and would not infringe on gun owner privacy rights. Chicago declined the offer.

✓ **4. Education -- Cheating on High Stakes Tests:** In the past week, a number of stories have emerged about cheating on high-stakes assessment tests in public schools. Last week, a teacher at Eastgate Elementary School, the Columbus, Ohio school you visited on the Education

6-12-00

Reform Tour in May, charged that students had been provided answers to tests. (Back in April, when we asked the district to recommend a school, they suggested Eastgate and failed to mention that it had been investigated for possible cheating, but cleared of wrongdoing.) This week, the principal of a Montgomery County (MD) elementary school quit in response to allegations of cheating and a teacher at a Reston, VA middle school was suspended for helping students obtain correct answers. These follow earlier test scandals in New York and Texas. It is important to note that while Eastgate's score gains are under dispute, we may have many examples from across the country of schools who have made major improvements due to a focus on standards and accountability and key investments such as reduced class size, teacher quality, and after-school.

5. Healthcare -- Merrill-Lynch's Open Ended Employee Health Benefit Plan: You asked for an update on a *Wall Street Journal* story that reported FEHBP was going to pilot a new health benefits approach by Merrill-Lynch that covers virtually every health care service and still reports savings. OPM is interested in exploring a possible demonstration project, but the Merrill Lynch plan's new method of managing benefits (really a sophisticated form of intensive disease management) would require some modification before it could be implemented as a FEHBP pilot. Part of the program's success is because the company's management makes actual coverage decisions, which OPM cannot do because of privacy concerns. In addition, there is no other health plan option for employees at Merrill-Lynch, while OPM would not be able to require employees to enroll in a pilot program. Notwithstanding these concerns, we are encouraging OPM to develop an appropriately designed pilot with the same company that designed the Merrill-Lynch plan.

6. Healthcare -- Patients' Bill of Rights: Thursday's Senate vote on the Norwood-Dingell Patients' Bill of Rights picked up two additional Republicans and left us just one vote short of the 50 vote margin that would be necessary to pass this legislation. The Conference will continue, but the Democrats participating in it are even less confident than ever that it will produce an acceptable product. In the aftermath of the vote, Senators Daschle and Kennedy will attempt to target Republicans who can be enticed to support a modified version of the Norwood-Dingell bill without excessively watering down the bill's protections. Senator Ashcroft is extremely close to supporting the legislation, and Senator McCain's vote in favor and strong statement describing the need for this legislation may well move other members. However, should we succeed in attracting more than 50 votes, Senator Lott will likely do everything he can to block a simple majority amendment and insist on amendments requiring 60 or more votes. The broad-based coalition that supports the Norwood-Dingell bill was galvanized by Thursday's vote and seems intent on continuing to push for resolution on this matter as quickly as possible. We should continue to play our role in focusing public attention on the Republicans' lack of success in producing an acceptable bill.

7. Healthcare -- Medicare Prescription Drugs: Next Tuesday, you are scheduled to release a new DPC / NEC report on the importance of a Medicare prescription drug benefit for seniors living in rural areas. We are planning to release this report with Senator Baucus and perhaps other rural senators to make the point that the only way to ensure access to an affordable prescription drug benefit is to reject the Republicans' private insurance drug benefit and embrace a true Medicare benefit such as yours. Senator Baucus's participation is important because of his

longstanding interest in rural health concerns, his general support of your prescription drug benefit and because he may be the swing member in ensuring that Finance Committee Democrats stay unified. While the Senate Finance Committee prepares for a markup sometime in July, House Republicans are reportedly planning to unveil their bill either Friday or Monday, hold a hearing on Tuesday, and attempt to mark it up on Thursday. Their goal is a House vote on some form of prescription drug benefit prior to the fall elections. The details of the House Republican bill are limited, but it appears that they are retaining the private, drug-only benefit that the insurers continue to oppose. The bill may also contain other provisions which may appear hostile to the pharmaceutical industry's concerns. As a fall back position, the Republicans are apparently considering other measures including a Medicare fee-for-service plan so that they can assert that all Medicare beneficiaries will have access to a drug benefit.

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8. Children and Families -- Media and Entertainment Industry Web Site for

Parents: On Thursday, the media and entertainment industry announced that they had created a web-site designed with a one-stop site designed for parents who wish to find information about the various media rating systems and parental advisory guidelines. The idea for the web site grew out of the White House Conference on Teenagers and was announced by the First Lady at the conference. The web site, called the *Parental Media Guide*, can be found at www.parentalguide.org. It was jointly developed and produced by the Motion Picture Association of America, the National Cable Television Association, the National Association of Broadcasters, the Recording Industry Association of America, and the Interactive Digital Software Association.

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9. Children and Families -- Youth Risk Behavior Survey: On Thursday, the Centers for Disease Control and Prevention (CDC) released the *1999 Youth Risk Behavior Surveillance System Report* showing improved behavior among high school students in risk-related activities. The report showed that since 1991 there has been a decreasing trend among adolescents who: (1) never or rarely wore a seatbelt (37 percent decrease) (2) carried a weapon (34 percent decrease) (3) ever had sexual intercourse (8 percent decrease). Among sexually active teens, there was an increase in the number using condoms (26 percent increase). However, the report, however, demonstrated that many young people are still participating in risky and unhealthy behaviors. Far too many young people are drinking (50 percent), smoking (35 percent) and doing drugs (27 percent reported current marijuana use). In addition, one third of the students had participated in a physical fight and 17 percent had carried a weapon. Finally, one in 10 high school students are overweight and less than one-quarter of high school students eat the recommended daily allowance.

10. Children and Families -- RU-486: This week pro-choice groups reported concern that the FDA is considering placing restrictions on access to the RU-486 abortion pill (mifepristone). RU-486 has been in the approval process since 1993, when you lifted the ban on its importation. In February 2000, the FDA issued an "approval" letter for RU-486, indicating that the drug was safe and effective but that final approval was contingent upon additional information about manufacturing practices and labeling. Danco Laboratories, the company licensed for U.S. manufacture and distribution, has reported to the pro-choice groups that the FDA is considering a number of restrictions. The groups feel that these restrictions could seriously limit access to the drug, depriving women of a safe, non-surgical option early in their

What's the
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Pro-choice?

pregnancies (RU-486 is used in the first seven weeks of pregnancy). A final decision from the FDA is expected by September.

THE WHITE HOUSE
WASHINGTON

October 20, 2000

10-21-00

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MEMORANDUM TO THE PRESIDENT

FROM: Barbara Chow

SUBJECT: DPC Weekly Report

1. Housing -- New Vouchers and Flexibility: In addition to securing 79,000 new housing vouchers in the VA-HUD appropriations bill, we were also able to amend the statute to significantly improve the local 'project-basing' option for Public Housing Authorities (PHAs). Project-basing permits the PHA to expand affordable housing options and improve voucher utilization by promising that vouchers will be available for up to 25 percent of the units in a building as long as the owner/developer agrees to guarantee the availability of those units for tenants with a voucher for 10 years. While this authority existed before, it was very difficult to use, failed to preserve tenant choice, and did not permit the PHA to terminate a contract when tenants no longer chose a particular building. The new language ensures that tenants can move from a project-based unit by getting the PHA's next regular Section-8 voucher. In the past, tenants were locked into a particular building because project-based vouchers did not have this 'continued assistance option'. In addition, PHAs will now be able to terminate contracts with an owner if no tenants want to live in the building ensuring that federal dollars are not locked into a development that becomes undesirable for some reason. Finally, project basing can be used to create supportive housing arrangements like a Second Chance Home or elderly housing.

2. Welfare -- Immigrant Food Stamps and Health Insurance: On Monday, you released a statement for World Food Day in which you called upon Congress to enact your budget proposals to restore access to food stamps and health coverage for vulnerable legal immigrants. These changes would build on the progress made in 1997 and 1998 to fix the harsh immigrant provisions in the welfare reform law that had nothing to do with welfare reform. The statement was very well received in the religious, immigrant, and nutrition advocacy communities. Meanwhile, Congress passed the Agriculture appropriations bill that failed to include immigrant food stamp provisions. Also, after Lamar Smith and Bill Archer wrote a letter last week urging Hastert to reject health care restorations for legal immigrants, the Republican leadership released preliminary details on their partisan BBA givebacks package which excluded state options to extend Medicaid and SCHIP to pregnant women and children. We will continue to work with the groups and key members of Congress to add these health and nutrition work supports for legal immigrants to any available vehicle.

3. Welfare -- Out-of-Wedlock Births: Last week, the Centers for Disease Control released a report on nonmarital childbearing from 1940 to the present. While this does not contain any new data, it does put the encouraging trends of the past few years in context -- after a period of dramatic growth from 1940 to 1990, out-of-wedlock childbearing has leveled off or slowed its rate of increase during the 1990s. The birth rate for unmarried women dropped 1 percent between 1998 and 1999, and 6 percent since its peak in 1994. While the 1999 rate (43.9 births per 1,000 unmarried women aged 15-44) is technically the lowest level since 1990, it is only slightly lower than the 1997 birth rate due to an upward blip in 1998. The percent of all births that are to unmarried women increased through the early 1990s, but has stabilized at between 32 and 33 percent since 1994. The number of unmarried births rose slightly (averaging just over 1 percent per year) during the 1990s, but at a much slower rate than the average annual increase of about 6 percent during the 80's.

4. Education -- Report bolsters NBPTS: A report by the Center for Educational Research and Evaluation was released this week on the value of National Board for Professional Teaching Standards (NBPTS) certification. The statistically-based study focused on two of the 16 NBPTS certificate areas -- Early Adolescence/English Language Arts and Middle Childhood/Generalist. The report essentially confirms the validity of the NBPTS system as a means of assessing and identifying accomplished teachers, and has high praise for and the quality of teachers that undergo the national certification process. Secretary Riley will be addressing the annual NBPTS Conference on Saturday, and will read a letter from you. The new National Board Teachers will be announced in November. It is anticipated that this new round of certification will more than double the current level of 4,804 of National Board Certified teachers across the country.

5. Health Care -- Update on the Balanced Budget Refinement Act: On Thursday, the Congressional Republican leadership released their Medicare / Medicaid provider and beneficiary refinement initiative. Despite the Administration veto threat on this legislation, it continued to include a significantly disproportionate allocation of resources towards HMO payment increases, and an insufficient investment in longstanding beneficiary and health care provider priorities. In fact, the legislation dedicates over a third of the \$28 billion / 5 year package to HMOs, despite the fact that these plans serve only 16 percent of the population. Just as troubling is the fact that it included no accountability provisions to require plans to stay in service areas in return for these payment increases. Although this legislation was viewed as unstoppable at the beginning of this week, the Democrats' embrace of the Administration's opposition to the current distribution of dollars has slowed the momentum towards Congressional passage. This may enable us to negotiate a better agreement over the weekend. This will only happen if the Congressional leadership chooses to engage in a meaningful negotiation and take the position that it is in their best interests to pass a bill that is certain to be enacted. If they do, our top priorities will be to increase teaching academic health centers, hospital, and home health payment rates, and key beneficiary improvement provisions. Such provisions include Medicaid coverage for legal immigrant children and pregnant women, full funding of the Ricky Ray trust fund, expanding the homebound definition for home health care services so that individuals with disabilities do not lose their eligibility if they leave their homes, immediate Medicare coverage of individuals with Lou Gehrig's disease (Lois Capps' highest priority), funding for the Grassely-Kennedy Family Opportunity Act, which provides a new Medicaid option for children with disabilities, and waiving cost sharing requirements for

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Medicare preventive services. We will advocate for at least partially offsetting the cost of these initiatives by reducing the excessive HMO payment increases. However, in addition to advocating for the elimination of expensive and unnecessary provisions, we will almost inevitably have to insist on more funds to finance our priorities – approximately \$35 to \$40 billion over five years. Speaker Hastert may be an advocate in this regard, as he requires significant additional Medicaid investments to help pay for a fund to ease the transition to our new UPL policy for states and hospitals.

6. **Children and Families -- Early Learning Opportunities Act:** Senators Stevens and Kennedy have agreed with Representative Goodling to attach a five year authorization of S. 2866, the Early Learning Opportunities Act to the Labor-H appropriations bill. The bipartisan Early Learning Opportunities Act, introduced in July of 2000, is a direct successor to the Administration's Early Learning Fund proposed as part of your Child Care initiative in the 1998 State of the Union. This bill would allow the Secretary of HHS to award grants to States, who in turn would award grants to local collaborative early learning councils, for the purposes of improving the quality of child care and providing quality early learning opportunities to children under five year of age.

