RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Pauline_Abernathy (Pauline_Abernathy@ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:18-JUN-1997 14:42:00.00

SUBJECT: Re: draft one-pager

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:

Looks fine to me.

______________________________ Reply Separator

____

Subject: draft one-pager

Author: Robert_M._Shireman@oa.eop.gov at Internet

Date: 6/18/97 10:31 AM

Message Creation Date was at 18-JUN-1997 10:31:00

any thoughts?

Background on Chairman Roth !,s Tax Plan

June 17, 1997

The Clinton Administration !,s goal is to increase the amount of tax relief

going into the pockets of working families. Chairman Roth !,s plan strays from

that goal. It provides too little tax relief for working families in

order to

provide unnecessary tax cuts to those who least need them:

! ' Two thirds of the tax cut in the Roth plan go to twenty percent of

families

with the highest incomes.

! ' By contrast, sixty percent of families, families in the middle and

below,

would receive less than fifteen percent of the Roth tax cut.

! ' Just like the Archer plan, the top one percent !,s share of the tax cut

is

larger than the share going to the bottom sixty percent of families.

Completely Denies the Child Tax Credit to 4 Million Working Families.

Under

the Roth plan, the child tax credit is figured only after the earned

income tax

credit is taken against a family !,s tax bill. Unlike even the Republican

1995

budget, it is specifically designed in a way to deny the credit to 4

million

families. For example: A family of four with two children and $25,000 of income would receive no child tax relief under the Roth plan, despite the fact that this family pays over $1,900 a year in federal payroll taxes. The President strongly believes these hardworking families deserve a tax cut to help them raise their kids too. Under the President !,s plan, this family would get $1,000 -- just as much as a family earning twice that much. The President favors a refundable tax credit, indexed for inflation, that better targets low and middle income families and which, when phased in, will cover children under age 18.

Fails to honor the budget agreement !,s $35 billion commitment to higher education. As part of the budget agreement, the Republicans in Congress agreed to tax relief of roughly $35 billion consistent with the President !,s tax credit and deduction for postsecondary tuition and fees. The Roth plan falls short in both the size of the education investment and its design. It includes just $20 billion of the President !,s education tax cuts as envisioned in the budget agreement. The absence of the President !,s deduction would mean that working

Americans pursuing lifelong learning would not get this tax cut.

We !,re pleased that a version of the President !,s HOPE scholarship is included and that the Senate Republican version improves on the House Republican version. The House version of the Hope scholarship is very unfair to community college students. Under the House bill, a student from a working family who goes to a community college with a $1,200 tuition would receive a $600 HOPE scholarship. Under the Senate Republican bill, that same student would receive a $900 scholarship. While this is a step in the right direction, it is still below the full $1,200 the student would receive under the President !,s proposal.

Ignores pledge to seek to include the President !,s Welfare-to-Work tax credit and expansion of Empowerment Zones and Enterprise Communities. The Roth plan does include a scaled down version of the President !,s brownfield initiative, which as U.S. Conference of Mayors !, President Mayor Richard Daley has written, !&joins together the need for sound enivonmental policy and job creation. !

Roth plan does exclude some of the more egregious provisions in the Archer

plan:

1) Excludes the component of the Archer child credit that, by reducing

their

tax cut, penalizes 6 million families who pay for child care.

2) No indexing of capital gains, which would explode in cost down the

road.

3) Does not gut the corporate alternative minimum tax.=================== ATTACHMENT 1
===================

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IK822WDU74003TX1@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Wed,

18 Jun 1997 15:54:11 -0500 (EST)
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IK822V3R8W003Z0B@PMDF.EOP.GOV> for Robert_M._Shireman@oa.eop.gov; Wed,
18 Jun 1997 15:54:09 -0500 (EST)
Received: from vader.ed.gov by gatekeeper.eop.gov;
(5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA23695; Wed, 18 Jun 1997 15:54:05 -0400

Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.217.37])
by vader.ed.gov (8.8.5/8.8.4) with SMTP id PAA21799 for
<Robert_M._Shireman@oa.eop.gov>; Wed, 18 Jun 1997 15:52:36 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov (IMA Internet Exchange 1.04b)
id 3a83c140; Wed, 18 Jun 1997 15:50:44 -0400
Content-description: cc:Mail note part
================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: tombutts (tombutts@umich.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:18-JUN-1997 13:19:00.00

SUBJECT: Hope Scholarship proposals

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
>X-Priority: 3

>Date: Tue, 17 Jun 1997 18:05:16 -0400

>Reply-To: NASULGC Council on Governmental Affairs <CGA-NEWS@UMDD.UMD.EDU>

>Sender: NASULGC Council on Governmental Affairs <CGA-NEWS@UMDD.UMD.EDU>

>From: "Van Eyck, Laila" <VanEyckL@NASULGC.NCHE.EDU>

>Subject: Hope Scholarship proposals

>To: CGA-NEWS@UMDD.UMD.EDU

>

>MEMORANDUM

>

>TO: CGA

>FROM: Jerry Roschwalb

>We have received the following memo from our colleagues at AASCU

>regarding the tax proposals and thought you would be interested in

>seeing it.

>

>---

>URGENT ALERT - ACTION

>

>TO: AASCU Council of State Representatives

>

>FROM: Ed Elmendorf/Barmak Nassirian

>

>SUBJECTS:

>

>1.MAKE HOPE SCHOLARSHIPS REFUNDABLE

>

>2.STUDENTS IN STATE UNIVERSITIES ARE NOT DISCRIMINATED AGAINST IN TERMS

>OF ELIGIBILITY FOR HOPE SCHOLARSHIPS

>

>DATE: June 17, 1997

>

>IMMEDIATE ACTION NEEDED TO ENSURE THAT STUDENTS FROM LOWER INCOME

>FAMILIES ALSO RECEIVE HOPE SCHOLARSHIPS.

>MESSAGE: ALL AASCU MEMBERS WITH SENATORS ON THE FINANCE COMMITTEE

>SHOULD CALL TODAY AND ASK THAT THEIR SENATORS SUPPORT MAKING HOPE

>SCHOLARSHIPS REFUNDABLE.

>Background:

>President Clinton originally proposed a REFUNDABLE "Hope Scholarship"

>program to provide for up to $1,500 in tax credits for the first two

>years of college. In its FY 1998 Budget Request, however, the

>Administration changed Hope Scholarships into a NON-REFUNDABLE tax

>credit.

>The effect of this change is that the amount of a family's tax liability

>determines their maximum eligibility for Hope. Therefore, low-income

>families with no tax liability would get no Hope Scholarships, and those

>with minimal tax liability would benefit very little from the billions

>of dollars in tax benefits.

>UPDATE:

>A bipartisan consensus is emerging in the Senate to make Hope
>Scholarships refundable, so as to allow the program to provide
>educational benefits to the neediest families. An amendment for this
>purpose may be offered when the Senate Finance Committee takes up its
>tax bill.

>WHAT IS NEEDED:

>One or both of your Senators is a member of the Finance Committee (list
>provided below), PLEASE CALL THEM TODAY. Ask to speak with their
>Education staffer, and request the Senator's support for making Hope
>Scholarships refundable. Explain that federal dollars will make the
>greatest difference for precisely those families who would be denied
>eligibility for Hope as proposed. We have provided statistics for all
>states that show what percentage of families would receive no Hope
>Scholarships, and what percentage would receive less than $1,500 because
>of non-refundability.

>PLEASE CITE YOUR STATE's STATISTICS IN YOUR PHONE CALL.

>Members of the Senate Finance Committee: Republicans: William Roth (DE),
>John Chafee (RI),Charles Grassley (IA), Orrin Hatch (UT), Alfonse
>M.D'Amato (NY) Don Nickels(OK), Phil Gramm(TX), Trent Lott (MS), James
>Jeffords (VT). Connie Mack (FL)

>Democrats: Daniel Patrick Moynihan (NY) Max Baucus MT) John Breaux (LA),
>Kent Conrad(ND), Bob Graham (FL) Carol Mosley-Braun (IL), Richard Bryan
>(NV), Bob Kerry (NE)

> Families w/ Children

> No Tax Liability Less than $1,500

>

> (Hope=0) in tax liability

>Alabama 36.4% 49.0%

>Alaska 22.6% 34.5%

>Arizona 35.9% 50.5%

>Arkansas 35.3% 54.1%

>California 33.7% 46.1%

>Colorado 20.4% 34.1%

>Connecticut 22.5% 32.1%

>Delaware 25.1% 40.2%

>Dist. of Col. 48.8% 61.7%

>Florida 34.3% 48.0%

>Georgia 28.1% 42.5%

>Hawaii 22.3% 34.4%

>Idaho 30.0% 44.1%

>Illinois 28.1% 39.3%

>Indiana 30.4% 46.9%

>Iowa 23.9% 39.1%

>Kansas 26.5% 42.7%

>Kentucky 35.9% 51.9%

>Louisiana 41.9% 53.3%

>Maine 27.0% 41.3%

>Maryland 20.8% 33.3%

>Massachusetts 23.1% 33.8%

>Michigan 28.1% 39.9%

>Minnesota 21.3% 32.5%

>Mississippi 44.0% 56.2%

>Missouri 31.5% 46.0%

>Montana 29.4% 45.9%

>Nebraska 21.8% 36.9%

>Nevada 24.5% 37.9%

>New Hampshire 20.4% 33.7%

>New Jersey 19.6% 29.5%

>New Mexico 39.6% 54.1%

>New York 32.4% 44.4%

>North Carolina 31.2% 45.1%

>North Dakota 24.3% 40.1%

>Ohio 28.0% 40.1%

>Oklahoma 35.2% 49.6%

>Oregon 27.1% 44.5%

>Pennsylvania 25.8% 38.0%

>Rhode Island 28.6% 42.5%

>South Carolina 38.1% 50.9%

>South Dakota 31.5% 44.0%

>Tennessee 31.1% 48.9%

>Texas 35.4% 49.0%

>Utah 19.8% 36.2%

>Vermont 22.8% 38.3%

>Virginia 23.6% 39.9%

>Washington 26.5% 38.2%

>West Virginia 39.4% 55.0%

>Wisconsin 23.9% 34.0%

>Wyoming 25.8% 38.9%

>

>(Source: Center on Budget and Policy Priorities)Please share this alert

>with others and

>make them aware of the need for quick action,

>

>2) STUDENTS IN STATE UNIVERSITIES SHOULD NOT BE DISCRIMINATED AGAINST IN

>TERMS OF ELIGIBILITY FOR HOPE SCHOLARSHIPS

>

>IMMEDIATE ACTION NEEDED TO ENSURE THAT STUDENTS IN STATE UNIVERSITIES

>ARE NOT DISCRIMINATED AGAINST IN TERMS OF ELIGIBILITY FOR HOPE

>SCHOLARSHIPS.

