

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

30-Sep-1996 11:58am

TO: Martha Foley

FROM: Charles E. Kieffer
 Office of Mgmt and Budget, LA

SUBJECT: OCA

The Office of Cosumer Affairs got \$1.5 million. In the FY 1997 VA/HUD bill, there is \$200,000 in GSA Consumer Information to do the Consumer Resource Handbook, a function now carried out by OCA. So, on a comparble basis, OCA activities are funded at \$1.7 million, \$.1 million below the request and FY 1996.

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E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

27-Dec-1996 02:22pm

TO: Carol H. Rasco
TO: Elizabeth E. Drye

FROM: Pauline M. Abernathy
National Economic Council

CC: Claudia M. Rayford-Williams

SUBJECT: USDA human nutrition initiative update

OMB staff inform me that the USDA human nutrition initiative that we were contacted about was funded at \$6-\$10 million in FY98 (USDA had requested only \$6 m) rising up to \$53 million in FY2002. This is a big win for the project, but I fear that USDA may have led some to believe they were requesting the full \$53 m in FY98. Its supporters ought to be pleased that it was funded at all.

Let me know what if any follow-up you recommend.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

24-Nov-1996 08:38pm

TO: Carol H. Rasco

FROM: Diana M. Fortuna
Domestic Policy Council

CC: Jeremy D. Benami
Elizabeth E. Drye
Molly Brostrom

SUBJECT: My issues in the budget

Here is a quick update on the fate of my programs in the iteration of the President's '98 budget that OMB is now working on. Pretty acceptable news, so far.

1. Special ed: OMB proposes no increase. I think this is fine because of last year's phenomenal, last-minute increase of 25%, from \$3.2 billion to \$4 billion. The Department requested a 5-6% increase that would presumably keep up with enrollment and inflation, and they will object to holding it flat. They will say that we need to keep moving toward paying a higher percentage of school district costs. But last year's increase was so incredible that the system probably needs time to absorb it. So I think flat is fine. Let me know if you disagree.

2. Immunization: Pauline was planning to follow up on this and I think she will be sending you a note, but: OMB wants to cut Section 317 immunization funding. (This is the discretionary part of vaccine funding, that goes to clinics, vs. VFC itself, which is mandatory.)

OMB says this is appropriate because the price of some vaccines has gone down, because they have a plan to suspend a vaccine excise tax that CDC is now paying, and because they say we are meeting our immunization goals. I asked them to make sure that, adjusting for the technical items like price changes, our overall vaccine effort would not go down, including both Section 317 and VFC. They are checking.

3. A number of other small items we care about are being held flat -- protection and advocacy, ADD funding. I think this is fine.

4. SSA's administrative budget was being held flat. Molly and Jeremy were going to follow up with OMB on whether this was advisable given all the burdens and backlogs SSA has.

On other programs: WIC would increase substantially, from 3.7 billion to 4.1 billion. The School to Work project is held flat, which according to Ken is what the Department wants and everyone is expecting. I think someone else on the DPC staff was going to follow up with you about the proposal to zero out Healthy Start funding.

No news yet on mandatories, such as the VR program. I just heard from Barry White, though, that OMB is considering whether the SSA employment initiative I am refining would allow OMB to justify cutting back a bit on VR. Not exactly what I intended, and it will justify the paranoia that RSA has about Susan Daniels' plan but, given the mediocre performance of VR, I think it is a legitimate thing to consider. More to come on that.

The meetings held by Nancy-Ann and Ken were very helpful, by the way. I understand they were Raines' idea.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

25-Nov-1996 09:27am

TO: Carol H. Rasco

FROM: Claudia M. Rayford-Williams
Domestic Policy Council

CC: Jeremy D. Benami
CC: Elizabeth E. Drye
CC: Jeanine D. Smartt
CC: Lyndell Hogan

SUBJECT: RE: December 13: Arkansas Collaborative

Regarding the Arkansas Collaborative meeting on Dec. 13th:

I have spoken to Betty Guhman. She has 12 people at the moment, but plans to cut it to 10, since this is the # you suggested.

I'm confirming our previous request for the Roosevelt Rm today.

I have asked Betty for materials a # of times & told her we need it so that staff can plan an appropriate agenda/program. She first indicated she would get it here on the 9th. I pushed her to the 2nd of December, & she said that is the earliest she'd be able to get it here.

I have been working with Ann McCoy (at Robyn Dickey's suggestion) on the tour. She has informed me that the best she could do would be to put this group with the OPL special group tours that occurring between 1pm & 3pm on the 13th. She wondered if that was o.k. with us. Betty is happy. If you think it is fine, I'll confirm with Ann.