7. **Education -- Pennsylvania First State Approved for Ed Flex:** As you know, the Education Flexibility Partnership Act (Ed Flex) was enacted last year, with eligibility dependent upon states having their standards, assessments, and accountability mechanisms in place in line with the Title I requirements. Pennsylvania is the first state that has been approved for Ed Flex, though eight others have applied, and three of the states that participated in the 12-state Ed Flex Demonstration are anticipated to apply soon because their Ed Flex status has expired. Under Ed Flex, Pennsylvania now has the authority to exempt local school districts from certain statutory and regulatory requirements under ESEA; in exchange, the schools must demonstrate that they will improve student achievement. The state has already approved one district for the program.

8. **Education --GAO Report on Funds for Construction, Including Charter Schools:** The GAO released a report requested by Rep. Goodling a week ago that details the difficulties charter schools encounter in accessing funds for construction and facilities. It suggests options such as grants, direct loans, loan guarantees, loan pools, and tax-exempt bonds and tax credits that the federal government could utilize if it were to take on a greater role in financing charter school facilities. The report also concludes that "increased federal assistance would change the nature of the federal government's relationship with traditional and charter schools as well as with the local and state governments that are primarily responsible for purchasing, constructing, renovating and leasing school buildings." The report projects that it would cost \$112 billion to bring school buildings nationwide up to par (the Department estimates the cost at \$127 billion).

10-9-00

THE WHITE HOUSE
WASHINGTON

October 6, 2000

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00 OCT 6 17:40

MEMORANDUM TO THE PRESIDENT

FROM: Barbara Chow

SUBJECT: DPC Weekly Report

1. Drunk Driving -- .08 BAC Wrap Up: On Friday, the House and Senate passed the Transportation Appropriations bill which includes a .08 BAC provision. The provision will impose a sanction on states that fail to adopt the .08 standard, starting at a 2% loss of federal highway construction funds in FY 2004 and increasing incrementally by 2% each year to an 8% loss by FY 2007. States subject to sanctions that adopt the .08 BAC standard by the end of FY 2007 can recoup the full amount withheld. We are exploring a signing ceremony for the Transportation appropriations bill to highlight this measure. Finally, to clarify two points from our last weekly, the Transportation Department reports: (1) 19 states, D.C. and Puerto Rico have .08 laws (R.I. is the newest addition); and (2) only one state (MA) does not have a "per se" illegal BAC standard. South Carolina recently adopted a .10 BAC standard. the

2. Welfare -- Child Support: The University of Wisconsin's Institute for Research on Poverty recently evaluated the impact of "passing through" child support to single mothers on welfare and disregarding this income in calculating benefits. The study of Wisconsin's child support waiver program found that mothers with the pass-through received over 50% more support than those in a control group (where the government kept much of the support that was paid). Noncustodial fathers were more likely to pay support knowing that it went directly to their children. Another recent study of noncustodial parents in Maryland underscored the need for both increased child support pass-through and greater investment in employment services for "deadbroke" dads, both of which were included in your FY 2001 budget. Important child support and responsible fatherhood legislation passed the House with overwhelming support last month ~~and we are supporting efforts to move this, or similar legislation, in the Senate this year.~~ When fully implemented, the child support provisions in the House bill will result in over \$1 billion per year in additional child support going to former welfare recipients and families still on welfare. I should have mentioned this, right?

3. Tobacco -- International: Starting October 13 in Geneva, the World Health Organization will begin negotiations on the Framework Convention on

Tobacco Control, the first international health treaty ever sought by WHO. This process is scheduled to continue until 2003. As you may recall, this will produce both a general treaty called the Framework Convention and specific protocols, or subsidiary agreements, for extending the Framework in particular issue areas. To prepare the U.S. delegation for those negotiations, we convened an interagency process to develop negotiating guidelines consistent with the Administration's well-established positions on tobacco policy. Building on general guidelines cleared last Fall for U.S. participation in a WHO Working Group to lay the groundwork for the upcoming negotiations, the new guidelines spell out our positions in greater detail. The guidelines take a "public health first" stance on the negotiations to help national governments take coordinated steps to reduce the harmful effects of tobacco use, while striving for an agreement that is ratifiable and does not compromise domestic legal and constitutional considerations.

4. Tobacco - - Settlement Funds: Last Thursday, the Senate Commerce Committee held a hearing on the spotty performance among states in allocating tobacco settlement funds toward tobacco prevention and intervention. The Surgeon General testified on his recent report showing that if states established comprehensive tobacco prevention programs, the U.S. could cut smoking rates in half within a decade. The Campaign for Tobacco Free Kids highlighted a new report that shows that while some states have devoted a substantial portion of their tobacco settlement to reduce youth smoking, too many have not. Senator McCain criticized states' failure to live up to their promises to use the state settlement to combat the dangers of tobacco rather than as a financial windfall. The Attorney General used her press availability to reaffirm the Justice Department's intent to proceed with the federal litigation in light of the recent court ruling, and the continued need for roughly the same amount of appropriated funding to engage in discovery and other trial preparation.

5. Education - - Voucher Ruling in Florida: This Tuesday the First District Court of Appeal upheld the legality of vouchers under the State of Florida's constitution. The decision reversed a trial judge who ruled last March that vouchers violated the Florida constitution's clause requiring "a high quality system of free public schools." All three judges on the panel sided with overturning the previous ruling, saying they found nothing in the state constitution that "prohibits the legislature from allowing the well-delineated use of public funds for private school education . . . The trial court erred." The case was filed by parents and other concerned groups to contest Governor Jeb Bush's program, which offers "opportunity scholarships" to students in schools that receive an "F" rating from the state for two consecutive years. In the program's first year, about 800 students in two schools (both in Pensacola) were eligible for vouchers, and of those, only 53 were able to use the vouchers at private schools. An additional 68 students transferred to better-performing public schools. This year, no Florida schools were rated "F" by the state, so no additional students are eligible for vouchers. Tuesday's ruling will send the case back to the trial court for argument on other issues, including whether vouchers violate the separation of church and state. The opponents of vouchers, including teacher unions, the Florida PTA, NAACP and the League of Women voters, may seek a hearing before the Florida Supreme Court.

6. Education - - Pay for Performance: Last week Philadelphia joined Denver and Cincinnati in linking teacher compensation to performance. Under Philadelphia's new teacher's contract, the

"enhanced compensation system" will reward teachers with raises based on their demonstrated levels of skill and knowledge in subject content and classroom practice. Student test scores will not be a factor. By the end of the five-year contract, the district projects a new teacher could earn \$46,590 and reach parity with suburban teachers. A teacher with a master's degree could earn \$70,453 (\$15,000 more than under the current system), and a top-earning senior teacher could earn \$88,634 (an increase of \$22,000). The new compensation system will be piloted during the 2001-2002 school year and will be mandatory the following year for those hired on or after March 1, 2001, and voluntary for all others.

7. Health Care - -Update on Medicaid Upper Payment Limits (UPL) Regulation Rollout:

The overall reception to our administrative and legislative proposal to curtail the use of the Medicaid UPL loophole was quite positive. Virtually all states who are dependent on the use of this financing mechanism were appreciative of the multi-year transition period, the new flexibility in accessing legally acceptable Federal funds, and our legislative proposals to expand the amount and use of disproportionate share dollars to hospitals. The providers within these states, including New York, explicitly acknowledged the Administration's efforts to mitigate the impact of our regulation. Exceptions to the generally positive response to the Administration's announcement came from Governor Bryan (IL) and Senator Roth (DE). Senator Roth issued a statement criticizing us for being excessively generous in our legislative and administrative proposals, and Governor Bryan issued a press release condemning our proposal for its significant negative impact on Illinois. Notwithstanding the Governor's comments, Senator Durbin welcomed our multifaceted approach and indicated that he looked forward to working with us to both stop the abusive practice and alleviate any excessive burden on vulnerable hospitals in Illinois.

8. Children and Families - - Reauthorization of the Violence Against Women Act (VAWA):

When it became clear that Senator Lott would not allow VAWA to go to the floor in the Senate for a freestanding vote, and might even try to attach it to an objectionable bill, supporters began pursuing the strategy of adding it to the Trafficking Victims Protection Act, which has been in conference committee. Yesterday the conferees agreed to add VAWA to Trafficking, and today, the House approved the conference report by a vote of 371-1. The Senate is expected to take up the conference report next Wednesday.

*Submitted to
S. J. [unclear]*

Ann O'Leary

THE WHITE HOUSE
9-11-00

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THE WHITE HOUSE
WASHINGTON

Copied
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September 8, 2000

MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed
Barbara Chow

SUBJECT: DPC Weekly Report

1. Youth Violence - - FBI Monograph: On Wednesday, the FBI released a monograph presenting a systematic procedure for threat assessment and intervention designed to be used by educators, mental health professionals and law enforcement agencies. The use of this assessment/intervention model could help school authorities identify and deal with high-risk threats, and respond to less serious threats in a measured way. The initial press response focused on concerns that such a document would be used to profile students, potentially stigmatizing them unfairly. However, the document specifically disavows the usefulness of "profiling" children. Thursday's stories recognized the FBI's intent, although some concerns continue to exist.

2. Youth Violence - - National Campaign Event: On Thursday, you will participate in an event with the National Campaign Against youth Violence (a separate briefing memo will provide more details). The Campaign will be launching its new PSAs as well as providing a report to the Board members and other supporters of the Campaign.

3. Crime/Guns - - Preventing Gun Sales to Unlicensed Individuals: The ATF has nearly completed creation of a new system that will allow gun manufacturers and gun dealers to ensure that they do not transport firearms to criminals or juveniles who present fake federal firearms licenses in attempts to illegally acquire firearms through the mail. Current law prohibits gun manufacturers and gun dealers from mailing firearms to unlicensed individuals, and requires them to obtain a copy of a valid federal firearms license before shipment of any guns. However, there is currently no way for them to ensure the validity of those licenses without a phone call to

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the ATF. This new system will create a new, easily accessed ATF website where the validity of licenses may be checked online. The system was created in response to the recent attempt by two New Jersey teenagers to order guns over the Internet and have them shipped to their home using a fake federal firearms license. Their attempt was prevented by a UPS worker who became suspicious of the shipment when he realized that the recipients were underage. We are currently working with Treasury on a possible announcement of the launch of this new system.

4. Welfare -- Child Support/Fatherhood Bill: Last week, the House passed the Child Support Distribution Act by a vote of 405-18. This bill, spearheaded by Representatives Nancy Johnson and Ben Cardin, contains child support provisions that are very similar to those proposed in your budget, allowing states to pass through more child support payments directly to children and simplify child support distribution rules. The bill also includes Fatherhood grants to communities. While these grants have a somewhat different focus and delivery system than your Fathers Work/Families Win grants, there is considerable common ground. You issued a statement commending the House for this bipartisan action and urging the Senate to take action before it goes home. We will work closely with all parties toward a final bill that contains the key elements of these bills and our proposals.

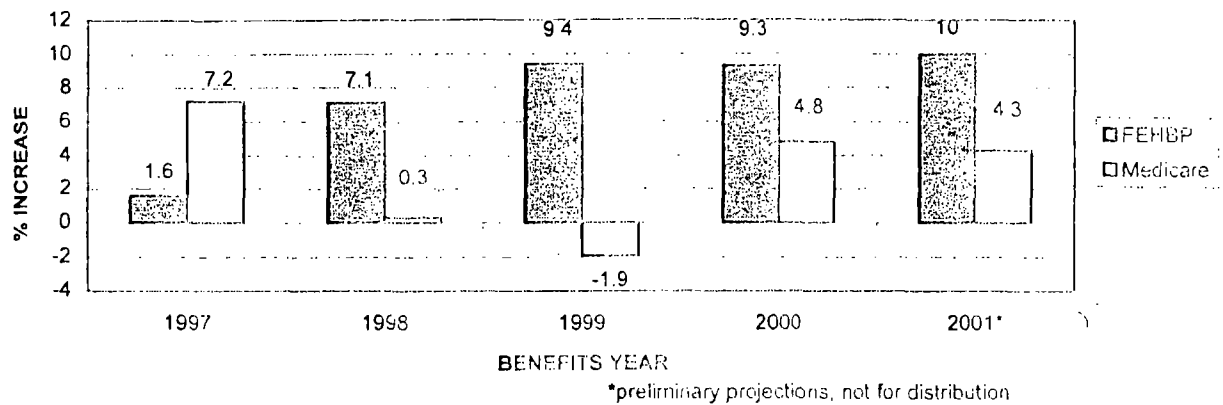
3. Education -- Secretary Riley's Back to School Speech: Secretary Riley gave his annual back-to-school address at the National Press Club on Thursday morning. The Secretary highlighted the success of your education agenda; released a report showing that your class size reduction initiative has benefited 1.7 million children; and echoed the legislative priorities you outlined on Tuesday. The main theme of Secretary Riley's speech was the importance of transitions in the lives of school-aged children and how parents, schools, communities, and the government can support all children as they go through these difficult periods. He concluded by announcing the creation of the Commission on the Senior Year of High School, led by Governor Paul Patton of Kentucky, to evaluate possibilities for helping more kids graduate from high school prepared for college or the workplace.