>

>MESSAGE: ALL AASCU MEMBERS SHOULD CALL AND URGE THAT THEIR SENATORS

>CORRECT THE FORMULA FOR HOPE SCHOLARSHIPS CONTAINED IN THE SENATE

>FINANCE COMMITTEE CHAIRMAN'S MARK.

>

>Background

>Earlier today we sent you an urgent message asking for your immediate

>action on refundability of Hope Scholarships. THAT MESSAGE IS STILL IN

>EFFECT.

>

>We have just learned that the Senate Finance Committee will unveil a

>convoluted formula for determining eligibility for Hope Scholarships

>that IS DESIGNED TO DISCRIMINATE AGAINST STUDENTS ATTENDING PUBLIC

>4-YEAR COLLEGES AND UNIVERSITIES.

>

>Specifically, the Finance Committee version will limit the amount of

>"out-of-pocket" tuition expenses to 75% of such expenses for COMMUNITY

>COLLEGE students, and 50% for students in PUBLIC, FOUR-YEAR INSTITUTIONS

>(up to a maximum of $1,500 for all students). This will effectively

>guarantee that students at state colleges and universities will receive

>lower awards than students at community colleges and at private

>institutions.

>

>Keep in mind that this 50% limitation WILL AFFECT EVERY PUBLIC

>INSTITUTION, EVEN THOSE WITH TUITION AND FEES THAT EXCEED $3,000. This

>is because even at more expensive public institutions, the amount of

>grant aid brings "out-of-pocket" expenses to below $3,000 for a

>significant number of aid recipients, who will then see their Hope

>Scholarships sharply reduced by the 50% limitation.

>

>UPDATED MESSAGE

>We ask that even if you have already called about refundability, PLEASE

>take the time to call again and protest this discriminatory provision.

>We rarely ask you to do this, but this issue is grave enough that we

>strongly urge you to make a second call.

>

>PLEASE keep in mind that our EARLIER MESSAGE ON REFUNDABILITY SHOULD

>STILL BE UNEQUIVOCALLY COMMUNICATED.

>

>If you still haven't called, please do so, and deliver both messages.

>

Thomas A. Butts

Associate Vice President for University Relations

University of Michigan

202-554-0578, FAX 202-554-0582, tombutts@umich=================== ATTACHMENT 1
===================

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IK7YYC29XS003YB7@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Wed,

18 Jun 1997 14:25:01 -0500 (EST)
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IK7YYBAOHS003NHF@PMDF.EOP.GOV> for Robert_M._Shireman@oa.eop.gov; Wed,
18 Jun 1997 14:24:59 -0500 (EST)
Received: from mothra.rs.itd.umich.edu by gatekeeper.eop.gov;
(5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA31415; Wed, 18 Jun 1997 14:24:47 -0400

Received: from [192.195.231.202] by mothra.rs.itd.umich.edu (8.8.5/2.2)
id OAA11900; Wed, 18 Jun 1997 14:24:38 -0400 (EDT)
X-Sender: tombutts@t.imap.itd.umich.edu
================= END ATTACHMENT 1 =================

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2017-1075-F

Bucket: Default

Creation Date: 1997-06-20

Subject: Update on Senate Finance Co

Creator: tombutts tombutts@umich.edu@INET@LNGTWY [UNKNOWN]

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Robert Clayton (CN=Robert Clayton/OU=EDUC/O=GOV [UNKNOWN])

CREATION DATE/TIME:25-JUN-1997 17:09:30.00

SUBJECT: Education's Weekly Report for June 29-July 5

TO: Cabinet Affairs (Cabinet Affairs [UNKNOWN])
READ:UNKNOWN

TEXT:
June 25, 1997

MEMORANDUM FOR ERSKINE BOWLES, THE WHITE HOUSE

FROM: Richard W. Riley

SUBJECT: Weekly Report for June 29-July 5

KEY DEPARTMENT NEWS

Mayors Support Call to Action: The U.S. Conference of Mayors on June 24 passed a resolution, proposed by Mayor Menino, Mayor Daley and others, in support of your Call to Action for American Education. The resolution specifically mentioned the importance of adopting tough academic standards in schools and specifically encouraged the expansion of Title I and school-to-career programs. Your school construction and renovation initiative, technology and reading initiatives and increased funding for after-school programs were also specifically mentioned in the resolution.

Press Conference on Tax Proposals: Secretary Riley may join Secretary Rubin and Minority Leader Gephardt at a press conference on the pending tax bill as it relates to the Administration ,s higher education tax proposals.

Remedial Instruction in Religious Schools: In a 5-4 decision on June 23, the Supreme Court ruled that it does not violate the Establishment Clause of the First Amendment for Title I remedial instruction to be provided by public school employees on religious school campuses. The Court reversed the 2nd Circuit decision in Agostini v. Felton and overturned its 1985 decision in this same case. Under the previous decision, New York City, a party to the case, was providing instruction in portable classrooms near the school buildings at an additional cost of several million dollars per year. DOJ filed a brief on behalf of DOEd arguing that on-campus instruction should be allowed.

DC Special Education Compliance Hearing: DOEd ,s Office of Special Education Programs (OSEP) conducted two public hearings June 18 to determine whether DOEd should enter into a compliance agreement with the District of Columbia Public Schools (DCPS). A DCPS official addressed barriers to immediate compliance with Part B of the Individuals with Disabilities Education Act (IDEA) and suggested approaches to ensuring compliance as quickly as possible. Community members and service providers also spoke at the hearings.

Ireland Trip: Secretary Riley will visit Ireland from June 26 to July 5. He will address the Irish Fulbright Alumni Association on June 28 about the Fulbright Scholarship program, your education agenda and DOEd initiatives; and a policy forum organized by Ambassador Jean Kennedy Smith on June 30. He will be on personal travel from July 1-5.

California Democrats Meeting: Secretary Riley will discuss education issues of interest to the California Democratic delegation at their July 9 monthly luncheon.

House Education Caucus: Secretary Riley will speak to the newly formed group, which includes Members of Congress who have been educators, on July 23.

Congressional Hispanic Caucus: Secretary Riley will meet with the caucus on July 24.

Speeches by Secretary Riley: Secretary Riley will address the National Association of Student Financial Aid Administrators in Philadelphia on July 10; the Council for Advancement and Support of Education in DC on July 14; and the NAACP annual convention in Pittsburgh on July 17.

AGENCY WORK ON PRESIDENTIAL INITIATIVES

America Reads: Carol Rasco met June 25 with Representatives DeLauro and Lowey to discuss America Reads legislation and appropriations. On June 23, DOEd launched its efforts to encourage DOEd employees to participate in summer reading activities with children and promote reading in DC. DOEd recently released a new guide for Federal Work-Study (FWS) institutions including ideas for using FWS funds to support America Reads activities; as of June 24, 386 colleges and universities had signed onto the America Reads Challenge FWS Honor Roll.

Education Commission of the States: Secretary Riley will address on July 10 two sessions of the Annual Meeting of the Education Commission of the States. At the first meeting, he will discuss your higher education initiatives including Pell Grant expansion, the Hope Scholarship, tax deductions for higher education and training and cuts in student loan fees. At the second session, the Secretary will outline your Call to Action for American Education, with a particular focus on the voluntary national testing initiative and how it will provide parents, educators and policymakers important new information on student achievement to help drive improvements in reading and math achievement.

Safe and Drug Free Schools: Department staff briefed Representative Mink and staff for Representative Etheridge on June 23 in preparation for a June 24 hearing of the House Education and the Workforce Committee ,s Subcommittee on Oversight and Investigations focusing on the issue.

NOTABLE CONGRESSIONAL ACTIVITY

Appropriations: The House Appropriations Labor-HHS-Education Subcommittee is scheduled to begin to mark up the FY98 appropriations bill

July 8. Chairman Porter has indicated that his allocation of discretionary budget authority and outlays is inadequate for all of his subcommittee priorities. The full committee is scheduled to mark up the bill July 25.

Charter Schools Hearing: Assistant Secretary for Elementary and Secondary Education Gerry Tirozzi will testify on DOEd ,s recent charter schools report at a June 26 Early Childhood, Youth & Families Subcommittee hearing.

&Dollars to the Classroom 8 Resolution: The House Education and Workforce Committee was scheduled to mark up a resolution June 25 expressing the sense of the House that DOEd, states and local education agencies should spend a greater percentage of federal education dollars in classrooms.

Vocational Education: The House Education and Workforce Committee was scheduled to mark up the Perkins Vocational and Applied Technology Act on June 25.