The box lunches have not yet been ordered through the mess. I'll do that today/tomorrow.

That's the update. Who will be choosing the appropriate OMB, NPR, DPC, First Lady's office & other federal government folks?

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21-Nov-1996 03:14pm

TO: Carol H. Rasco
FROM: Molly Brostrom
Domestic Policy Council
CC: Jeremy D. Benami
CC: Elizabeth E. Drye
SUBJECT: budget flags

TO: CHR
CC: JBA, ED
FR: MBB

I want to give you a heads up on some of the budget flags in my areas. I'm not sure how to react to many of them -- the proposals aren't ideal and won't be received happily, but I'm not sure how to assess in horrific budget environment. I raise them mostly as FYIs, but also for any thoughts on whether or not to pursue with OMB.

(OMB proposal followed by my comments)

- ? VA. 5% reduction, including in medical care; \$300 million addback needed to avoid closing hospitals

On one hand, why take the political heat when it seems inevitable what the outcome will be? On the other, if we are serious about balanced budget, cuts will have to come somewhere...

Passing back a 5% cut seems to be asking for trouble with Sec. Brown; with significant prep from WH officials, Brown could perhaps be persuaded to live with a flat-line. POTUS decision eventually I assume.

- ? HUD. Very grim. In public and assisted housing, are considering another reinvention proposal that would block grant the funding to states and localities -- yes, seemingly the same reinvention that we got skewered by the outside world for in 95. But the alternative of keeping the programs the same has very ugly cut options for reaching their target -- e.g. reducing elderly stock by 1/2, raising the rent contribution from 30 to 31%, freezing public housing subsidies. Raines reportedly favors the block granting; OMB has said they will work with us in developing

the proposal.

5% cut to community and economic development programs.

Homeless assistance fund would remain at 97 level of \$823 million (we'd hoped for an increase back to \$1.12 level of 95; but in BB environment, I think have to be happy with level funding). HOPWA at FY 97 enacted level; with \$19 million possible addback (I let Jeff know).

? Substance Abuse/SAMSHA. FY 97 \$2.135B, FY 98 proposal \$2.131; \$20 million possible addback.

SAMSHA ended up receiving \$37M more than we requested in 97-

- \$100M over 96, so they're doing pretty well. The proposal includes the \$50 M that was authorized along with the SSI DA&A changes, and OMB is planning to stipulate that it all be used for treatment. SAMSHA funds, as you know, go to states in a block grant, with some set-asides (e.g. percentage for prevention, treatment, etc.).

This funding may slightly help address concerns about the need for increased s.a. treatment given SSI and welfare reform changes. But I'm not sure how much of this funding gets to the populations primarily affected by these changes. Homeless advocates say that state programs don't generally reach out to the homeless. They are concerned about need for more treatment dollars for homeless/those impacted by SSI.

- ? SCSEP (Senior Community Service Employment Program--Title V of Older Americans Act). 5% reduction (\$463/440 million to \$413M). \$27 million possible addback which would allow program to continue at current service levels.

In reauthorization and budget debates, we have opposed changes and cuts to program. Advocacy groups (NCSC in particular) strongly support. Congress gave \$100 million extra to the program in FY 97. Ken leaning toward addback; is aware of OPL and our past support.

- ? TEFAP. Zero out; possible \$40M addback. (\$90M in FY 97)

USDA Food and Consumer Service program. TEFAP consists of: 1) commodity purchases (into which commodity purchases for soup kitchens has been folded; and 2) Administrative funds for Food Banks.

Welfare reform included a \$100 million pot of mandatory spending for commodity purchases (a Rep. Emerson proposal that we initially proposed based on argument that takes away from Food Stamps; as he became sick, became non-negotiable). Thus, in FY 97, TEFAP essentially received \$190M in total funding (\$100 M mandatory, \$90 M discretionary).

Proposal would zero out TEFAP funding, and include appropriations language that would require that \$40 million of new \$100M commodity pot be used for Food Bank administration. OR, would addback \$40M for administration. OMB argument: every dollar add back reduces what's available for Food Stamps.

OMB (Stacey Dean) doesn't think the appropriators will oppose cut (on behalf of now deceased Rep. Emerson).

Over the past few years, the Administration has been reducing TEFAP as private contributions have gone up.

? SSA. 5% reduction.

Given all of changes SSA trying to deal with, likely to increase processing times, backlogs. FR apparently believes will force innovation.

I hope this isn't too much information with few recommendations, but I wanted to get this background around before I head off (to CA for my sister's wedding). I'll be back Monday if there are questions, follow up I can do then.