4. Health Care -- Nursing Home Quality Report and Legislation: Next week, you are tentatively scheduled to release a new HHS report assessing our success in assuring quality care in nursing home settings. You will also unveil a new legislative initiative designed to provide further incentives for improvements in this area. The report concludes that there is significant progress in improving quality of care within nursing homes. It validates the importance of Federal nursing home standards, but will recommend that the Federal government do more to improve this record. The new, \$1 billion five year grant proposal provides funding to encourage states to hire larger numbers of better qualified nursing home professionals; accelerate physical plant upgrades to ensure patient safety and quality of life; provide continuing education and training of nursing staff; and convert outdated nursing homes to assisted living facilities. It will also provide grants to states to reward nursing homes that meet the IOM recommended staffing levels for registered nurses or have not had a serious standard of care violation for three to five years. This legislation could be integrated in any provider give-back initiative and is fully funded within the previously non-specified portion of the Administration's \$40 billion provider restoration initiative you unveiled earlier this year.

Health Care - - Update on Bush Prescription Drug Proposal: In the aftermath of Governor Bush's prescription drug initiative, Senator Lott and Finance Committee Chairman Roth indicated that they intend to have the Committee mark-up a low-income prescription drug benefit modeled along the lines of a portion of the Bush proposal. The Republicans are taking the position that the only responsible action to take this fall is to make a serious downpayment on the prescription drug benefit so that those "most in need" can receive assistance. Although at first glance, a low-income first approach might be attractive, close scrutiny of state experience in setting up and running these programs demonstrates otherwise. Such an approach will not work for the 20 million beneficiaries over 125 percent of poverty (\$14,600 for a single) who would be explicitly ineligible, but also poorly covers the target population of low-income beneficiaries. This is because state based programs for seniors have a notoriously poor record of covering eligible populations. In fact, comparable programs only cover between 15 and 45 percent of the eligible population. Moreover, state based programs would result in severe limits in the number and types of drugs covered, and would produce a large disparity amongst the states in the benefit offered and delivered. In addition, because Senator Roth is only dedicating \$1.3 billion to this program in 2001, and allowing states to buy out the programs they currently have up and running, virtually every dollar allocated will almost inevitably be used to buy out the base. And finally, a Medicare drug benefit, which now covers 98 percent of all eligible seniors, could be implemented more quickly and effectively than 50 state based programs that the NGA is already on record as opposing. For these reasons, even advocates for the poor have rejected this policy. However, we are not taking this proposal lightly, and are working to ensure that Democrats (Breaux, Kerrey, and Baucus) on the Finance Committee do not support this initiative.

Health Care -- FEHBP premiums to increase by 10 percent next year: In the upcoming week, OPM will announce that for the fourth straight year, premiums within the FEHBP will increase by amounts that more than double Medicare growth rates / premium increases. Forty percent of this year's increase is attributable to increasing prescription drug prices. The remainder is a combination of utilization increases, demographic changes, and the new mental health parity provision (1.3 percent). Ironically, although FEHBP has been touted as the great hope for a Medicare model, Medicare growth rates have been substantially lower than FEHBP in each of the last four years (see chart). OPM believes that they could do better in constraining costs if they could use selective contracting purchasing mechanism to help purchase particular benefits, such as dental and prescription drug benefits, and limit the number of health plans permitted to participate in the program through higher quality standards. We are working on legislative proposals on Capitol Hill to do both, but have seen little interest by the Congress and the insurance industry and providers in this policy. The lack of success in constraining health care costs within FEHBP has the potential to undermine those in the Congress advocating FEHBP type solutions for Medicare reform.

FEHBP VS. MEDICARE ANNUAL PER CAPITA GROWTH RATES
(1996 - 2001)



Health Care - - Update on Patients' Bill of Rights: Next week, you are scheduled to participate in a bipartisan event with several members from both houses with Families USA. The advocacy organization will unveil a new electronic tote-board that updates the number of patients harmed by health plan actions each day the patients bill of rights fails to be enacted into law.

In addition, Speaker Hastert, Congressman Norwood, and Congressman Ganske, and other Republicans, are working with the Senate in an attempt to attract more Republicans towards a Norwood-Dingell model of the Patients' Bill of Rights. As they work to develop compromises that could attract additional Republicans, Senator Daschle and Senator Kennedy are planning a floor amendment strategy to continue the pressure on the Senate to move a real and enforceable Patient's Bill of Rights.

Children and Families - Urban Institute Report on Child Care and After-School. On Monday, the Urban Institute will release a new report, *Child Care Patterns for School-Age Children with Employed Mothers*, as part of their comprehensive study of child care in America. This report finds that 4 million 6-12 year-old children with employed mothers are regularly without adult supervision when they are not in school and still more children are caring for themselves for at least part of the time they are out-of-school. The report also highlights the difference in child-care and after-school patterns along a variety of family characteristics, including income, race and ethnicity and parental work schedules, as well as how arrangements differ from state to state. The report concluded that higher-income parents are more likely to rely on self-care, as are whites and parents who work traditional hours. The report speculated that this finding could be due to the fact that lower-income communities may rely more heavily on relative care due to safety concerns that could deter parents from leaving their children alone.

Ann O'Leary

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THE WHITE HOUSE

WASHINGTON

September 1, 2000

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MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed
Barbara Chow

SUBJECT: DPC Weekly Report

1. Health Care -- New Reports on health insurance coverage to be released: Next Tuesday, the Center for Budget and Policy Priorities (Bob Greenstein's group) and the Council of Economic Advisors will release two reports that strongly validate the policy approaches to health insurance coverage expansion proposed by you and the Vice President. The first will validate that policies covering parents efficiently expand coverage, as well as significantly increase coverage rates of uninsured children. Specifically, it demonstrates that Medicaid expansions that include parents, increase enrollment among children already eligible but unenrolled in the program by nearly 25 percent. CEA's report provides analytical information illustrating that tax approaches such as those advocated by the Republican leadership and George W. Bush are highly inefficient, expensive, and ineffective mechanisms to expand coverage. The report concludes that the direct provision of health insurance, such as the proposal to insure parents of children in the CHIP, effectively reaches the uninsured at rates that are one third to over one-half the cost of tax incentive proposals. These reports will be leaked out for Tuesday's papers, prior to a Press Club briefing on them later that morning. You will have the opportunity to reference them in the Democratic Leadership event that day. The information released will bolster our negotiating hand in our ongoing discussions on the access provisions on the Patients' Bill of Rights.

2. Health Care -- Bush prescription drug benefit: Next Tuesday, Governor Bush will announce the details of his prescription drug policy for Medicare beneficiaries. We anticipate that the proposal will largely mirror the Breaux-Frist private insurance prescription drug benefit, which is very similar to the House Republican passed initiative that has been widely criticized as an unworkable policy that will leave millions of currently uninsured seniors without coverage. Alternatively, he may propose a state based, CHIP-like low-income program. It is also conceivable that he may suggest that the Congress should pass the low-income proposal this year and build on it in subsequent years through unspecified bipartisan reforms so that he does not have to specify significant budgetary investments for this policy. Regardless of which approach he takes, it may have a significant impact on the direction the Senate Republicans take this fall.

3. Health Care -- Update on privacy regulation: Following the New York Times article on the status of the development of our privacy regulation, you asked whether we could move more aggressively to expand the consent requirements. Subsequent to the initial release of our privacy regulation, the physician community advocated for more frequent required consent signatures on medical records in physician's offices. Next week, HHS will be meeting with AMA to determine if they can agree on a workable consent initiative that would actually provide additional protection to patients without imposing paperwork burdens in excess of what the AMA has already imposed.

4. Welfare -- Final rule for TANF high performance bonuses: On August 30th, HHS published the final rule establishing the criteria for high performance under the Temporary Assistance for Needy Families (TANF) bonus program. The final rule adds new measures to the work measures currently in effect. States have the option to compete on any or all of the following: 1) Work: job placement, job success (measured by retention and earnings). 2) Critical supports for working families: participation by low-income working families in the Food Stamp Program, participation of former TANF recipients in the Medicaid and State Children's Health Insurance Program; receipt of child care subsidies for eligible families, the affordability and quality of that care; and 3) A measure of family formation and stability.

5. Housing -- Section 8 Vouchers: On Thursday, HUD awarded \$347 million in FY 2000 funds for new housing vouchers to help 60,000 families find affordable housing. The vouchers will help families move closer to a new job, reduce a long commute, or secure more stable housing so they can perform better on the job. These "fair share" vouchers were awarded to communities in all fifty states to help address the large unmet need for affordable housing. As you know, we have proposed 120,000 new vouchers in the FY 2001 budget that the House appropriations bill does not fund. (The Senate has not completed work on the bill yet.) These new vouchers build on the 110,000 new vouchers secured in the past two years -- 50,000 welfare to work vouchers in FY 1999 and 60,000 "fair share" vouchers for FY 2000.

6. Child Support -- Medical Child Support: On August 15, HHS and DOL transmitted to Congress a report by the Medical Child Support Working Group, which contains recommendations to expand health coverage for children eligible for child support. These recommendations would require noncustodial parents to include their children under employment-based health insurance plans. It is estimated that 21 million children currently eligible for child support enforcement services are without any health care coverage. Earlier this month, HHS published a study of noncustodial fathers' access to employment-based health care coverage in 1993, showing that the number of custodial families without private health coverage could be reduced by 2 to 18 percent through greater use of medical child support orders. However, about half of noncustodial fathers who do not provide health care coverage to their children do not have access to dependent coverage.

7. Crime -- COPS Evaluation: Next Wednesday, the Urban Institute will release a four-year study of the Administration's COPS Program sponsored by the Justice Department. The evaluation found that by May 1999, COPS had funded the hiring and redeployment of 100,500 officers. This will raise the level of policing on the street by an estimated 62,700 to 83,900 full-time officers by 2003. The COPS Office believes the estimated range is overly conservative due

in part to incomplete data as well as recent COPS Office efforts to address both retention and redeployment issues.

Other key findings of the study include: (1) COPS grants helped police departments accelerate the transition to community policing; (2) Most COPS funds went to high-crime areas: of more than 8,000 agencies that received COPS grants through 1997, one percent of the grantees with the largest murder counts received over 30% of all COPS funds; and (3) COPS facilitated innovations in policing and represented the largest effort to bolster law enforcement technology in decades. As currently planned, the Attorney General will discuss the evaluation in her regular press conference next Thursday along with the importance of reauthorizing the COPS program. In addition, next week Justice will announce \$70 million to help communities hire approximately 700 officers in schools, and \$1 million in new grants to 5 police departments to support model practices that build trust between law enforcement and local communities.

8. Drugs -- 1999 National Household Survey: On Thursday, HHS and ONDCP released the 1999 National Household Survey, the primary source of national data on illicit drug, alcohol and tobacco use for persons ages 12 and older.

DRUGS: There was significant good news in the report on drug use. While overall drug use remained level, drug use by youth ages 12-17 fell for the second year in a row, and has now fallen by 21% since 1997. In addition, youth marijuana use, while remaining the most popular illicit drug, has declined 26 % since 1997. However, the report reveals problems with young adult drug use. The rate of drug use for young adults ages 18-25 is up 28% since 1997, and a trend which is expected to continue. The report also contains new state-by-state data which shows that drug use varies widely among states, ranging from a low of 4.7 % in Virginia to a high of 10.7 % in Alaska for all ages, and from a low of 8.0 % in Utah to a high of 18.3% in Delaware for youth ages 12-17. The state-by-state data suggest that states in the Western region of the country have higher rates of drug use and that southern states have among the lowest rates.