HEA Reauthorization: Secretary Riley testified June 19 at a hearing on reauthorization of the Higher Education Act before the House Committee on Education and the Workforce. The subcommittee will hold another hearing on HEA June 26.

Education Tax Provisions Markup: The Senate Finance Committee was scheduled to mark up its title of the budget reconciliation, including provisions relating to education tax benefits, on June 19.

House Committee on Science: Secretary Riley will testify July 16 before the House Committee on Science, on mathematics, science and technology education programs.

SECRETARY'S SCHEDULE

Please see attachment.

PRESS/MEDIA INQUIRIES

Press Coverage: Secretary Riley will meet with the U.S. News and World Report editorial board July 21.

FOIA REQUESTS

There is nothing to report at this time.=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D68]ARMSZZ00099DE.000 to ASCII,
The following is a HEX DUMP:

================= END ATTACHMENT 1 =================

=================== ATTACHMENT 2 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D68]ARMSZZ00099DE.001 to ASCII,

The following is a HEX DUMP:

================== END ATTACHMENT 2 ==================

Secretary Richard Riley July 1997

As of April 16, 2018 [outodate]

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		JB	JB	JB	JB	JB
IRELAND	IRELAND	1 Congress Recess IRELAND	2 IRELAND	3 IRELAND	4 FEDERAL HOLIDAY INDEPENDENCE DAY IRELAND	5 IRELAND
JBlanchard	MC Gumbleton	Kittu Sians	MC Gumbleton	Kittu Sians	JBlanchard	Kittu Sians
6 **12:00-2:30p** Fly to JFK **4:35-5:55p** Fly to WDC/National	7 *Congress Returns* **9:00-12:00 DO NOT SCHEDULE** per Regan	8 **1:00-2:00pm** Briefing for RI/PA **2:30-3:00pm** Briefing for Lunch w/ CA Dems on Hill **4:00-5:00pm** Mtg. w/Sandra Feldman PerFritz	9 **10:00-11:00** Briefing re ECS **11:00-12:00** Briefing re NAFSFAA **12:30-1:30** CA Dems lunch **REMARKS** **2:00-2:10** Drop-by mtg w/Rep Eliot Engle **7:00-8:30** "Twilight Tatoo" @ WH Elipse **REMARKS** **9:10-10:23** Fly to Providence from DCA Advance: McDermot, Balderston	10 **PROVIDENCE** **7:30-9:00** ECS Awards Breakfast **SPEECH** **10:00-11:00** RWN Site Visit **REMARKS** **12:45-2:15** ECS Chariman's Lunch **SPEECH** **3:30-4:41** Flu to **PHILADELPHIA** **5:30-6:30p** NAFSFAA **SPEECH** Advance:MRatzlaff **8:50-9:59** Flu to DCA	11 **9:00-10:00am** Hold for Mtg.w/ Carol Gresser **11:00-12:00pm** Mtg. Re: DCPS @OEOB Rm252 PerSmith **2:00-3:15pm** Hold for RWR Protrait **3:15-5:00pm** Hold for Mtg. w/ Carol Gresser	12

Secretary Richard Riley July 1997

As of April 16, 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
JBlanchard	Jay Blanchard	MC Gumbleton	Kitty Sians	Kitty Sians	MC Gumbleton	Kitty Sians
13	14 **12:15-2:00** CASE **SPEECH** **2:30-3:00pm** Courtesy Call w/ Argentine Minister of ED **3:00-3:30pm** Mtg. w/ American School Counselors PerBurke	15 **10:00-10:15am** (tent) Photo w/ Interns PerAllen Cissell **11:00-12:00pm** Briefing for Testimony on 7/16 **TENTATIVE** **4:30**-Camden Yards w/POTUS	16 TBD Science & Tech Committee **TESTIMONY**	17 **7:50-8:49am** Fly to **PITTSBURGH** **9:30-10:30a** NAACP Convention **SPEECH** Advance: **12:00-12:59** Fly to DCA **TENTATIVE** **4:30**-Camden Yards w/POTUS	18 **11:30-12:30pm** Mtg. w/ Ron Klain PerRinck **1:45-2:15pm** Mtg.w/ Harvard Students **3:15-4:30pm** Hold for RWR protrait	19
JB	MC Gumbleton	Kitty Sians	Edward Prewitt	Edward Prewitt	Kitty Sians	Edward Prewitt
20	21 **12:00-2:00pm** Lunch w/ US News & World Report Ed Board	22 **3:15-3:30pm** Drop-By Terry P. Mtg. w/ Furman Students PerBlanchard	23 **3:00-3:30pm** Briefing for Mtg.w/ Ed Caucus **4:00-5:00** Mtg. w/ Education Caucus perSFleming **TALKING POINTS**	24 **10:30-11:00am** Briefing for Mtg. w/ Hispanic Caucus **11:30-12:30pm** Mtg. w/ Congressional Hispanic Caucus **TALKING POINTS**	25 **10:30-11:45am** Hold for RWR Portrait	26 **7:00-8:30pm** AFT Confrence Tribute to Al Shanker **SPEECH**

Secretary Richard Riley July 1997

As of April 16, 2018

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
JB	MC Gumbleton	MC Gumbleton	MC Gumbleton	Edward Prewitt		
27	28 **LAS VEGAS** 6:59-10:34 Fly to Las Vegas TBD POTUS SPEECH 6:00-6:30 NGA Former Governor's Reception 6:30-7:30 NGA Governor's Reception **Advance:** Blanchard RON Las Vegas	29 **LAS VEGAS** TBD NGA TENTATIVE Human Resources Cmte. Mtg. SPEECH RON Las Vegas	30 **LAS VEGAS** 1:45-4:15 Goals Panel TALKING POINTS RON Las Vegas	31 7:05a-3:54p Fly to DCA		

Tape Restoration Project
Hex-Dump Conversion

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: postmaster (postmaster@smtpgwy1.ed.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:26-JUN-1997 15:10:00.00

SUBJECT: unable to deliver mail

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
This message was returned to you for the following reasons:

VIMSendMessage failed: 1/65535

The original message follows.==================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from gatekeeper.eop.gov by smtpgwy1.ed.gov with SMTP
(IMA Internet Exchange 1.04b) id 3b2cbbe0; Thu, 26 Jun 97 16:06:22 -0400
Received: from pmdf.eop.gov by gatekeeper.eop.gov;
(5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA08101; Thu, 26 Jun 1997 16:06:06 -0400

Received: from mr.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IKJ8T2RPM8003LAD@PMDF.EOP.GOV>; Thu, 26 Jun 1997 16:05:49 -0500 (EST)
Received: with PMDF-MR; Thu, 26 Jun 1997 16:05:46 -0500 (EST)
MR-Received: by mta EOPMRX; Relayed; Thu, 26 Jun 1997 16:05:46 -0500
Alternate-recipient: prohibited
Disclose-recipients: prohibited
UA-content-id: MBLINKAA
X400-MTS-identifier: [;64506162607991/5583754@EOPMRX]
Hop-count: 1
================== END ATTACHMENT 1 ==================

=================== ATTACHMENT 2 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IKJ9046HR4005O2T@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Thu,

26 Jun 1997 16:11:29 -0500 (EST)
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IKJ903904G005HI4@PMDF.EOP.GOV> for Robert_M._Shireman@oa.eop.gov; Thu,
26 Jun 1997 16:11:27 -0500 (EST)

Received: from vader.ed.gov by gatekeeper.eop.gov;
(5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA09043; Thu, 26 Jun 1997 16:11:26 -0400

Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.217.37])
by vader.ed.gov (8.8.5/8.8.4) with SMTP id QAA28721 for
<Robert_M._Shireman@oa.eop.gov>; Thu, 26 Jun 1997 16:09:51 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov (IMA Internet Exchange 1.04b)
id 3b2ccbc0; Thu, 26 Jun 1997 16:10:36 -0400
================ END ATTACHMENT 2 ================

================== ATTACHMENT 3 ==================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
From: Robert_M._Shireman@EOP@LNGTWY@EOPMRX@LNGTWY
*To: pauline_abernathy@ed.gov@INET@EOPMRX@LNGTWY
*To: Maureen_McLaughlin@ed.gov@INET@EOPMRX@LNGTWY
Date: 6/26/97 4:00pm
Subject: tax package
Message Creation Date was at 26-JUN-1997 16:00:00

There's no final decision yet, but we're preparing possible talking points on why the (predicted) package is better than Roth and Archer. Below is the text from the draft one-pager. We need to expand on it with some specific examples and other talking points. Suggestions?

Places a higher priority on education tax cuts:

T Advances President,s goal of making first two years of college universal.

Plan includes a modified $1,500 HOPE Scholarship that does more to help community college students than the Congressional alternatives, while addressing concerns raised about tuition inflation. First and second year students would receive a $1,000 credit for the first $1,000 of tuition plus 50% of as much another $1,000 in additional expenses. Therefore, a student going to a typical community college with tuition of $1,200 would receive a $1,100 credit under the President,s proposal, compared to just $600 and $900 under the House and Senate plans respectively.

T Helps third and fourth year students and promotes lifelong learning. In contrast to the Congressionally passed plans which neglect third and fourth year students and working people trying to build on their educations, the President,s proposal includes a 20 percent tuition credit, like the ones included in the Rangel and Daschle alternatives.