TOBACCO: In addition, the report showed that after a period of escalating youth smoking rates earlier in the 1990's, smoking among young people has begun to decline from 19.9 % in 1997 to 18.2 % in 1998 to 15.9 % in 1999. The report also contains new data on cigarette brands and shows that Marlboro, Newport and Camel remain the brands of choice for adolescents.

9. Crime/Fatherhood -- Reentry Initiatives: (1) Study on Incarcerated Parents. This week, the Justice Department's Bureau of Justice Statistics released a new report showing that 1.5 million children under 17 have a parent in prison. The study shows that 721,500 federal and state prisoners are parents, 93% of which are fathers. Over 45% of all parents in prison were living with their children prior to their admission to prison, and 40% of fathers and 60% of mothers reported weekly contact with their children while in prison. The study also reports that nearly 60% of parents in state prisons reported drug use and 25% had a history of alcohol dependence. (2) Administration's Reentry Initiative. Your FY 2001 budget includes a \$145 million reentry initiative to promote public safety by providing assistance to offenders such as drug treatment, family therapy and job training, as well as funding for law enforcement supervision to facilitate a successful "reentry" back into the community. Due largely to Senator Specter's interest, the

Labor/HHS conference will likely provide \$30 million of our requested \$75 million for DOL, and SAMHSA funding levels should be sufficient to dedicate \$10 million for drug treatment to this initiative. The Senate has only provided \$7 million of the \$60 million we requested for DOJ, and the House has provided nothing. We are working with the Departments of Justice, Labor, and Health and Human Services on strategies to increase the visibility of these items and funding levels in the final budget negotiations, including a possible Cabinet-level press event with the Attorney General, and Secretaries Herman and Shalala in early September.

10. Education -- SAT Scores: The College Board released the new national average SAT scores on Tuesday -- math is up three points from last year to 514 (up 13 points since 1990), the highest since 1969, and the verbal score remained unchanged from last year at 505. The College Board attributed the gains in math to the fact that more students -- including more female and minority students -- have been taking tougher courses such as pre-calculus, calculus, and physics. The positive trends are especially noteworthy considering that SAT test-takers have become increasingly diverse over the years -- racially, ethnically, and socioeconomically. Unfortunately the gaps in average scores of white students and most other students have grown -- the gap between African American test takers and their white counterparts increased from 91 to 94 points on the verbal section and from 96 to 104 points on the math section over the past decade. Again, this is mitigated by the growing numbers of minority students taking the exam.

11. Education -- Voucher Study: A new study shows black students who were given vouchers to attend private school in D.C., New York City and Dayton, Ohio scored at least 6 percentile points higher in reading and math as based on the Iowa Test of Basic Skills (ITBS) than those who stayed in public schools. The study was based on a small sample of 1,470 students in second through eighth grades who were given up to \$1,700 in vouchers from private funds allocated by lottery. The study is unusual because it compares public and private school students who have similar motivations and family backgrounds significant difference. The authors of the study, from Harvard, Georgetown and the University of Wisconsin, expressed confidence that vouchers could help close the achievement gap, but were puzzled that vouchers only seemed to produce benefits for black students and no other ethnic group showed any significant difference. Some scholars have expressed skepticism of the validity of the study because one of the study's authors and some of its funders have been accused of bias in favor of vouchers.

12. Education -- Response to Radio Address: In response to last week's radio address announcing an on-line teacher recruitment clearinghouse, the website has since received 1.2 million hits and the partnering organization, Recruiting New Teachers, received 70,000 phone call inquiries by Tuesday morning.

13. Children and Families -- FTC Report on Media and Violence: In June of last year, you called on the Federal Trade Commission (FTC) and the Justice Department to jointly study the marketing of violence to children and, specifically, to evaluate the effectiveness and enforceability of the various rating systems (movies, television, video games, and music). The FTC is in the final stages of completing their report and plan to work with us to release it the week of September 10th. As you know, the *Washington Post* ran a front-page story last Sunday outlining some of the findings of the report from a leaked account of the report.

The report set out to answer two central questions: Does the media and entertainment industry inappropriately advertise to children younger than the age suggested by the rating, e.g. are "R" movies being advertised to children under 17 years of age? And, if so, does the industry do it intentionally? The report provided a definitive "yes" to both of these questions supported by extensive and explicit documentation that laid out industry leaders advertising strategies to young children. In each and every sector of the industry, the report found that the industry was overwhelmingly targeting young audiences – two-thirds of movies are targeted to inappropriate audiences; 80 percent of television programming is heavily targeted to children younger than the suggested viewing age; and, even in video games where the industry sets specific guidelines prohibiting the advertisement of violent video games to young children, the report found that industry members largely ignored these guidelines.

One important conclusion of the report not included in the *Post* account is that parents find these ratings very confusing and that many consumer and parent advocates would like one system for the entire industry. Also not reported by the *Post* is the fact that the report includes a summary of research studies on whether there is a connection between watching or participating in violence through the media and committing real-life acts of violence. The majority of such studies did find a definite connection. In fact, four national health associations (the American Medical Association, the American Academy of Pediatrics, the American Psychological Association, and the American Academy of Child and Adolescent Psychiatry) recently released a statement directly linking violence in television, music, video games and movies to increasing violence among children.

THE WHITE HOUSE
WASHINGTON

9-21-00

September 15, 2000

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MEMORANDUM TO THE PRESIDENT

FROM: Barbara Chow

SUBJECT: DPC Weekly Report

1. Crime/Fatherhood -- Reentry Initiatives: On Monday, Attorney General Reno, officials from the Departments of Labor and Health & Human Services, Lt. Governor Townsend, and local officials will hold a roundtable discussion at St. Katherine's Episcopal Church in the Druid Heights neighborhood in Baltimore to highlight local reentry efforts and to urge full funding for your FY 2001 budget reentry initiative. The Justice Department has provided technical support for the reentry partnership in Druid Heights. Your FY 2001 budget would significantly bolster efforts like those in Druid Heights by including \$145 million to fund a multi-agency reentry initiative that would provide assistance to ex-offenders such as drug treatment, family therapy and job training, as well as funding for law enforcement supervision to facilitate a successful "reentry" back into the community. We plan to issue a Presidential press statement from you to spotlight the event and our budget proposal.

2. Guns -- Gun Enforcement Budget Initiative: On Thursday, the House narrowly passed a conference report (212-209) that combined FY 01 funding for both the Treasury-Postal and the Legislative Branch Appropriations bills. While highly problematic in other respects, the bill fully funds the Treasury portion of your National Gun Enforcement Initiative, providing \$95.7 million to hire 500 new ATF firearms agents and inspectors, expand crime gun tracing and ballistics testing and increase the number of Youth Crime Gun Interdiction Initiative (YCGII) cities from 38 to 50. The conference report does not include a contentious rider that would have restricted the federal government from providing a procurement preference to gun manufacturers, such as Smith & Wesson, that adopt responsible codes of conduct. The Senate is expected to take up the conference report next Tuesday.

3. Health Care -- Signing of FEHBP private long-term care insurance law: Next Tuesday, you are tentatively scheduled to participate in a signing event for HR 4040, the Long-Term Care

Should
you
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Security Act. This legislation provides the Office of Personnel Management with the authority to negotiate quality, non-subsidized, private long-term care insurance options for Federal employees. This legislation, which is one element of the multi-faceted long-term care initiative you unveiled in last year and this year's budget, is being widely heralded as a potential model for other, larger employers to follow. The signing ceremony is an opportunity for you to reiterate your desire to help Americans with immediate long-term care needs through your \$3,000 tax credit and your investment of \$125 million in a family caregivers initiative to provide assistance to families caring for chronically ill seniors. We anticipate that the latter provision will be the subject of discussions in the Labor-HHS bill, and that the former is being considered in the context of any Patients' Bill of Rights compromise.

4. Education - - After School Programs: The Urban Institute issued a report on Monday that underscores the dearth of quality after-school programs to serve the needs of America's families. The key finding was that four million 6 to 12 year olds with employed mothers are regularly without adult supervision outside of school. You recently asked about the impact of your budget initiative on this problem. The Department of Education has completed a report on 21st Century Community Learning Centers. The results of the report show that while after-school programs are proven to be effective in keeping children safe and providing them with constructive opportunities to learn and grow, funding for programs needs to be greatly expanded to meet the growing demand. A total of 2,253 communities, representing as many as 10,000 of our nation's schools, participated in this year's competition for 21st Century Community Learning Center grants, but only one in seven could be funded. Your FY 2001 budget more than doubles funding for 21st Century Community Learning Centers from last year's figure of \$453 to \$1 billion. Funded at your request, this program would help 2,000 communities establish 8,000 schools as 21st Century Community Learning Centers. These centers would serve 2.5 million children, or up to one-quarter of all of the country's latchkey children identified by the Department's report.

5. Tobacco - - Executive Orders: We are working with a number of other White House offices on two tobacco-related executive orders for your approval. One addresses global tobacco control and prevention by 1) restating the statutory prohibition against promoting the export of U.S. tobacco, 2) clarifying that HHS has a voice in tobacco-related trade discussions, and 3.) directing HHS to study tobacco use in China. This was one of several actions requested by Representative Waxman during the House PNTR debate, to help ensure that tobacco control efforts are not harmed by trade policy. The second creates a Commission to study and recommend ways of providing economic opportunity in tobacco-dependent communities while protecting public health. This builds on your longstanding commitment to protect tobacco farmers and their communities, while continuing to reduce youth smoking and hold the tobacco industry accountable. The executive order, along with potential names for appointment to the Commission, is being vetted for announcement as early as next week.

6. Tobacco - - Studies: Last Monday, researchers issued two tobacco studies, one showing that children can become addicted to nicotine after smoking as little as once a month, and a second calculating that up to 2.3 million lives could be saved over the next 40 years by increasing the price of cigarettes \$1.00 per pack. You issued a statement highlighting these findings and pushing for our tobacco budget initiatives.

9-21-00

7. Children and Families - - Reauthorization of the Corporation for National Service: The Corporation for National Service reauthorization bill, S. 2794, was marked-up and passed out of the Senate HELP Committee on Friday, July 21, 2000. Currently, there is an effort to try to get the bill passed in the Senate by unanimous consent and sent to the House to be considered under suspension of rules. The governors are actively supporting and pushing for the reauthorization of the national service bill. Governor Racicot of Montana, who serves on the Board of the Corporation for National Service, has spearheaded an effort to have all governors sign a letter to the Congressional Leadership calling for the reauthorization of the Corporation for National Service. At this point, 49 governors (including Gov. Bush of Texas) have signed the letter and Governor Racicot hopes to get the final signature, Governor Owens of Colorado, shortly. In addition to this letter, the Corporation for National Service has commissioned an independent study showing that AmeriCorps reading tutors have been effective in helping children improve their reading skills. Once the letter is final and the report complete, we plan to highlight them in an appropriate venue to demonstrate support and the need for reauthorization of the Corporation.

THE WHITE HOUSE
WASHINGTON

8-16-00

August 11, 2000

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MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed
Barbara Chow*p.2 to HRC*SUBJECT: DPC Weekly Report

✓ 1. **Children and Families -- Paid Leave:** Last week, prior to end of the final legislative cycle in Massachusetts, their State Legislature passed a supplemental budget that included a pilot program for allowing unemployment insurance to be used to provide paid leave after the birth or adoption of a child. Massachusetts is the first state to pass such a proposal. Consistent with your UI initiative, this two-year pilot program would allow parents caring for an infant or newly adopted child to collect up to 12 weeks of unemployment benefits and is estimated to provide qualifying working parents with benefits checks of \$431 a week. Unfortunately, Governor Celluci line item vetoed this important legislation today. In vetoing the legislation, Celluci indicated his willingness to support paid leave as long as it was not through the unemployment insurance system. He sent the bill back to the legislature with an amendment that would provide a 50 percent tax credit to employers who provide paid leave after the birth or adoption of a child; estimated to cost \$30 million.

2. **Crime -- Prison Study:** This week, the Justice Department released a new study showing that, in 1999, the nation's prison population rose at the lowest rate since 1979 and recorded the smallest absolute increase since 1988. Since 1990, the prison population has increased by 77 percent -- an increase of almost 600,000 inmates. However, the report also shows that the prison population growth slowed to 3.4 percent in 1999 -- nearly half the average annual increase of 6.5 percent during the 1990-1999 period. At the end of 1999, there were more than two million people incarcerated in the United States, including 1.28 million in state and federal prisons, 605,943 in local jails and 105,790 in juvenile facilities. At the end of 1999, African-Americans constituted 46 percent of all inmates with sentences of one year or more, white inmates accounted for 33 percent and Hispanics 18 percent. We are working with the Departments of Justice and Labor to highlight and secure funding contained in your FY 01 budget to provide heightened supervision and services, such as job training and drug treatment, for ex-offenders.

3. Labor - - Workforce Investment Act Final Rule: Last week marked the two-year anniversary of the signing of the Workforce Investment Act (WIA). All 50 states have now developed plans meeting Department of Labor approval, and there are now 1,200 One-Stop Career Centers established around the country. Last March, Thomas Friedman, the *New York Times* foreign affairs columnist, praised WIA as "one of the best but most underreported, bipartisan achievements of the Clinton Era." With Friday's publication of the **final** implementing regulation, you issued a statement to celebrate the successful effort to get this **important** initiative up and running and to urge Congress to fully fund your budget request for WIA activities.

4. Children and Families - HHS Report on Child Welfare Outcomes: On Wednesday, Secretary Shalala released a new report showing that fewer children are in the child welfare system today than at the start of your Administration. The report, which compiled national and state data on children who are abused and neglected, in foster care, adopted, or waiting to be adopted, showed positive signs with fewer incidence of child abuse and neglect and an increase in the number of adoptions. The data collected for the report and required by the Adoption and Safe Families Act that you signed in 1997, will be used to hold states accountable for services to at-risk children. Wednesday's *New York Times* reported that this data demonstrates a stark contrast to the prediction of child advocates at the time of the welfare reform **debate** who believed that the pressures of moving welfare to work would drive up child abuse and increase the number of children entering foster care.

5. Education - - Desegregated Schools Promote Tolerance: A study released Monday by the Harvard Civil Rights Project found that students who attend racially mixed schools say they are more willing to live and work in a multiracial society. The study surveyed 1,164 students in Louisville, KY, all who attend high schools with a black student population of 20 to 50 percent. Gary Orfield, head of the Civil Rights Project, concluded that, "The Louisville students' opinions on race are very different and very much more optimistic than what you see in other surveys about race." Of those surveyed, 90 percent indicated that they were comfortable or very comfortable talking about controversial issues related to race, and 80 percent said that their school experience had aided them in getting along better with students of different racial backgrounds.

6. Education - - Bilingual Education Battles: Colorado's efforts to terminate bilingual education failed after advocates missed an August 7 deadline to collect 62,000 signatures to put the proposed amendment in the state constitution to a vote this fall. They intend to try for the next election in 2002. In Arizona a ballot measure modeled on California's Proposition 227, which ended most bilingual education programs in that state, was approved last week and will be voted on in November. Under the proposed law, all public school instruction would have to be conducted in English, and children still learning English would be placed in one-year English-immersion programs. Parents could get waivers if their children already know English, are older than 10, or have special needs that demand a different approach to learning.

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00 MAY 26 7:46

THE WHITE HOUSE
WASHINGTON

5-30-00

May 26, 2000

MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed
Barbara Chow

SUBJECT: DPC Weekly Report

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1. Crime/Guns – Senator Schumer’s Illegal Gun Report: This week, Senator Schumer will release his second “War between the States” report documenting the flow of illegal guns from states with weaker gun safety laws to states with stronger gun safety laws. This report shows that nearly one in four guns used in out-of-state crimes committed in 1999 were traced to four states, all of whom have relatively weak gun laws. Conversely, a high proportion of crime guns in states with tough gun laws, such as Massachusetts and New York, are traced to states with weaker laws.

As a general rule, most of the approximately 200,000 crime guns traced by ATF each year are recovered in their home states. Approximately 30,000 crime guns came from out-of-state in 1999. The four major source states include: Florida (2,065), Georgia, (1,945), Mississippi (1,788) and Texas (1,696). In addition, California (1,682) and Virginia (1,433) were also major contributors despite the fact that both have strong gun laws. However, California and Virginia have taken steps to address this problem, for example, both states have instituted one-gun per month laws.

2. Welfare – Minnesota Evaluation Results: This week, the Manpower Demonstration Research Corporation will release final results from Minnesota’s welfare reform waiver program showing dramatic impacts on increasing employment, reducing poverty, and strengthening families. The Minnesota Family Investment Program (MFIP) operated in seven urban and rural counties from 1994 to 1998. Participants were required to engage in work activities, but could also continue to receive some welfare benefits, until they passed an income cut-off. Over three years, MFIP increased employment of single parent welfare recipients by 35% and earnings by 23% compared to AFDC recipients, with a 68% increase in the percentage of families with above poverty income. Domestic abuse of mothers decreased by 18% and marriage rates increased, while children’s behavior and school performance improved. For two-parent families, MFIP had a dramatic 38% increase in the number of parents who remained married at the end of the three years. These results are embargoed until Wednesday.

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3. Healthcare – Bipartisan Prescription Drug Alliance: Today, Senator Ron Wyden joined Congressman Bill Thomas in announcing their intention to work together to develop a bipartisan Medicare drug benefit. Senator Wyden is one of very few Democrats to contemplate a private insurance, drug-only benefit. We do not believe that this partnership will achieve an agreement. The Senate and House Democratic leadership is furious with Senator Wyden and reportedly has received assurances from the Senator that he will not undermine the Democratic position on this issue. We believe the best course of action is to give this agreement as little public attention as possible.

Flipping to C. Burton

4. Healthcare – Patients Bill of Rights Update: On Thursday, Congressman Charlie Norwood publicly criticized the lack of progress in the PBOR Conference, while indicating his intention to push for alternative legislative vehicles to pass a strong patient protections bill. Norwood stated that he would pursue this course aggressively should the conferees fail to achieve a resolution in the first week Congress has returned from their Memorial Day Recess (June 6th). This action bolstered the Democratic conferees public criticism of the conference and set the stage to begin dual tracking work on this issue. Congressman Norwood's strategy is to work with Speaker Hastert to bring up a slightly modified bill early in the summer. If this strategy is pursued and it receives a strong vote in the House, Senate advocates may attempt to bring up the House passed bill and bypass the conference committee process altogether. It is doubtful that this strategy could prevail with such a hostile Senate, but an overwhelming favorable House vote could tip the balance.

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5. Families – Paid Leave for New Parents: The Department of Labor is ready to issue the final rule that will allow States to use their Unemployment Compensation (UC) program to provide paid leave to parents following the birth or adoption of a child. In order for states to voluntarily use their Unemployment Compensation program for such purposes, the state legislature must first pass legislation allowing their UC program to be extended to provide paid leave to new parents. Last year when you first raised this issue, there were only four states that were considering such proposals in their State legislatures. Today, there are 15 states that have such a proposal under consideration. The Massachusetts State Legislature is still in session (through July 31st) and is actively considering a bill to extend unemployment benefits to parents following the birth or adoption of a child. While other states will take this up in their next legislative session, Massachusetts is the only state that could possibly take advantage of this final rule this year.

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6. Families – Reauthorization of the Violence Against Women Act (VAWA): Last week, in U.S. v. Morrison, the Supreme Court invalidated the civil remedy provision in VAWA that allowed victims of gender-motivated violence to sue their attackers. Although the decision does not affect other provisions of VAWA, such as the federal criminal provisions and grants to law enforcement and battered women shelters, it has provided momentum for efforts to reauthorize VAWA. In addition, a report released last week by the Bureau of Justice Statistics demonstrated that domestic violence has declined since 1993 and that VAWA programs are working. In 1998, for example, women experienced 20.3% fewer violent offenses at the hands

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of an intimate partner than in 1993. In 1996, 1997, and 1998, intimate partners committed fewer murders than in any other years since 1976.

We have been working to ramp up the pressure for reauthorization and to signal that it is a top Administration priority. We are planning a White House event to highlight the need for reauthorization and the importance of the issue to the Vice President and the First Lady.

7. Philanthropy: Last week the American Association of Fund Raising Counsel Trust for Philanthropy, released their annual report on giving, "Giving USA 2000". The report indicated that since 1993 philanthropic giving has increased by \$1 trillion – more than the previous 25 years combined. Bruce Reed participated in a press conference with the Trust for Philanthropy to highlight the Administration's tax proposals.

00 MAY 12 10:24

THE WHITE HOUSE

WASHINGTON

May 12, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric LiuSUBJECT: DPC Weekly Report

1. Crime – Peace Officers Memorial. On Monday, you will speak at the Peace Officers Memorial at the Capitol. This annual event is sponsored by the Fraternal Order of Police to honor slain police officers. In 1999, 50 police officers were killed in the line of duty and 84 lost their lives in accidents. To highlight our support for improving officer safety, you will announce that: 1) the police vest program you signed into law in 1998 has helped states and localities purchase 92,500 armor vests to date; and 2) you will support legislation, proposed by Senators Leahy and Campbell, to extend the vest program through FY 2004 and double funding to \$50 million per year. This will be well-received by the FOP and the other major police organizations who fought for passage of the original vest bill sponsored by Leahy. In addition, we have been working with the Justice Department on a possible Presidential directive to create a "valor award" for public safety officers. We expect that the directive will be ready for your signature on Monday. Rep. McCollum has a bill to create a medal of valor, but the legislation has stalled in the Senate.

2. Guns – Follow up on Good Morning America. To clarify a few points that you raised in relation to Friday's Good Morning America forum, the Justice Department provided revised information showing that 14 of the 36 cities with populations of 100,000 or more that experienced an increase in crime in 1999 were located in Texas. Regarding the gun show issue, gun safety advocates believe that Governor Bush holds the same position as the NRA. Both Bush and the NRA purport to "support instant background checks at gun shows." But Bush has never expressed support for the Lautenberg gun show measure or its equivalent. Furthermore, gun safety advocates frequently accuse Bush of facilitating the defeat gun show legislation in Texas. Bush publicly announced his support for closing the gun show loophole only after the state bill failed.

3. Guns – Gun Legislation Compromise. On Friday, Chairman Henry Hyde sent a letter responding to yours and to Representative Conyers with a new compromise on stalled gun legislation. His latest offer appears to make some substantive concessions by agreeing to drop the provision to allow interstate shipments of firearms and to broaden his definition of "gun show" to cover more events. Hyde also appears open to clarifying the provision to allow law enforcement up to 3 business days to verify unofficial records (e.g., non-finalized restraining orders) which may lead to a prohibited purchase determination. While this suggests some progress, some outstanding concerns remain, including provisions which would hinder crime gun tracing at gun shows and require the immediate destruction of NICS records. Hyde's unwillingness to budge on the destruction of records runs counter to comments he made earlier this week to the Chicago Sun-Times where he was quoted as supportive of the compromise you proposed to destroy NICS records within 90 days instead of 180 days. Rep. Conyers plans to release a new counteroffer in the form of a Conference Report signed by all of the

Democratic Conferees. This counteroffer would need only three Republican signatures and Conyers will encourage Hyde to enlist the support of one more House Republican and Chairman Hatch to move the package. Conyers' counteroffer will be very similar to his previous proposal.

4. Education – Appropriations Update. On Thursday, subcommittees in both the House and Senate passed appropriation bills for Labor, Health and Human Services, and Education. Neither bill provides funding for your class size initiative, your teacher quality proposal, your school construction grant and loan fund, or your proposal to support smaller high schools. Neither bill provides sufficient investment in your accountability provisions, after-school, or GEAR UP. We issued a statement from you decrying Congress's misguided priorities and threatening a veto.

5. Families – Toy Safety. Today, the First Lady announced several Administration initiatives to improve the safety of consumer products, particularly those that can be harmful to children. The initiatives respond to recent reports about manufacturers who repeatedly violate the law by failing to warn the government promptly about defective products that have injured children. The First Lady highlighted a legislative proposal you have sent to Congress to stiffen penalties against violators. The legislation, sponsored by Senator Hollings and Representative Markey, would: 1) lift the cap on civil penalties assessed by the Consumer Product Safety Commission; 2) make criminal violations of consumer product safety laws a felony instead of a misdemeanor; and 3) give the CPSC authority to overrule the recall remedy proposed by a company if it is not in the public interest. The First Lady also announced a partnership between the CPSC and health care providers to increase reporting of dangerous products.