T Incorporates other good education ideas included in various proposals, such as a permanent extension of the tax preference for employer reimbursed education, a Rangel school construction proposal, a student loan interest

deduction, and incentives to expand internet access for grade school kids.
================= END ATTACHMENT 3 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: MAWALDMAN (MAWALDMAN@aol.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:28-JUN-1997 10:16:00.00

SUBJECT: laura, another backup copy

TO: Laura Capps (Laura Capps@eop [UNKNOWN])
READ:UNKNOWN

TO: Michael Waldman (Michael Waldman@eop [UNKNOWN])
READ:UNKNOWN

TEXT:
MIME-Version: 1.0

Content-type: text/plain; charset=unknown-8bit

Content-transfer-encoding: 8BIT

Draft 6/28/97

PRESIDENT WILLIAM J. CLINTON

STATEMENT ON TAXES

THE ROSE GARDEN

WASHINGTON, DC

July 30, 1997

Good morning. Today, I want to set forth my detailed plan to

give the

American people a tax cut that will help them reap the rewards of our

growing

economy.

For four and a half years, we have pursued an economic plan designed to prepare our nation and our people for the 21st century. As I have said many times, our +invest and grow , strategy has three central elements. Reducing the deficit, to create the conditions for prosperity. Investing the skills and education of our people, so ever American can seize the opportunity creaetd by economic growth . And aggressively expanding exports through open and fair trade, to continue creating high paying jobs. This strategy has led to an American economic revival, creating the conditions for the deepest and most sustained private sector prosperity in decades.

The balanced budget plan that I agreed to with Republican and Democratic leaders of Congress reflects and reinforces this strategy. It is a balanced budget that is in balance with our values: honoring work, strengthening families, offering opportunity to all who will work for it. It eliminates the deficit; it invests in education; it extends health care to more of our children, while securing Medicare for our parents. And it does all this while providing enough resources to give the American people a modest tax cut.

America ,s hardworking families deserve a tax cut. Their energy and their dedication has produced our prosperity. And now it is appropriate for taxpayers to receive a dividend from economic growth in the form of a tax cut. And I am determined to give it to them.

Two different tax cut bills have passed the House and the Senate. These bills contain many good elements, but I do not believe that they represent the best way to cut taxes. They do an inadequate job of opening the doors of college; they direct too little relief to the middle class; and they include time bomb tax cuts that threaten to explode the deficit.

Today, as lawmakers from both houses prepare to begin final negotiations over the details of the tax cut, I offer my plan to cut taxes. I believe my tax cut plan is the best plan for America. It reflects our values, and meets our priorities, by giving hardworking American families help when they need it most) a tax cut to pay for college, to buy or sell a home, to pay for health care or to raise a child.

The $85 billion tax cut plan I submit to Congress today has 6 central elements.

First, my tax cut plan will focus on education, our nation ,s highest priority, with $35 billion in targeted tax cuts. To offer opportunity in the new and rapidly changing economy, we must make the 13th and 14th years of education) the first two years of college) as universal as a high school degree is today. To that end, my proposal will give young people a $1500 Hope Scholarship tax credit for the first two years of college. It gives further tax cuts to help pay for the full four years of college. It provides tax relief to pay for training and learning throughout a lifretime. It will allow parents to save in a tax free IRA for their children ,s education. And it will use tax incentives to help communities rebuild and modernize their schools. Education must be America ,s highest priority) and the core of our tax cut must be to help families pay for edcuation.

Second, our tax cut gives families a $500 child tax credit. And this plan, unlike the tax cut proposals put forth by the congressional majority, would give working people who earn lower salaries the full child tax credit. When we give a rookie police officer or a starting teacher who earns $22,000 a full child tax credit, that is not "welfare." These are some of our hardest-pressed working people) and I will fight to give them the same tax relief as all Americans.

Third, to honor our budget agreement, this plan allows taxpayers to exclude 30% of their capital gains from taxation. It also gives a capital gains tax cuts for buying and selling a home. Our capital gains cut is targeted, more prudent, and less likely to explode the deficit in years to come than the plan of the congressional majority.

Fourth, my tax cut provides an increase in the exemption for the estate tax. This will help parents who want to pass small businesses and family farms on to their children.

Fifth, my plan provide tax incentives to encourage businesses to hire people off of welfare, so we can continue to move millions from welfare to work. It also will provide tax cuts to businesses that clean up urban toxic waste sites, known as "brownfields," and converts those sites to productive use. And it will create 20 more Empowerment Zones to attract business into disadvantaged neighborhoods. Only by bringing the spark of private enterprise into our inner cities will we truly break the cycle of poverty that holds too many of our people in its grip.

This tax cut plan embodies the best ideas offered by Democrats.

It includes

the priorities of the Republicans, such as the capital gains tax cut. It

is

balanced; it is fair to the middle class; it will foster economic growth

without hurting vulnerable citizens. It is the right tax cut for America.

And I will fight for it in the weeks to come.

I look forward to joining with members of Congress of both parties

in a

concerted effort to write this tax cut into law. this summer can be a

season

of genuine achievement for the American people. If we set aside narrow

agendas and political differences, and work togehter, we can give the

American people the tax cut they deserve. =================== ATTACHMENT 1
===================

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IKLRAOELCW005MHL@PMDF.EOP.GOV>; Sat, 28 Jun 1997 11:16:58 -0500 (EST)
Received: from storm.eop.gov (storm.eop.gov)
by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01IKLRAN51PC001ES8@PMDF.EOP.GOV>; Sat,

28 Jun 1997 11:16:57 -0500 (EST)
Received: from emout09.mail.aol.com ([198.81.11.24])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01IKLR9YU50Q0010LD@STORM.EOP.GOV>; Sat,
28 Jun 1997 11:16:24 -0400 (EDT)
Received: (from root@localhost) by emout09.mail.aol.com (8.7.6/8.7.3/AOL-2.0.0)

id LAA13592; Sat, 28 Jun 1997 11:16:23 -0400 (EDT)
================== END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: system (system@pmdf.eop.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:30-JUN-1997 17:24:00.00

SUBJECT: Warning: could not send message for past 4 hours

TO: Peter OKeefe (Peter O'Keefe@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
****

** THIS IS A WARNING MESSAGE ONLY **

** YOU DO NOT NEED TO RESEND YOUR MESSAGE **

****

The original message was received at Mon, 30 Jun 1997 10:15:42 -0700 (MST)

from gatekeeper.eop.gov [198.137.241.3]

----- The following addresses had transient non-fatal errors -----

<croneil@vais.net>

----- Transcript of session follows -----

<croneil@vais.net>... Deferred: Connection reset by mail.vais.net.

Warning: message still undelivered after 4 hours

Will keep trying until message is 5 days old=================== ATTACHMENT 1
===================

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Note: The original return address on this message was blank and has
been replaced with the address of the local postmaster.
================= END ATTACHMENT 1 =================

=================== ATTACHMENT 2 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:

MIME-Version: 1.0
Content-type: message/delivery-status

Reporting-MTA: dns; mail2.goodnet.com
Received-From-MTA: DNS; goodnet.com
Arrival-Date: Mon, 30 Jun 1997 10:15:42 -0700 (MST)

Final-Recipient: RFC822; croneil@vais.net
Action: delayed
Status: 4.4.2
Remote-MTA: DNS; mail.vais.net
Diagnostic-Code: SMTP; 050 <thollahan@utmem1.utmem.edu>... Closing connection t
o mail.vais.net.
Last-Attempt-Date: Mon, 30 Jun 1997 15:24:00 -0700 (MST)
Will-Retry-Until: Sat, 5 Jul 1997 10:15:42 -0700 (MST)
================== END ATTACHMENT 2 ==================

==================== ATTACHMENT 3 ====================
ATT CREATION TIME/DATE: 0 00:00:00.00

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 id <01IKOYZNPTR4004UG6@PMDF.EOP.GOV> for "Peter O'Keefe"@oa.eop.gov; Mon,
 30 Jun 1997 18:29:32 -0500 (EST)
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01IKOYZLAHGG006J1U@PMDF.EOP.GOV> for Peter_O'Keefe@oa.eop.gov; Mon,
 30 Jun 1997 18:29:29 -0500 (EST)
Received: from mail2.goodnet.com by gatekeeper.eop.gov;
 (5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA15522; Mon, 30 Jun 1997 18:29:23 -0400

Received: from localhost (localhost) by mail2.goodnet.com (8.8.6/8.8.5)
 with internal id PAR14574; Mon, 30 Jun 1997 15:24:00 -0700 (MST)
Auto-Submitted: auto-generated (warning-timeout)
================== END ATTACHMENT 3 ==================

==================== ATTACHMENT 4 ====================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Return-path: <Peter_O'Keefe@oa.eop.gov>
Received: from gatekeeper.eop.gov (gatekeeper.eop.gov [198.137.241.3])
 by mail2.goodnet.com (8.8.6/8.8.5) with SMTP id KAA21249 for
 <croneil@vais.net>; Mon, 30 Jun 1997 10:15:42 -0700 (MST)
Received: from pmdf.eop.gov by gatekeeper.eop.gov;
 (5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA08601; Mon, 30 Jun 1997 10:38:57 -0400

Received: from mr.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01IKOIK2X8AO0054H8@PMDF.EOP.GOV>; Mon, 30 Jun 1997 10:38:54 -0500 (EST)
Received: with PMDF-MR; Mon, 30 Jun 1997 10:38:47 -0500 (EST)
MR-Received: by mta EOPMRX; Relayed; Mon, 30 Jun 1997 10:38:47 -0500
Alternate-recipient: prohibited
Disclose-recipients: prohibited

UA-content-id: MBLINKAA
X400-MTS-identifier: [;74830103607991/5599634@EOPMRX]
Hop-count: 1
================== END ATTACHMENT 4 ==================

==================== ATTACHMENT 5 ====================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
From: Peter_O'Keefe@EOP@LNGTWY@EOPMRX@LNGTWY
*To: jplebani@arterhadden.com@INET@EOPMRX@LNGTWY
*To: rplatt@mwe.com@INET@EOPMRX@LNGTWY
*To: lnusgmb.pzd72y@gmeds.com@INET@EOPMRX@LNGTWY
*To: scott-pasterick@bm.com@INET@EOPMRX@LNGTWY
*To: pnc@clark.net@INET@EOPMRX@LNGTWY
*To: croneil@vais.net@INET@EOPMRX@LNGTWY
*To: ksosssa@prodigy.com@INET@EOPMRX@LNGTWY
*To: pod@oh-mail.com@INET@EOPMRX@LNGTWY
*To: pnelson@obriencalio.com@INET@EOPMRX@LNGTWY
*To: national@newbo.org@INET@EOPMRX@LNGTWY
*To: rneel@usta.org@INET@EOPMRX@LNGTWY
*To: michael.mcshane@trw.com@INET@EOPMRX@LNGTWY
*To: bob_mcgee@oxy.com@INET@EOPMRX@LNGTWY
*To: tmccracken@nsbu.org@INET@EOPMRX@LNGTWY
*To: smaury@brtable.org@INET@EOPMRX@LNGTWY
*To: cmanatt@manatt.com@INET@EOPMRX@LNGTWY
*To: marcassoc@pipeline.com@INET@EOPMRX@LNGTWY
*To: rgl1@chrysler.com@INET@EOPMRX@LNGTWY
*To: mlewan@apcoassoc.com@INET@EOPMRX@LNGTWY
*To: llevinson@vernor.com@INET@EOPMRX@LNGTWY
*To: mleggett@vnet.net@INET@EOPMRX@LNGTWY
*To: weldon_latham@shawpittman.com@INET@EOPMRX@LNGTWY
*To: jkuitwaard@realtors.org@INET@EOPMRX@LNGTWY
*To: abkcr@aol.com@INET@EOPMRX@LNGTWY
*To: pknight@wkltflaw.com@INET@EOPMRX@LNGTWY
*To: peter_kelly@bm.com@INET@EOPMRX@LNGTWY
*To: tjolly@jollyrissler.com@INET@EOPMRX@LNGTWY
*To: jeffrey.hirshberg@ey.com@INET@EOPMRX@LNGTWY
*To: rhealy@arco.com@INET@EOPMRX@LNGTWY
*To: harmon@ms.com@INET@EOPMRX@LNGTWY
*To: hannett@capalliance.com@INET@EOPMRX@LNGTWY
*To: verner@verner.com@INET@EOPMRX@LNGTWY
*To: usfmd8jb@ibm.mail.com@INET@EOPMRX@LNGTWY
*To: mgreen@psa.com@INET@EOPMRX@LNGTWY
*To: fgraefe@baker-hostetler.com@INET@EOPMRX@LNGTWY
*To: ggould@dcoffice.gte.com@INET@EOPMRX@LNGTWY
*To: richard.goodstein@bfi.com@INET@EOPMRX@LNGTWY
*To: mdfranks@cbs.com@INET@EOPMRX@LNGTWY
*To: mike_ferrell@mbaa.org@INET@EOPMRX@LNGTWY
*To: pequale@iiaa.com@INET@EOPMRX@LNGTWY
*To: english.pepper@bsc.bls.com@INET@EOPMRX@LNGTWY
*To: deckhart@arterhadden.com@INET@EOPMRX@LNGTWY
*To: dutkogroup@aol.com@INET@EOPMRX@LNGTWY
*To: tdowney@downey-chandler.com@INET@EOPMRX@LNGTWY

*To: lnusgmb.czddln@gmeds.com@INET@EOPMRX@LNGTWY
*To: dennistj@sce.com@INET@EOPMRX@LNGTWY
*To: mitchell_delk@freddiemac.com@INET@EOPMRX@LNGTWY
*To: ddavies@aba.com@INET@EOPMRX@LNGTWY
*To: jhd@dc01101.com@INET@EOPMRX@LNGTWY
*To: betty@tsbbs02.pnet.com@INET@EOPMRX@LNGTWY
*To: ken.cole@alliedsignal.com@INET@EOPMRX@LNGTWY
*To: mchampion@pcmail.com@INET@EOPMRX@LNGTWY
*To: lchambers@chambersinc.com@INET@EOPMRX@LNGTWY
*To: ptca@chevron.com@INET@EOPMRX@LNGTWY
*To: bcarr@idt.net@INET@EOPMRX@LNGTWY
*To: mecandon@aol.com@INET@EOPMRX@LNGTWY
*To: cahn@co.xerox.com@INET@EOPMRX@LNGTWY
*To: billc100@erols.com@INET@EOPMRX@LNGTWY
*To: grover.bynum@mail.sprint.com@INET@EOPMRX@LNGTWY
*To: betty.bowers@fluordaniel.com@INET@EOPMRX@LNGTWY
*To: ALBondurant@verner.com@INET@EOPMRX@LNGTWY
*To: Timothy.Boggs@twi.com@INET@EOPMRX@LNGTWY
*To: EBlackccia@aol.com@INET@EOPMRX@LNGTWY
*To: LBickwit@milchev.com@INET@EOPMRX@LNGTWY
*To: MFBerman@MSN.com@INET@EOPMRX@LNGTWY
*To: CBennett@Pfizer.com@INET@EOPMRX@LNGTWY
*To: RWB@OHMAIL.com@INET@EOPMRX@LNGTWY
*To: DBARR@MorganStanley.com@INET@EOPMRX@LNGTWY
Date: 6/30/97 10:36am
Subject: President Clinton's Tax Cut Proposal
Message Creation Date was at 30-JUN-1997 10:36:00

We wanted to get this information concerning the President's Tax Cut Proposal, announced today. If you have any further questions, you can reach either Cheri or myself at 456-2930. Thank you.

PRESIDENT CLINTON,S TAX CUT PROPOSAL

SUMMARY DOCUMENTS

June 30, 1997

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II. Fact Sheet on Tax Cuts

III. Distribution Table

IV. How President Clinton,s Tax Cut Proposals Benefit Typical American Families

V. It is Wrong to Deny Tax Relief to America,s Working Families

VI. President Clinton,s Higher Education Tax Cuts --Greater Benefits for More

Families

VII. Chart on Distribution of Tax Cut
President Clinton,s Tax Cut Proposal
June 30, 1997

Today, President Clinton unveils a tax cut proposal. It is a fair proposal that places a priority on education tax cuts and provides a child tax credit to

families who work hard and pay taxes. The proposal incorporates Republican priorities in a good faith effort to honor the budget accord and to reach final

agreement on a tax cut the American people deserve.

U A 2-year modified $1,500 HOPE Scholarship to make two years of college universally available and a 20% tuition credit to make the third and fourth years of college more affordable and to promote lifelong learning.

U A $500 child tax credit for tax-paying working families with children under

17 through 2002 and under 19 thereafter. Families could put the credit plus $500 in a Kidsave Account.

U Two-thirds of the President,s tax cut goes to the middle 60 percent of families --twice as large a share as the congressional alternatives provide these middle-income families.

U To honor the agreement, the President,s plan allows taxpayers to exclude 30%

of their long-term capital gains from taxation and provides e

U Includes no tax time bombs that would explode in cost.

Major Provisions
(Treasury estimates unless otherwise indicated) 5 Years
($ billion) 10 Years
($ billion)

Education Tax Cuts:

HOPE Scholarship and 20% Tuition Credit	34.5	94.1
Education and Retirement Savings Accounts	1.3	6.0
Tax Incentives for School Construction	2.9	7.6
Employer-Provided Education Benefits	3.8	8.5
Student Loan Interest Deduction and Forgiveness	1.8	4.4
Deduction for K-12 Computer Donations (JCT)	0.3	0.7
Repeal of bond cap for universities	0.3	1.0
Child Tax Credit	70.2	176.1
Brownfields, EZ/EC Expansion, CDFIs	2.4	3.9
Welfare-to-Work Tax Credit	0.6	0.6
Home Office Deduction	0.6	1.7
Small Business Capital Gains Relief	0.4	1.7
President,s Home Sales Tax Cut	1.1	1.9
30% Exclusion of Capital Gains	7.1	15.6
Estate Tax Cut	2.3	7.2
DC Tax Incentives and Other Presidential Initiatives	1.3	6.3
Extensions of expiring provisions	3.9	3.9
GROSS TAX CUT	134.8	341.1
Revenue Raisers	(49.8)	(100.5)
NET TAX CUT	85.0	240.5

President Clinton,s Tax Cut Proposal
A Fact Sheet

EDUCATION TAX CUTS

Two-year HOPE Scholarship. A maximum $1,500 credit beginning in 1998. Students attending on at least a half-time basis would receive a 100% credit for the first $1,000 of tuition and required fees for enrollment in a post-secondary degree or certificate program and a 50% credit for up to the next $1,000. For example, a student attending a community college with tuition costs of $1,400 would receive a $1,200 HOPE Scholarship. Scholarships would be phased out for joint filers earning between $80,000 and $100,000. Eligible students could receive both a full Pell Grant and a HOPE Scholarship. The previously proposed B-rule has been dropped. After 2002, the HOPE Scholarship increases to a 100% credit for the first $1,500 and a 50% credit for the next $1,000 of tuition and required fees.

20% Tuition Tax Credit. Third and fourth year students, graduate students, plus working people going to school to improve their education and skills, would benefit from a 20% tax credit on the first $5,000 of tuition and required fees through the year 2000 and after 2000 a 20% tax credit on the first $10,000 of tuition and required fees. The credit would be phased out for joint filers earning between $80,000 and $100,000.