6. Health Care – Update on Home Health Care. You had asked whether and how we should respond to reports that reductions in home health care payments have decreased access to needed services. HHS is indeed beginning to recognize that there may be some real problems arising from the BBA 1997 home health payment changes, particularly in rural areas of the country. This is underscored by recent CBO data indicating that Medicare spending on home health care has dropped a startling 45 percent in the last two years – from \$17.5 billion in 1997 to \$9.7 billion in 1999. This decline, however, should be evaluated in the context of past overpayments and abuse in the early 1990s: the number of beneficiaries receiving home health care services increased by 11 percent during that time, while expenditures increased by more than 500 percent. Ultimately, we agree there may be a need to spend additional resources on home health care, but we believe any changes should be made as part of our ongoing review of payment changes for other providers. The promise of home health care payment restorations might also become necessary later to secure a broader agreement on Medicare reform that includes a new prescription drug benefit.

7. Welfare – Child-Only Caseloads. HHS recently released a report on child-only caseloads, including an in-depth analysis of three counties in California, Florida and Missouri. As you know, these cases include children who live with a non-parent caretaker (often a grandparent) or a parent who is ineligible for TANF (due to SSI receipt, immigration status, or adult sanctions) and not subject to work requirements and time limits. Between 1988 and 1996, child-only cases increased both in absolute terms and as a proportion of total cases – from 360,000 cases (11 percent of caseload) in 1988 to 968,000 cases (21 percent) in 1996. The HHS report attributes this rise to several factors, including: an increase in non-parental caregivers, increased use of SSI, use of adult-only sanctions beginning under the Family Support Act, and a greater number of non-qualified immigrants. Since the 1996 welfare reform law, and contrary to expectations, the number of child-only cases has declined – although less rapidly than overall caseloads. The most recent data show that child-only cases declined to about 724,000 in 1998, or 23 percent of the caseload.

THE WHITE HOUSE

WASHINGTON

April 14, 2000

4-19-00

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Guns – Smith & Wesson Agreement. Several weeks ago, Smith & Wesson posted a "clarification" document on their website that offers a narrow – and incorrect – interpretation of our agreement with them. As you know, the document gained attention this week when some in the press characterized it as a major retreat from the deal. In response HUD, Treasury, and Smith & Wesson yesterday released a joint statement reaffirming that the company is fully committed to meeting the terms of the pact. Our public approach thus far has been to emphasize that the terms are clear and speak for themselves, but also to downplay the appearance of a rift. We have pointed out that the company is coming under intense pressure from the industry simply for doing the right thing, that they will weather this storm, and that we are confident the agreement will stand and will be enforced as written.

2. Guns – New Hyde Compromise. On Wednesday, Chairman Hyde sent a letter asking you to support his latest gun compromise proposal. Unfortunately, the proposal is even weaker than one that Rep. Conyers rejected this fall; Conyers and Democratic leaders in both houses dismissed it as a ploy to create the appearance of good faith negotiation. The new Hyde proposal would weaken existing law and create new loopholes. In particular, it would: (1) limit the time for background checks from 72 to 24 hours when red flags are raised regarding felony indictments, some restraining orders and mental health records; (2) significantly weaken existing law on interstate shipment of firearms; (3) use a pinched definition of "gun show" that exempts events like urban flea markets; and (4) require the FBI to immediately destroy records from NICS background checks (instead of allowing the 180 days currently provided under law), thus limiting FBI's ability to guard against fraud and to help ensure enforcement of the Brady Law.

3. Guns – McCollum Project Exile Bill. This week, the House passed a bill (358-60) sponsored by Rep. McCollum that would create a national "Project Exile" grant program to provide \$100 million over five years. Senator DeWine has introduced companion legislation. We did not oppose the bill, but instead argued that it does not go far enough to strengthen gun enforcement. The bill provides only modest resources (\$10 million the first year, and nothing for federal prosecutors) and would cover only a maximum of seven states. By contrast, your \$280 million National Gun Enforcement Initiative would provide a significant and immediate increase for federal, state and local gun enforcement, more tools to expand gun tracing and ballistics testing, and support for cities to replicate programs like Project Exile and Operation Ceasefire.

4. Health Care – Update on Patients’ Bill of Rights. On Thursday, we met with Congressman Dingell and Senator Kennedy to discuss the disappointingly slow progress of the conference. We agreed to suggest to you the possibility of your hosting a meeting here with key conferees soon after the Easter recess to refocus public attention on the issue and to jump-start negotiations. On Friday, the conferees did reach agreement on the external appeals provisions of the legislation, thus clearing the way for serious discussion of the three major outstanding issues (scope of coverage, enforcement, and the potentially problematic tax and "access" provisions). While we are pleased with this development, we want to avoid overstating its importance so that we can keep the focus on the unresolved issues.

5. Health Care – Medicare Prescription Drugs. As you know, the House Republican leadership unveiled their prescription drug benefit this week. While they provided few details, it is clear they are choosing a private insurance, drug-only approach that is severely flawed. For one thing, insurers tell us privately that they would not participate in the GOP plan because of their concerns over adverse selection. As a consequence, the Republicans cannot even ensure that there would be a benefit for all beneficiaries. Moreover, the plan's absence of direct premium assistance for individuals with annual incomes over \$12,600 (150 percent of poverty) would almost certainly result in excessively high premiums. With one notable exception (AARP), the advocacy community has blasted the proposal as a phantom benefit. Democrats are united in opposition. The House Democratic leadership plans to further amplify their strong support for a Medicare drug benefit – and their criticism of the Republican proposal – in an event with you on April 26th that will be coordinated with Democratic events across the country.

6. Education – New York Summer School. You asked recently about the controversy surrounding New York City's summer school programs. There are two related issues: the first involves teacher salaries; the second, space in the programs. Mayor Giuliani has pitted himself against the United Federation of Teachers over salaries for summer school teachers. The UFT is insisting on higher base pay and signing bonuses of \$1,000-\$1,500 for all participating teachers, while Giuliani wants to institute merit pay of \$750 to \$2,500 based on student achievement. The UFT is unwilling to embrace merit pay and has taken a hard line as it prepares to renegotiate its contract, which expires in November. Interim Schools Chancellor Harold Levy, who has tried to mediate this dispute, also announced last week that he was cutting summer school enrollment from 322,000 students to 250,000 students because he could not recruit enough teachers. This means summer school would be available only for students who are to be held back a grade, and not for other students at risk of failing or who simply want to take an additional course.

7. Education – ESEA Activity. As you know, the House Education and Workforce Committee finished work on the remaining parts of the Elementary and Secondary Education Act they must reauthorize. The bill block grants after-school, Safe and Drug-Free Schools and technology programs, and it includes an ill-conceived initiative to allow districts to transfer funds between ESEA programs with no accountability. The bill also fails to include your proposal help states and communities modernize their schools. Meanwhile, Senator Lieberman held an unofficial "hearing" this week on his education bill, exacerbating tensions among Democratic senators. The Senate ESEA bill is expected on the floor the first week of May.

8. Education – Department of Education and Governor Bush. You asked about the congressional inquiry into a report at the Department of Education examining student achievement gains in Texas. On March 28, in an article examining Governor Bush's education record, the Baltimore Sun mentioned the existence of a Department of Education "analysis" of the test scores in Texas, which was negative and written under a pseudonym. Because the article was generally critical of Texas, the Vice President's campaign faxed it to reporters, bringing the existence of the alleged report to the attention of a wider audience. Initially, the Department denied the existence of the report. After some investigation, they determined that it did indeed exist but had been drafted by a researcher there, on personal time and without using any departmental resources. Thus while the situation is potentially a source of political attacks, no laws were broken. The researcher who drafted the report apparently has plans to publish it in an academic journal, which may well bring the controversy to the fore again.

9. Welfare – TANF Spending Report. State fiscal reports compiled by HHS show that for FY 1999, state spending increased slightly over FY 1998 even as caseloads continued to decline. Overall, states spent or obligated 94 percent of their combined FY 1997-1999 federal and state MOE funds, leaving \$2.85 billion unobligated. Though the absolute level of unobligated funds is comparable to last year's, we have not yet seen a repeat of last year's congressional attempts to raid the balances. As we would hope, spending on cash assistance has declined while spending on work activities and child care has increased. While it appears that some states are beginning to make significant investments to help people go to work and succeed on the job, it is too early to discern the full impact of the flexibility provided in your final TANF rule from last April. We will continue to urge states to invest in child care, transportation, job retention, and responsible fatherhood services. HHS has also provided us the latest welfare caseload data (through September 1999) showing that welfare rolls continue to drop nationally, with 37 states experiencing caseload declines over the last quarter. We will find an opportunity for you to announce the caseload data along with several related actions.

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10. Youth Violence – National Campaign Board Meeting. This week the National Campaign launched its City-by-City tour in Memphis, culminating with a town hall aired live on Discovery (you taped a video). Next Tuesday, Jeff Bleich will be appearing on the Today show with several of his Board members. Jeff will discuss new commitments by Board members, unveil two new PSAs, and announce an agreement by the broadcast networks, several cable channels, and AOL to form an advisory council to evaluate what the media can do to reduce violence. Following the Today appearance, the Campaign Board will have its first in-person meeting; we are working with Scheduling to find a time slot for you to call into the meeting. The Campaign has worked hard to secure the Board commitments and private sector investment, and your call could help push them to do even more.

11. Civil Rights – Religious Liberty Protection Act (RLPA). On Thursday, we joined with Public Liaison and the Counsel's Office to discuss RLPA with a number of local government groups (the National Association of Counties, National League of Cities, U.S. Conference of Mayors, and the National Association of Towns). These groups are opposed to RLPA because they view it as usurping local governments' authority, particularly in zoning. We suggested ways to address their concerns, but they were not interested in fixing the bill. Rather, their goal is to prevent the bill from coming to the floor at all. Senator Lott, meanwhile, has retreated from his earlier pledge to bring RLPA to a vote before the Easter recess, and there appears to be no date set for further action.

4-10-00

THE WHITE HOUSE

WASHINGTON

April 7, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Guns – Maryland. On Tuesday, you will travel to Annapolis, Maryland to highlight progress states are making to move forward on common sense gun measures and to join Gov. Glendenning as he signs new gun safety legislation into law. The new law will make Maryland the first state to require integrated child safety locks for all handguns by the year 2003 (the Smith and Wesson agreement requires internal locking devices within two years). The new law also includes a number of provisions similar to Administration proposals, such as: requiring ballistics fingerprinting for all new handguns; mandating safety courses for firearms purchasers; requiring the destruction of confiscated crime guns and used police service weapons or the transfer of those weapons to another law enforcement agency (a provision that mirrors current Federal policy); barring the most violent juvenile offenders from possessing firearms until age 30; and creating a new grant program to strengthen gun enforcement.

2. Guns – Colorado Referendum. On Wednesday, you will travel to Denver to join SAFE Colorado, Tom Mauser and Handgun Control for a rally in support of their voter-initiated state ballot initiative to close the gun show loophole. The rally will serve as a volunteer drive to help SAFE build the support they need to gather the 62,000 signatures required by August to put the language on the ballot this November. Signatures will not be collected at the rally because of delaying tactics by the gun lobby that could prevent SAFE from starting to collect them for as many as six weeks. SAFE initiated the referendum after the Colorado legislature failed to pass a bipartisan gun show bill spearheaded by Gov. Bill Owens. Similar to the Lautenberg gun show amendment, the Colorado referendum closes the gun show loophole by requiring background checks and recordkeeping for all purchases at gun shows and allowing law enforcement a full three business days to complete the checks.

3. Crime – Violent Crime Reduction Trust Fund. On Friday, the Vice President will ~~announce that the Administration will now support extension of the VCRTF for another five years. The VCRTF was first created in the 1994 Crime Act and is set to lapse at the end of FY 2000. The VCRTF carved out sums from the discretionary caps for anti-crime programs to fund federal law enforcement, state and local grants, and crime prevention activities. While the funding levels set for many of these programs have been disregarded by appropriators, many in the law enforcement community believe the establishment of the VCRTF helped to significantly increase funding for law enforcement, particularly at the state and local levels. However, when it came time to recommend renewal of the 1994 Crime Act programs, the Administration accepted the OMB recommendation not to renew the VCRTF, which they viewed as an unnecessary restriction on Presidential spending authority. This position was opposed by Sen. Biden and~~

national law enforcement organizations, who have urged you to reverse our position. Biden has made renewal of the VCRTF among his top priorities along with COPS reauthorization. Biden and the law enforcement groups will be very pleased with the announcement.