Education and Retirement Savings Accounts. Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expense and the first-time purchase of a home. Additionally, taxpayers are given the opportunity to contribute their child tax credit plus an additional $500, up to $1,000, to a Kidsave Account for the child,s education, first-time home purchase or the taxpayer,s retirement. Earnings would accumulate tax-free in the Kidsave Account and no taxes would be due upon withdrawal for an approved purpose.

Tax Incentives for School Construction. Provides tax credits to finance construction and/or rehabilitation of elementary or secondary schools in distressed communities. States would be able to allocate a fixed amount of tax credits (based on population) to public schools to help pay for construction or renovation projects. The allocation would be for projects in schools that are in empowerment zones or enterprise communities, or that have a high percentage of low-income students. This program would function similarly to the current low-income housing tax credit program.

Employer-Provided Education Benefits. Extends permanently Section 127 of the tax code, which allows people to exclude $5,250 of employer provided education benefits from their taxable income. Both undergraduate and graduate education would be eligible. Additionally, a 10% employer credit for small business training is included. This credit would apply to payments made to third parties to cover expenses of education for employees under employer-provided education assistance programs. The credit would be available to employers with average annual gross receipts of $10 million or less for the prior three years.

Student Loan Interest Deduction and Forgiveness. Allows a deduction of up to $2,500 per year of interest on education loans for expenses of students enrolled at least half-time at an institution of higher education. The deduction would be allowed for the first 60 months interest is due on a loan. The deduction would phase out for taxpayers making between $45,000 and $65,000 ($65,000 and $85,000 for married taxpayers filing jointly). This deduction would be available even if the taxpayer does not itemize deductions.

To encourage people to use their education and training in community service, the income exclusion for student loan forgiveness would be expanded to include loan forgiveness extended by nonprofit tax-exempt charitable or educational institutions, and to loans forgiven under the Direct Loan Program,s income-contingent repayment program. Currently, the exclusion generally covers only contingent forgiveness arrangements between students and government entities.

Incentives for K-12 Computer Donations. Provides tax incentives for private sector donations of computer equipment to schools. The proposal would work in combination with the Telecommunications Act of 1996 to ensure that public schools have access to modern computer technology.

Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities. Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal would apply to tax-exempt bonds issued by these institutions to finance new capital expenditures.

CHILD TAX CREDIT

The President,s child tax credit includes the following features:

Age. Covers children under 17 through 2002 and under 19 thereafter.

Amount per child. $400 in 1998, $500 in 1999 and then indexed.

Income Limits. Phased out for families making $60,000 to $75,000 until 2000, and then $80,000 to $100,000 thereafter.

Refundability to Cover Out-of-Pocket Income and Payroll Taxes. Working families who pay out of pocket federal taxes would benefit from the child tax credit. Child tax credit is calculated before the EITC and will be partially refundable. A family will get a child credit for their income taxes plus the extent to which their out-of-pocket (employee share) payroll taxes exceed their EITC.

Savings Incentive Feature. As described above, taxpayers who are entitled to a child credit would be given the opportunity to contribute their child tax credit plus an additional $500 each year to a Kidsave Account for the child,s education, first time home purchase or the taxpayer,s retirement. Earnings would accumulate tax-free in the account and no taxes would be due upon withdrawal for an approved purpose.

URBAN REVITALIZATION

Incentives to Clean Up and Redevelop Contaminated Sites (Brownfields). Certain environmental remediation costs would be provided tax favorable treatment, allowing them to be fully deducted immediately, to spur clean-up and redevelopment of contaminated sites in high poverty areas. To qualify for this tax incentive, sites would have to satisfy use, geographic, and contamination requirements.

Expand Empowerment Zones and Enterprise Communities. The proposal has the three main components that were in the President,s budget. First, within 180 days of enactment, two additional urban empowerment zones would be authorized and would benefit from current tax incentives. Second, technical changes would be made to allow a broader range of businesses in EZs and ECs to borrow the proceeds of tax-exempt bonds. Third, the proposal authorizes the additional designation of 20 (15 urban and 5 rural) Empowerment Zones and 80 (50 urban and 30 rural) Enterprise Communities. The newly designated zones would have different available tax incentives than existing zones. The current law wage credit would not be available. The brownfields incentives would be available as would special expensing of business assets and qualification for private-activity bonds.

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Washington, D.C. Provides tax incentives for firms to hire District residents, and a new credit that will be allocated to debt and equity by a new economic development corporation, and to allow the issuance of additional tax-exempt debt to help finance new business activity in the District.

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As proposed in the President,s budget, to help move people from welfare to work, a new 50% tax credit would be made available on the first $10,000 in annual wages of certain long-term family assistance recipients for two years of employment.

SMALL BUSINESS TAX CUTS:

Home office deduction

The existing home office deduction would be broadened to cover small businesses where: (1) the office is exclusively used to conduct substantial and essential administrative or management activities on a regular basis; and (2) the taxpayer has no other location to conduct these essential administrative or management activities.

Small Business Capital Gains

Increases the existing exclusion for equity investments in small businesses held at least five years to a 75% exclusion for up to $20 million in gains and

doubles the eligibility limits on firm size from $50 million to $100 million.

PRESIDENT,S HOME SALES TAX CUT

Provides a $500,000 exclusion for capital gains on home sales for couples, providing tax relief and greatly simplifying record-keeping and compliance.

The exclusion for single filers would be $250,000.

30% EXCLUSION FOR CAPITAL GAINS

Taxpayers would be allowed to exclude 30% of their long-term capital gains from

taxation. Long-term capital gains will be defined, as under current law, as assets held for more than one year. For example, a family in the 28% income tax bracket would face a capital gains tax rate of 19.6 percent.

ESTATE TAXES

A special exclusion is added for qualified family-owned businesses and farms.

Currently, for married couples, only estates valued above $1.2 million pay any

estate taxes. A special exclusion of $900,000 would be added to ensure that the first $2.1 a million of family-owned business or farm would not be subject

to estate taxes. This is a proposal advanced by Senator Daschle.

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Puerto Rico Tax Credit -would be extended indefinitely and modified to provide an incentive for new investments and increase the economic-activity credit.

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a portion of income for tax purposes, to include computer software licensed for reproduction abroad.

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The R&E tax credit would be extended through the end of 1998. Contributions of

appreciated stock to private foundations, the Work Opportunity Tax Credit (including new targeted group), and the orphan drug credit would be extended for one year.

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The proposal includes a 20 cent increase in tobacco taxes that would be separated into a trust fund and dedicated entirely to expanding health coverage

for children, addressing other children,s development issues, and improving the overall public health.

Alternative Tax Cut Proposals
A Comparison of Distributional Impact

Income by Quintile	President Clinton	House	Senate
Lowest	1.2%	0.6%	0.4%
Second	10.1	2.5	2.7
Third	22.2	9.6	10.2
Fourth	34.6	20.0	21.3
Highest	31.5	66.8	65.0
Top 10%	11.7	47.3	42.3
Top 5%	6.5	34.9	28.2
Top1%	2.6	18.8	12.5
Middle 60% (Second,third, fourth quintiles)	66.9%	32.1%	34.2%

Source: U.S. Department of Treasury

Tables assumes fully phased-in (2007) law and behavior, in 1998 dollars. It includes major tax cut provisions in each of the plans: HOPE Scholarship, tuition credit, Section 127, Student loan interest deduction, child tax credit,

Kidsave accounts, capital gains provisions, home office deduction, distressed

areas initiatives, Puerto Rico tax incentives, individual and corporate AMT changes, prepaid tuition programs, IRAs, DC tax incentives, safe harbor for independent contractors, modifications of treatment of company owned life insurance.

How the President,s Tax Cut Proposals
Benefit Typical American Families

Example #1

Consider a family of four who makes $40,000 a year. The father is a carpenter and makes $25,000 and the mother makes $15,000 working at a local department store. They have two kids, a son who is 14 and a freshman in high school and a daughter enrolled full-time in her first year at the local community college. Her tuition is $1,200 a year.

The President,s tax cut proposal will benefit this family in at least two ways. They will receive a child tax credit of $500 for their son plus a HOPE Scholarship of $1,100 for their daughter. In total, they will receive a $1,600 tax cut in the President,s proposal.

	Tax Cut under Clinton Proposal
Family of four with two children aged 14 and 18 and $40,000 income:	
Child Tax Credit for 14 year old	$500
HOPE Scholarship for 18 year old	$1,100
Total tax cut:	$1,600

Example #2

Consider a family of three making $55,000 a year. The father has a degree in accounting and works for a local business in the accounting department. The mother works part-time at the local library. They have one daughter aged 14. The father would like to return to school to prepare for his CPA examination. He is going to attend the local liberal arts college. He has signed up for two courses with total tuition of $4,000.

This family will receive a $500 tax child tax credit for their daughter and a

$800 tuition tax credit to help pay for the father,s course work.

Tax Cut under
Clinton Proposal

Family of three with one child
aged 14 and $55,000 income:

Child Tax Credit for 14 year old $500
Tuition tax credit $800

Total tax cut: $1,300

Example #3:

A single mother lives with her six year old daughter in California. She,s been working as a bank teller for several years and her pay is now $20,000 a year. When she tallies up her taxes, she owes $1,200 in federal income taxes. A $1,150 Earned Income Tax Credit offsets much of this income tax. However, she pays $1,530 a year in payroll taxes, not to mention the additional $1,530 the bank pays on her behalf.

Under the President,s plan this single mom would receive a $500 child tax credit for her daughter. (Note: This woman and her daughter would receive no tax cut under either the House or Senate plans).

Tax Cut under
Clinton Proposal

Family of two with one child
aged 6 and $20,000 income:

Child Tax Credit for 6 year old $500

Total tax cut: $500

Example #4

A teacher with six years experience, earning $40,000 a year, would like to get her masters degree before she marries and has children. Her principal has agreed to adjust her schedule so that she can attend classes in the afternoon and evening. The tuition and fees charged for the program total $6,500. She will receive a 20 percent tax credit on the first $5,000 of the tuition she pays.

Tax Cut under
Clinton Proposal

Single teacher making $40,000,
attending graduate school:

Tuition Tax Credit: $1,000

Total Tax Cut: $1,000

(Note: All examples are for tax year 1999)

IT IS WRONG TO DENY TAX RELIEF
TO AMERICA,S WORKING FAMILIES

Compared to the President,s proposal, four million working families will largely be denied a child tax credit under the congressional tax plans. The President strongly believes that families who work hard, play by the rules and make approximately $18,000 or $28,000, who pay taxes, and who are trying to do the best for their kids just like everybody else, deserve a tax cut too. This is an issue that is susceptible to both eye-glazing technical jargon, talk of &stacking,8 and misleading rhetoric: &It,s welfare.8 Setting aside the jargon and the rhetoric, this is an issue best weighed by looking at real people:

Example --Family of Four with Two Children

Consider a family of four with two children living in a medium sized southern city. The father is a rookie police officer making $23,000, and the mother is taking a few years off from working. This family pays federal taxes well above the amount of EITC they receive:

Federal Tax Situation Before Any Child Tax Credit:

Income taxes owed before EITC $675

Payroll Taxes (just employee share) $1,760

Excise Taxes/1 $354

Federal out of pocket taxes owed before EITC $2,789

Employer Share of Payroll taxes $1,760

Federal Taxes before EITC $4,549

Benefit from EITC $1,668

	President Clinton,s Proposal	House Bill	Senate Bill
Child Tax Credit for family of rookie police officer making $23,000	$767	$0	$0

Notes:
1: Estimate calculated from Congressional Budget Office Data. CBO estimates that in 1998, families with incomes between $20,000 and $30,000 would pay 1.54 percent of their income in federal excise taxes.

Change in Income Tax: Comparison of Current Law with
The President,s Proposal and the House and Senate Tax Bills

Couple with Income of $23,000 and Two Children
(1999 Tax Parameters)

	Current Law	President,s Proposal	House Tax Bill	Senate Tax Bill
Adjusted Gross Income (AGI) --all earnings	23,000	23,000	23,000	23,000
Standard Deduction	7,300	7,300	7,300	7,300
Personal Exemptions	11,200	11,200	11,200	11,200

Taxable Income 4,500 4,500 4,500 4,500
Income Before Tax Credits 675 675 675 675
Employee Payroll Tax (7.65% of earnings) 1,760 1,760 1,760 1,760
Child Credits 0 767 0 0
Earned Income Credit (refundable) 1,668 1,668 1,668 1,668
Income Tax After Credits -993 -1,760 -993 -993

Tax Savings Compared to Current Law 767 0 0
Department of the Treasury
Office of Tax Analysis June 27, 1997

The President,s Higher Education Tax Cuts:
Greater Benefits for More Families

While providing the greatest help in the first two years, the President,s plan has always gone much further, granting a substantial tax cut for any investment in postsecondary education or training. Unlike the Congressional plans, the Administration's higher education tax cut covers all types and ages of students , including:

part-time students;

students beyond their first two years of undergraduate study;

graduate students;

workers who are improving job skills rather than seeking a degree;

those not fortunate enough to have been able to put a lot of money into savings.

For many situations that families find themselves in, the plans passed by the Senate and the House provide little or no help. Consider the following common situations:

House Plan Senate Plan President
Family with $50,000 income, one child going to an average two-year community college full-time ($1,200 tuition and fees)
$600
$900
$1,100

Family with $30,000 income, one parent going to a public four-year college less

than half-time ($2,000 tuition and fees)
$0
$0
$400
Family with $40,000 income, one child is junior at average private college ($12,000 tuition and fees)
$0
$0
$1,000
Homemaker, family income of $70,000, decides to go to graduate school at public

university after being out of college for 20 years ($3,500 tuition and fees)

$0
$0
$700

================ END ATTACHMENT 5 ================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: system (system@pmdf.eop.gov@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:30-JUN-1997 11:30:00.00

SUBJECT: Returned mail: User unknown

TO: Peter OKeefe (Peter O'Keefe@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
The original message was received at Mon, 30 Jun 1997 12:30:15 -0400 (EDT)

from mail@localhost

----- The following addresses had permanent fatal errors -----

<harmon@ms.com>

----- Transcript of session follows -----

... while talking to bkadm1.ms.com.:

>>> RCPT To:<harmon@ms.com>

<<< 550 <harmon@ms.com>... User unknown

550 <harmon@ms.com>... User unknown

----- Original message follows -----

Return-Path: <Peter_O'Keefe@oa.eop.gov>

Received: (from mail@localhost)

by exinis1-1.ms.com (8.8.5/fw v1.22) id MAA28714

for <harmon@ms.com>; Mon, 30 Jun 1997 12:30:15 -0400 (EDT)

From: Peter_O'Keefe@oa.eop.gov

Received: from gatekeeper.eop.gov(198.137.241.3) by exinis1-1.ms.com via

smap (V1.3)

id sma028175; Mon Jun 30 12:26:31 1997

Received: from pmdf.eop.gov by gatekeeper.eop.gov;

(5.65v3.2/1.1.8.2/17Oct95-0424PM)

id AA08601; Mon, 30 Jun 1997 10:38:57 -0400

Received: from mr.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)

id <01IKOIK2X8AO0054H8@PMDF.EOP.GOV>; Mon, 30 Jun 1997 10:38:54 -0500

(EST)

Received: with PMDF-MR; Mon, 30 Jun 1997 10:38:47 -0500 (EST)

Mr-Received: by mta EOPMRX; Relayed; Mon, 30 Jun 1997 10:38:47 -0500

Alternate-Recipient: prohibited

Disclose-Recipients: prohibited

Date: Mon, 30 Jun 1997 10:36:00 -0500 (EST)

Subject: President Clinton's Tax Cut Proposal

To: jplebani@arterhadden.com, rplatt@mwe.com, lnusgmb.pzd72y@gmeds.com,

scott-pasterick@bm.com, pnc@clark.net, croneil@vais.net,

ksosssa@prodigy.com, pod@oh-mail.com, pnelson@obriencalio.com,

national@newbo.org, rneel@usta.org, michael.mcshane@trw.com,

bob_mcgee@oxy.com, tmccracken@nsbu.org, smaury@brtable.org,

cmanatt@manatt.com, marcassoc@pipeline.com, rgl1@chrysler.com,

mlewan@apcoassoc.com, llevinson@vernor.com, mleggett@vnet.net,

weldon_latham@shawpittman.com, jkuitwaard@realtors.org,

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betty@tsbbs02.pnet.com, ken.cole@alliedsignal.com,

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bcarr@idt.net, mecandon@aol.com, cahn@co.xerox.com,

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grover.bynum@mail.sprint.com, betty.bowers@fluordaniel.com,

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LBickwit@milchev.com, MFBerman@MSN.com, CBennett@Pfizer.com,

RWB@OHMAIL.com, DBARR@MorganStanley.com

Message-Id: <01IKOIK4ETBA0054H8@mr.eop.gov>

Mime-Version: 1.0

Content-Type: TEXT/PLAIN; CHARSET=US-ASCII

Content-Transfer-Encoding: 7BIT

Ua-Content-Id: MBLINKAA

X400-Mts-Identifier: [;74830103607991/5599634@EOPMRX]

Hop-Count: 1

Message Creation Date was at 30-JUN-1997 10:36:00

We wanted to get this information concerning the President's Tax Cut

Proposal,

announced today. If you have any further questions, you can reach either

Cheri

or myself at 456-2930. Thank you.

PRESIDENT CLINTON!,S TAX CUT PROPOSAL

SUMMARY DOCUMENTS

June 30, 1997

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IV. How President Clinton!,s Tax Cut Proposals Benefit Typical American

Families

V. It is Wrong to Deny Tax Relief to America!,s Working Families

VI. President Clinton!,s Higher Education Tax Cuts --Greater Benefits for

More

Families

VII. Chart on Distribution of Tax Cut

President Clinton!,s Tax Cut Proposal

June 30, 1997

Today, President Clinton unveils a tax cut proposal. It is a fair

proposal

that places a priority on education tax cuts and provides a child tax

credit to

families who work hard and pay taxes. The proposal incorporates

Republican

priorities in a good faith effort to honor the budget accord and to reach

final

agreement on a tax cut the American people deserve.

U A 2-year modified $1,500 HOPE Scholarship to make two years of college universally available and a 20% tuition credit to make the third and

fourth

years of college more affordable and to promote lifelong learning.

U A $500 child tax credit for tax-paying working families with children

under

17 through 2002 and under 19 thereafter. Families could put the credit

plus

$500 in a Kidsave Account.

U Two-thirds of the President!,s tax cut goes to the middle 60 percent of families --twice as large a share as the congressional alternatives

provide

these middle-income families.

U To honor the agreement, the President!,s plan allows taxpayers to

exclude 30%

of their long-term capital gains from taxation and provides e

U Includes no tax time bombs that would explode in cost.