4. Tobacco – FDA Legislation. This week, bipartisan teams in both the House and Senate introduced legislation to grant the FDA authority to regulate tobacco products. Reps. Dingell, Ganske and Waxman offered a bill with 17 cosponsors. Sens. Harkin, Chafee and Graham introduced a similar version. The bills introduced this week both codify the 1996 FDA regulations. A recent poll conducted by the Campaign for Tobacco Free Kids shows that by a three to one margin (75 percent to 22 percent), voters want Congress to pass a bill that would give the FDA the authority to regulate tobacco products, including 61 percent who strongly favor congressional action.

5. Education – House ESEA Activity. The House Education and Workforce Committee began work on the remaining parts of the Elementary and Secondary Education Act that they must reauthorize. The markup was originally scheduled to wrap up on Wednesday, but by Thursday afternoon it became apparent that more time next week will be required and the mark-up was adjourned until Wednesday. The Chairman's mark block grants your after-school program, technology programs, and the Safe and Drug Free Schools program and contains none of your priorities including school modernization and class size reduction. It also includes a provision allowing for education funds to be transferred among programs with little accountability. Democratic amendments to include school modernization and increase funding for literacy were defeated on party-line votes. Rep. McCarthy attempted to add gun control amendments to the package, but they were ruled not to be germane. Chairman Goodling offered a substitute gun amendment to conduct a study of the effectiveness of child safety locks for firearms, which passed. The committee also passed a measure calling for the cessation of educational services for students caught carrying weapons to school.

6. Health Care – Medicare Prescription Drug Update. In the aftermath of your meeting with Sen. Daschle, the Robb-Daschle "Medicare drug benefit before tax cut" budget resolution amendment picked up six Republicans and 51 votes in an impressive showing that still fell short of the necessary 60 votes. On that same day, Sen. Gorton indicated his intention to introduce legislation designed to ensure that American consumers did not have to subsidize prescription drug prices in other parts of the world. This move shocked the drug industry at the same time it was trying to deal with new press reports of pharmaceutical manufacturers allegedly defrauding the Medicaid program by misinforming states of the discounts they were owed under current law. House Democrats are responding by attempting to develop a unified Democratic position on a Medicare drug benefit. The Senate Democrats seem closer to finalizing this process and could introduce a bill fairly similar to the Administration's initiative as early as next week. Congressional Democrats will ask you to participate in the unveiling of this legislation to emphasize party unity and their commitment to this issue.

7. Health Care – Update on TANF-Medicaid. On Friday, Secretary Shalala announced in a speech to the Robert Wood Johnson Foundation that HCFA is releasing an administrative directive to states to identify and automatically reenroll people who have inappropriately, and in many cases inadvertently, lost Medicaid coverage in the aftermath of welfare reform. This new requirement builds on the Federal financial and technical assistance we have provided to states after your NGA speech last August. The audits that you requested at that time are being finalized and will be released throughout the year. However, preliminary

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indications are that there continue to be enrollment problems, which vary from state to state. The HHS announcement Friday was supplemented by the release of a \$26 million RWJ grant for private sector advertising, marketing, and technical assistance to help states in better enrolling eligible populations.

8. Health Care – Update on ARKids First. HHS has concluded that it should deny Gov. Huckabee's request to allow parents to opt to enroll their children who are eligible for traditional Medicaid in the less generous, more expensive (premiums and copayments) ARKids Medicaid waiver program. HHS believes to do otherwise would be inconsistent with the Congressional intent of CHIP, which explicitly decrees that Medicaid eligibles should be enrolled in the traditional Medicaid program – not CHIP. Secretary Shalala also strongly believes it would be extremely difficult to verify that the program provided fully informed choice and did not – intentionally or otherwise – impose inappropriate and ill-advised financial burdens on poor families. In fact, as you know, there continue to be reports that ARKids has, at least periodically, failed at advising Medicaid eligibles of their option to access the traditional program and its more generous benefits. Finally, HHS argues that approving the Arkansas waiver request would make it virtually impossible to deny inevitable future requests by states to create similar programs for CHIP. Doing so would enable states to not only save money by enrolling children in less generous insurance coverage, but would also serve as a cost-shift to the Federal government by allowing states to access the enhanced Federal matching dollars that are only available for CHIP.

Arkansas has and will continue to vociferously complain that denying their request is the worst of federal paternalism since some parents in Arkansas would choose to keep their children uninsured rather than enroll them in Medicaid because of the strong welfare stigma. They will further argue that they have been working in good faith to eliminate barriers to Medicaid enrollment by developing a joint application for both programs, eliminating the requirement for an interview prior to enrollment, and applying the ARKids First label to both programs. While this is true, the state has yet to fully implement these improvements and has shown no willingness to eliminate the assets test for Medicaid children, leaving a significant barrier to enrollment. The decision not to approve the ARKids waiver will undoubtedly evoke a strong negative reaction from Gov. Huckabee and state advocates like Amy Rossi, who are committed to preserving this component of the ARKids program. However, we expect there will be strong support from Sen. Bumpers, Rep. Snyder, and Rep. Berry. Unless we advise the Department otherwise, HHS will announce its decision shortly after you travel to Arkansas on April 7th. If this decision goes forward, we will work to develop the best rollout possible.

9. Health Care – HHS Drug Report Release. On Monday, we are planning to release the HHS drug coverage and pricing report you requested last December. The report will document that seniors without drug coverage typically pay 15 percent more for the same prescription drugs as those with coverage. It also finds that the percent of Medicare beneficiaries without drug coverage are five times more likely not to be able to afford a needed drug than those with coverage. When this report is released, we will also acknowledge, with dismay, the difficulties of obtaining much more accurate and comprehensive pricing and discounting practices in today's market and call for a major conference on drug pricing practices this summer. This will enable us to continue to highlight the drug coverage and pricing issue during the year if the Congress has yet to make progress on providing for an affordable, accessible, Medicare prescription drug benefit.

10. Health Care – Update on Patients Bill of Rights. The Patients' Bill of Rights conferees continue to meet and are making extremely slow progress on important underlying issues, such as the appeals process included in the legislation. Since the conferees have yet to take up the three most controversial issues in the bill – who the legislation covers, how it is enforced, and whether and to what degree we include the Republican "access provisions" – we are becoming increasingly skeptical that this process will yield a bill in a timely or acceptable manner. We are taking our cues from Sen. Kennedy and Rep. Dingell, who are equally committed to doing everything possible to reach out to form an acceptable compromise. We are all evaluating options, however, on how best to pivot from the conference to an alternative legislative vehicle in the event that the conference fails to achieve agreement within the next month. Kennedy and Dingell appreciate the outside pressure we are maintaining, such as your comments in this week's radio address, which help keep this issue in play and make the Republican leadership pay a price for failing to act.

11. Health Care – Partial Birth Abortion. On Wednesday, the House passed the Partial Birth Abortion Ban Act with a veto-proof majority (287-141). The Senate, which passed similar legislation last fall, is two votes short of overriding your veto. Both the House and Senate bills lack a health exception, which you cited as your reason for vetoing the bill twice previously. Before the House considered the legislation you sent a letter to Rep. Hoyer expressing support for his alternative, which bans all late-terms abortions with exceptions for the life or health of the mother. The Rules Committee did not allow a vote on this alternative.

12. Internet Gambling. On Thursday, the House Judiciary Committee passed a bill sponsored by Rep. Goodlatte that purports to outlaw most forms of Internet gambling, but contains broad exemptions for closed-loop betting on parimutuel activities such as horse racing, dog racing, and jai alai. The Justice Department has several concerns with this bill, namely, that it will be inconsistent with other federal gambling laws, will permit types of gambling not permitted in the physical world, and has broad exemptions for parimutuel wagering without any policy justification. Goodlatte fended off several Democratic amendments by promising to work out acceptable language before the bill reached the House floor. Sen. Kyl's version passed the Senate last November. Concerns about states' rights and about regulating the Internet are guaranteed to resurface in any floor debate. We had hoped that Rep. Conyers would have offered a substitute that was very similar to a Department of Justice proposal, but the substitute was not offered. We will continue to work with Conyers and others to try to address some of the Department's concerns. The Department is also very concerned that this bill will pass the House on the suspension calendar.

13. Welfare – Federal Hiring. We are pleased to report that under the federal welfare to work hiring initiative led by the Vice President, the federal government has hired nearly ~~22,000 welfare recipients – more than double our goal to hire 10,000 individuals by the year~~ 2000. A large part of the recent increase is due to Census 2000 hiring, although we would have more than exceeded our goal even without any Census hiring. As you may recall, last August the Labor Department worked in partnership with Commerce to award a \$20 million Welfare-to-Work competitive grant to Goodwill Industries to help as many as 10,000 welfare recipients become Census enumerators and then move to permanent jobs.

THE WHITE HOUSE
WASHINGTON

March 31, 2000

4-4-00

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

Do all you can

1. Guns – Procurement. We are continuing to work with the Justice and Treasury Departments on a directive on federal firearms procurement. As we have noted, the rules governing procurement leave us very little flexibility to *restrict* purchases only to gun manufacturers who abide by a code of conduct, but they may allow us to *reward* such manufacturers in the bidding process. Justice and Treasury have reached out to their law enforcement bureaus as well as to national law enforcement organizations to assure them that if we do proceed in this area, we certainly would not compromise their ability to get the best weapons they need to accomplish their mission. Meanwhile, HUD today announced that another group of cities has signed a pledge to use their procurement policies to reward responsible manufacturers. The pledge does not have the force of law, and does not bind the federal government to any course of action. Finally, Attorneys General Spitzer and Blumenthal of New York and Connecticut announced this week that they are investigating whether some in the gun industry may be violating antitrust law by colluding to punish or boycott Smith and Wesson.

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Reed
Liu
Podesta*

2. Crime – New Study on Gun Storage. The April edition of the American Journal of Public Health will publish a UCLA-RAND study on firearms storage patterns in homes with children. The study found that 35 percent of homes with children under 18 (representing more than 22 million children in over 11 million homes) reported having at least one firearm. Among these homes, 43 percent had at least one unlocked firearm, and 13 percent – 1.4 million homes with 2.6 million children – stored guns in a manner accessible to children. The study, which underscores our emphasis on keeping guns out of the hands of children, was based on 1994 survey data from the National Center for Health Statistics.

3. Education – Bush Proposals. This week Governor Bush announced a series of policy initiatives on literacy and teacher quality. His literacy plan would require states to adopt an early diagnostics program to test the reading skills of kindergarten and first grade students in Title I schools, spend \$90 million annually on training for K-2 teachers in research-based reading instruction, and create a \$900 million intervention fund to help children learn to read through after-school and summer school programs. The proposal closely mimics your reading policy goals and your America Reads initiative, although Bush's accountability measures, including the withdrawal of federal funds as a sanction for persistent failure, go farther than our initiative does. Bush also proposed a \$400 million increase in funding for teacher quality and training, a small

tax break for teachers who purchase classroom material with their own money, and a \$30 million increase for Troops to Teachers. With the exception of the tax provision, Bush's teacher quality provisions are mainly smaller-scale versions of proposals you have made.

4. Families – Partial Birth Abortion. On Wednesday the House is scheduled to vote on "partial birth abortion" legislation by Representative Canady. The bill, like measures you have vetoed before, would ban the procedure without making an exception for the health of the woman. The bill could also be read to ban some second-trimester procedures, which would put it in conflict with *Roe v. Wade*. Representatives Hoyer and Greenwood may offer a substitute that bans only post-viability abortions and includes a health exception. When the House considered legislation on this issue in 1997, you sent a letter to Hoyer supporting his approach. We are preparing an identical letter now so that those voting against Canady's bill would feel they had something to vote *for*. As you may also know, the Solicitor General this week filed a Supreme Court amicus brief supporting a challenge to Nebraska's partial birth abortion statute. That case will be heard April 25.

5. Welfare – SSI Childhood Disability. You asked about a story published in *Esquire* on Marcus Stephens, a thirteen year-old Supplemental Security Income (SSI) recipient who lost his benefits and later died from a congenital heart defect. As you know, the welfare reform law revised the definition of childhood disability and required the Social Security Administration to review the claims of children whose SSI eligibility might be affected by the new definition. About 288,000 of the approximately 1 million children on the rolls at the time were subject to review. After all appeals, approximately 100,000 children lost eligibility. Marcus was one of those ruled ineligible – but SSA erred in his case. SSA says this tragedy was due to human error and not bad faith, and has paid retroactive benefits to Marcus's grandparents, who had been caring for him. In response to general concerns raised during the redetermination process, Commissioner Apfel directed a review which showed that SSA has done a good job overall of implementing the law. SSA will issue the final rule on implementation by year's end.

6. Welfare – WorkFirst. A recent evaluation of Washington state's WorkFirst program shows strong positive outcomes. The study compared AFDC recipients in the first quarter of 1996 to WorkFirst participants in the first quarter of 1998, and controlled for client characteristics and economic conditions. WorkFirst participants were 56 percent more likely to work, had 48 percent higher earnings, worked 34 percent more hours, and were 21 percent more likely to be off welfare by the fourth quarter. These findings reinforce Washington state's receipt of the high performance bonuses you announced last December, when the state received nearly \$11 million for being the nation's leader in job placement improvement and among the top ten states in improving job retention and earnings.

Ann O'Leary

THE WHITE HOUSE

WASHINGTON

February 25, 2000

THE PRESIDENT HAS SEEN
2-28-00

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

Copied
Reed
Liu
Podesta

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1. Crime – Diallo Case. As you know, a state jury in Albany today acquitted all four police officers involved in the shooting death of Amadou Diallo. Mary Jo White, the U.S. Attorney for the Southern District of New York, has announced that her office, in conjunction with the Civil Rights Division, will review all available evidence to determine whether there were any violations of federal criminal civil rights laws. For a number of reasons, it would be improper for the White House to offer an opinion on the verdict, and we have referred all inquiries to the Justice Department. You should also know that after the Abner Louima incident in 1997, the Civil Rights Division and the U.S. Attorneys in Manhattan and Brooklyn began a joint investigation of the NYPD to determine whether incidents of excessive force were the product of systemic problems. In the aftermath of the Diallo shooting, Justice expanded the investigation to include the NYPD Street Crimes Unit. The investigation is continuing.

2. Guns – Canada Exports. We wanted to clarify today's New York Times report that firearms exports to Canada have been suspended. In fact, the State Department has not suspended the processing of all export licenses requested by Canada, but has deferred certain cases for further review. As part of its regular monitoring of export license applications, State noticed Canadian requests for very large numbers of firearms and ammunition rounds. Although most were purportedly for government and law enforcement use, this surge of large export requests raised concerns, particularly in light of Canada's strict gun control laws. State brought the issue to the attention of Canadian officials, and the Canadians then put on hold, pending an audit, the issuance of orders for large amounts of guns and ammunition for non-governmental license applicants. The audit may take a few weeks to complete; in the meantime, governmental export licenses continue to be processed. This issue is mainly in State's export control bailiwick, but we are watching it because of its potential collateral impact on our interactions with the gun industry.

3. Youth Violence – White House Council. As you may remember, in October 1999 you established the White House Council on Youth Violence to ensure more effective policy and programmatic coordination across federal agencies. On Thursday, the Council held its first meeting, which included Secretary Summers, Attorney General Reno, Secretary Shalala, Secretary Herman and Deputy Education Secretary Holleman. The Council will coordinate cross-agency efforts like Safe Schools/Healthy Students, develop a citizen's information hub and produce reports for parents and others. We have also asked the Council to pursue your suggestion of developing a school resource guide on counseling and support systems for students.

4. Health Care – Update on Patients' Bill of Rights. Next Thursday, House and Senate conferees are scheduled to meet, and all reports indicate that very little progress has been made at the staff level. To keep the pressure on the conferees, you are scheduled to hold an event next week with doctors, nurses and patients to highlight the need for a strong piece of legislation.

5. Health Care – Release of State-by-State Report on Medicare. Next Tuesday, prior to your trip to Florida, we are planning to release a state-by-state report summarizing demographic and prescription drug trends in each of the 50 states. We are coordinating this release with congressional Democrats and are hoping to refocus public attention on the challenges the Medicare program faces. The release of this report will come on the heels of this week's Senate Finance Committee hearing on Medicare reform, where Bob Reischauer and Dave Walker both testified that your Medicare proposal represents true structural reform.

6. Health Care – Update on Medical Errors. Your medical errors initiative received strong support from the editorial boards of the New York Times and Washington Post, and there is a great deal of interest in Congress on the issue. We are now reaching out to AMA and AHA to search for some common ground. It is worth noting that both AMA and AHA support virtually every part of your initiative except for the mandatory reporting provisions. We hope that further meetings will lay the foundation for a reporting proposal we can all agree on.

7. Native Americans – Hearing on Budget Initiative. On February 23, the Senate Indian Affairs Committee, chaired by Senator Campbell, held a hearing on your FY2001 Native American budget initiative. The Departments of Commerce, Education, Health and Human Services, Housing and Urban Development, the Interior, and Justice testified. The Committee response was very positive, with Chairman Domenici in particular expressing support.

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6-26-00

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THE WHITE HOUSE
WASHINGTON

June 23, 2000

MEMORANDUM TO THE PRESIDENT

FROM: Bruce Reed *BR*
Barbara Chow *BC*

SUBJECT: DPC Weekly Report

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Ucelli
Currie*

1. Crime/Guns - - Smith and Wesson Agreement: This week, Rep. Hostettler introduced two amendments to the VA/HUD Appropriations bill aimed at undermining the Smith & Wesson Agreement. The first amendment would have restricted HUD from implementing any part of the Smith & Wesson Agreement, and failed by a vote of 206-219 with 54 Republicans voting against it and 42 Democrats voting in favor of the amendment. While a vote against the amendment can be interpreted as a vote in favor of the Administration's Smith & Wesson Agreement, many Republicans indicated that they voted against it because they felt it was inappropriate to raise the gun debate in the context of the VA/HUD bill. The second amendment would prohibit HUD from coordinating their "Communities for Safer Guns Coalition," which is a group of over 400 cities that have agreed to adopt firearms procurement policies providing preference to gun manufacturers that adopt codes of conduct. It passed by a vote of 218-207 with an equal number of Republicans and Democrats (44) crossing party lines. Rep. Hostettler has indicated that he will attempt to offer similar amendments to the Commerce, Justice, State and the Treasury Postal Appropriations bills.

2. Crime/Guns - - Gun Enforcement Funding: This week, the House began consideration of the Commerce, Justice, State Appropriations bill which seriously underfunds key components of your FY 2001 \$280 million National Gun Enforcement Initiative -- 1,000 state and local gun prosecutors, local anti-gun violence media campaigns and "smart gun" development. You issued a statement in support of a floor amendment that was offered by Rep. Lowey, Rep. McCarthy, Rep. Stabenow and Rep. DeLauro, to add \$150 million to hire 1,000 state and local gun prosecutors. Chairman Rogers struck down the amendment on a point of order.

3. Social Services Block Grant - - Shalala/Hill Event: Health and Human Services Secretary Donna Shalala participated in a Hill event Wednesday to highlight the importance of the Social Services Block Grant (SSBG) and the Administration's opposition to the substantial cut included in the FY 2001 Senate Labor, Health and Human Services and Education Appropriations bill. This block grant provides funds to the States and territories for a range of services to low income families and individuals, the elderly, the disabled, as well as work related services like employment assistance and child care. The Administration has proposed a funding level for

SSBG of \$1.775 billion, \$ 75 million above current funding. The House Labor/HHS bill provides a freeze, while the Senate Labor/HHS bill cuts SSBG to \$600 million. The event was bi-partisan and was hosted by Senator Bob Graham. At the event, United Way of America released its new report on SSBG which describes the far-reaching impact that this budget cut will have on individuals and families.

4. Education - - Labor/HHS/ED on Senate Floor: On Thursday, the Senate took up the Labor-HHS-Education appropriations bill. The Senate bill provides no funding for your key education priorities of school construction, fixing failing schools, class size, and teacher quality. In addition it underfunds your requests for after-school and the GEAR-UP program. Senate Democrats will introduce message amendments during floor debate for each of these priorities. Instead of individual programs, the Senate has included a \$3.1 billion Innovative Education Strategies block grant, which can be used for a wide range of educational programs, including class size reduction and school construction. This block grant will provide funds below your requested level with no guarantee that teachers will be hired and schools repaired.

5. Education - - Bush Education Proposals: In the past week, Governor George W. Bush has made three speeches that include new education proposals. As part of a speech on Americans with disabilities, Bush announced that he would work with Congress to increase funding for special education with the objective of meeting the 40% federal goal under the Individuals with Disabilities Education Act (IDEA). In another speech, Bush detailed proposals to use technology to close the achievement gap. His plan would roll all federal education technology programs into a \$3 billion block grant, and give priority for those funds to rural and urban high-poverty schools. Bush would also spend an additional \$80 million on research and technical assistance for effective uses of educational technology. Finally, in a speech on the importance of math and science education, Bush announced that he would: establish a Math and Science Partnership Fund of \$1 billion over five years to partner universities and K-12 schools to strengthen math and science education; raise the maximum Pell grant by \$1,000 for students who take AP math and science level courses in high school; and increase the amount of student loans that can be forgiven from \$5,000 to \$17,500 for science, math, technology and engineering majors and minors who commit to teach in a high need school for at least five years.

6. Safety of Children's Products - - Kids in Danger: Last week you met the founders of Kids in Danger, an organization dedicated to protecting children from unsafe products. Linda Ginzel and Boaz Keysar founded the group after their young son was killed when his crib collapsed and strangled him. They later discovered the crib had been recalled years earlier, but was still being used by his day care center. This is just one example of injuries to children caused by products that are still being used by parents and caregivers who are unaware of recalls. DPC staff have followed up with Kids in Danger and have met with the Consumer Products Safety Commission (CPSC) to discuss some possible executive actions to address unsafe children's products. In May, the First Lady announced Administration proposals to strengthen the penalty authority of the CPSC to ensure that companies promptly report defective products.

7. Tobacco - - Federal Litigation: On Monday, the House voted 197-208 against the Waxman amendment in the VA/HUD appropriations bill. This amendment would have allowed the VA to transfer \$4 million to Justice to support the tobacco lawsuit. The next day, the House reversed

this position and accepted a slightly modified version by voice vote. Today, the House agreed by a vote of 215 to 183, to another Waxman amendment on the Commerce/State/Justice bill which will allow Justice to accept funds from the Department of Veterans Affairs (VA) and other agencies to fund the lawsuit. Special protection for tobacco has not been tested in a vote before the House in this way and the CJS vote will serve as an important bellweather for future votes. This week's congressional action was accompanied by a high degree of press activity. You have issued several written statements commenting on House actions and called upon the House to pass the Waxman amendment prior to today's vote. Earlier in the week, the Attorney General, OMB Director Lew and Deputy VA Secretary Hershel Gober joined House members (led by Congressman Waxman), veterans and public health groups to support the tobacco lawsuit.

8. Health Update - - Juvenile Diabetes: Last week, the New England Journal of Medicine reported that researchers at the University of Alberta had successfully transplanted insulin producing cells into seven individuals with Type I diabetes, effectively curing them of the disease. These preliminary findings, if successfully replicated, indicate that this new intervention may produce a cure for juvenile diabetes. NIH is ready to announce that they are investing \$5 million in 10 research centers to attempt to replicate these results in an additional 40 patients. We are considering doing an event that highlights this investment, as well as a new \$300 million mandatory funding increase (over five years) for diabetes research and prevention, that is included in the upcoming mid-session review. This funding would supplement NIH research and extend the funding stream that you signed into law in the Balanced Budget Act of 1997.

C. E. Miller
Bowles
Loreta Ucelli
Gard

9. Healthcare - - Medicare Prescription Drugs: On Thursday night, the Senate Democrats, led by Senator Robb and Senator Graham, offered the Graham Medicare prescription drug legislation as an amendment to the Labor HHS Appropriations Bill. The amendment picked up all the Democrats (except Senator Breaux) and two Republicans, Senator Chafee and Senator Fitzgerald. This legislation includes a \$37 premium, a \$250 deductible, and a \$4,000 stop loss catastrophic protection provision and may serve as a foundation for a broader bipartisan agreement. It provides for a true Medicare fee-for-service benefit that is well crafted except for its multiple pharmacy benefit manager (PBM) provision. There is debate amongst the economic and health policy community as to the best approach, and the multiple PBM mechanism is much more appealing and less threatening to the pharmaceutical industry. It is becoming more apparent that a Graham-like model would be acceptable to many in the biotech community if administered outside of the Health Care Financing Administration. Although a Medicare prescription drug benefit is still a long shot, there is a possibility that something may emerge out of the Senate.

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Bowles
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Currie

cc:
BMC

→
C. E. Miller
Loreta Ucelli
Gard