Major Provisions

(Treasury estimates unless otherwise indicated) 5 Years

($ billion) 10 Years

($ billion)		
Education Tax Cuts:		
HOPE Scholarship and 20% Tuition Credit	34.5	94.1
Education and Retirement Savings Accounts	1.3	6.0
Tax Incentives for School Construction	2.9	7.6
Employer-Provided Education Benefits	3.8	8.5
Student Loan Interest Deduction and Forgiveness	1.8	4.4
Deduction for K-12 Computer Donations (JCT)	0.3	0.7
Repeal of bond cap for universities	0.3	1.0
Child Tax Credit	70.2	176.1
Brownfields, EZ/EC Expansion, CDFIs	2.4	3.9
Welfare-to-Work Tax Credit	0.6	0.6
Home Office Deduction	0.6	1.7
Small Business Capital Gains Relief	0.4	1.7
President!,s Home Sales Tax Cut	1.1	1.9
30% Exclusion of Capital Gains	7.1	15.6
Estate Tax Cut	2.3	7.2
DC Tax Incentives and Other Presidential Initiatives	1.3	6.3
Extensions of expiring provisions	3.9	3.9
GROSS TAX CUT	134.8	341.1
Revenue Raisers	(49.8)	(100.5)
NET TAX CUT	85.0	240.5

President Clinton!,s Tax Cut Proposal

A Fact Sheet

EDUCATION TAX CUTS

!' Two-year HOPE Scholarship. A maximum $1,500 credit beginning in 1998. Students attending on at least a half-time basis would receive a 100% credit for the first $1,000 of tuition and required fees for enrollment in a post-secondary degree or certificate program and a 50% credit for up to the next $1,000. For example, a student attending a community college with tuition costs of $1,400 would receive a $1,200 HOPE Scholarship. Scholarships would be phased out for joint filers earning between $80,000 and $100,000. Eligible students could receive both a full Pell Grant and a HOPE Scholarship. The previously proposed B-rule has been dropped. After 2002, the HOPE Scholarship increases to a 100% credit for the first $1,500 and a 50% credit for the next $1,000 of tuition and required fees.

!' 20% Tuition Tax Credit. Third and fourth year students, graduate students, plus working people going to school to improve their education and skills, would benefit from a 20% tax credit on the first $5,000 of tuition and required fees through the year 2000 and after 2000 a 20% tax credit on the first $10,000 of tuition and required fees. The credit would be phased out for joint filers earning between $80,000 and $100,000.

!' Education and Retirement Savings Accounts. Allows penalty-free IRA withdrawals for undergraduate, post-secondary vocational, and graduate education expense and the first-time purchase of a home. Additionally, taxpayers are given the opportunity to contribute their child tax credit plus an additional $500, up to $1,000, to a Kidsave Account for the child!,s education, first-time home purchase or the taxpayer!,s retirement. Earnings would accumulate tax-free in the Kidsave Account and no taxes would be due upon withdrawal for an approved purpose.

!' Tax Incentives for School Construction. Provides tax credits to finance construction and/or rehabilitation of elementary or secondary schools in distressed communities. States would be able to allocate a fixed amount of tax credits (based on population) to public schools to help pay for construction or renovation projects. The allocation would be for projects in schools that are in empowerment zones or enterprise communities, or that have a high percentage of low-income students. This program would function similarly to the current low-income housing tax credit program.

!' Employer-Provided Education Benefits. Extends permanently Section 127 of the tax code, which allows people to exclude $5,250 of employer provided education benefits from their taxable income. Both undergraduate and graduate education would be eligible. Additionally, a 10% employer credit for small business training is included. This credit would apply to payments made to third parties to cover expenses of education for employees under employer-provided education assistance programs. The credit would be available to employers with average annual gross receipts of $10 million or less for the prior three years.

!' Student Loan Interest Deduction and Forgiveness. Allows a deduction of up to $2,500 per year of interest on education loans for expenses of students enrolled at least half-time at an institution of higher education. The deduction would be allowed for the first 60 months interest is due on a loan.
The deduction would phase out for taxpayers making between $45,000 and

$65,000

($65,000 and $85,000 for married taxpayers filing jointly). This deduction would be available even if the taxpayer does not itemize deductions.

To encourage people to use their education and training in community service,

the income exclusion for student loan forgiveness would be expanded to include

loan forgiveness extended by nonprofit tax-exempt charitable or educational

institutions, and to loans forgiven under the Direct Loan Program!,s income-contingent repayment program. Currently, the exclusion generally covers

only contingent forgiveness arrangements between students and government entities.

!' Incentives for K-12 Computer Donations. Provides tax incentives for private sector donations of computer equipment to schools. The proposal would

work in combination with the Telecommunications Act of 1996 to ensure that public schools have access to modern computer technology.

!' Repeal Cap on Tax Exempt Bond Issuance by Colleges and Universities. Repeals the $150 million bond cap that affects private higher education institutions and certain other charitable institutions. The repeal would apply

to tax-exempt bonds issued by these institutions to finance new capital expenditures.

CHILD TAX CREDIT

The President!,s child tax credit includes the following features:

!' Age. Covers children under 17 through 2002 and under 19 thereafter.

!' Amount per child. $400 in 1998, $500 in 1999 and then indexed.

!' Income Limits. Phased out for families making $60,000 to $75,000 until 2000, and then $80,000 to $100,000 thereafter.

!' Refundability to Cover Out-of-Pocket Income and Payroll Taxes. Working families who pay out of pocket federal taxes would benefit from the child tax credit. Child tax credit is calculated before the EITC and will be partially refundable. A family will get a child credit for their income taxes plus the extent to which their out-of-pocket (employee share) payroll taxes exceed their EITC.

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Second	10.1	2.5	2.7
Third	22.2	9.6	10.2
Fourth	34.6	20.0	21.3
Highest	31.5	66.8	65.0
Top 10%	11.7	47.3	42.3
Top 5%	6.5	34.9	28.2
Top1%	2.6	18.8	12.5
Middle 60% (Second,third, fourth quintiles)	66.9%	32.1%	34.2%

Source: U.S. Department of Treasury

Tables assumes fully phased-in (2007) law and behavior, in 1998 dollars.

It

includes major tax cut provisions in each of the plans: HOPE Scholarship,

tuition credit, Section 127, Student loan interest deduction, child tax credit,

Kidsave accounts, capital gains provisions, home office deduction,

distressed

areas initiatives, Puerto Rico tax incentives, individual and corporate

AMT

changes, prepaid tuition programs, IRAs, DC tax incentives, safe harbor

for

independent contractors, modifications of treatment of company owned life

insurance.

How the President !,s Tax Cut Proposals

Benefit Typical American Families

Example #1

Consider a family of four who makes $40,000 a year. The father is a

carpenter

and makes $25,000 and the mother makes $15,000 working at a local

department

store. They have two kids, a son who is 14 and a freshman in high school

and

a daughter enrolled full-time in her first year at the local community college. Her tuition is $1,200 a year.

The President !,s tax cut proposal will benefit this family in at least two ways. They will receive a child tax credit of $500 for their son plus a HOPE

Scholarship of $1,100 for their daughter. In total, they will receive a $1,600

tax cut in the President !,s proposal.

Tax Cut under
Clinton Proposal

Family of four with two children
aged 14 and 18 and $40,000 income:

Child Tax Credit for 14 year old	$500
HOPE Scholarship for 18 year old	$1,100
Total tax cut:	$1,600

Example #2

Consider a family of three making $55,000 a year. The father has a degree in

accounting and works for a local business in the accounting department.

The

mother works part-time at the local library. They have one daughter aged

14.

The father would like to return to school to prepare for his CPA

examination.

He is going to attend the local liberal arts college. He has signed up

for two

courses with total tuition of $4,000.

This family will receive a $500 tax child tax credit for their daughter

and a

$800 tuition tax credit to help pay for the father !,s course work.

Tax Cut under

Clinton Proposal

Family of three with one child

aged 14 and $55,000 income:

Child Tax Credit for 14 year old $500

Tuition tax credit $800

Total tax cut: $1,300

Example #3:

A single mother lives with her six year old daughter in California. She !,

s

been working as a bank teller for several years and her pay is now $20,000

a

year. When she tallies up her taxes, she owes $1,200 in federal income

taxes. A $1,150 Earned Income Tax Credit offsets much of this income

tax.

However, she pays $1,530 a year in payroll taxes, not to mention the

additional

$1,530 the bank pays on her behalf.

Under the President !,s plan this single mom would receive a $500 child tax

credit for her daughter. (Note: This woman and her daughter would

receive no

tax cut under either the House or Senate plans).

Tax Cut under

Clinton Proposal

Family of two with one child

aged 6 and $20,000 income:

Child Tax Credit for 6 year old $500

Total tax cut: $500

Example #4

A teacher with six years experience, earning $40,000 a year, would like to get
her masters degree before she marries and has children. Her principal has agreed to adjust her schedule so that she can attend classes in the afternoon
and evening. The tuition and fees charged for the program total $6,500.

She will receive a 20 percent tax credit on the first $5,000 of the tuition she
pays.

Tax Cut under

Clinton Proposal

Single teacher making $40,000,

attending graduate school:

Tuition Tax Credit: $1,000

Total Tax Cut: $1,000

(Note: All examples are for tax year 1999)

IT IS WRONG TO DENY TAX RELIEF

TO AMERICA !,S WORKING FAMILIES

Compared to the President !,s proposal, four million working families will

largely be denied a child tax credit under the congressional tax plans.

The

President strongly believes that families who work hard, play by the rules

and

make approximately $18,000 or $28,000, who pay taxes, and who are trying

to do

the best for their kids just like everybody else, deserve a tax cut too.

This is an issue that is susceptible to both eye-glazing technical jargon,

talk

of !&stacking, !8 and misleading rhetoric: !&It !,s welfare. !8 Setting

aside

the jargon and the rhetoric, this is an issue best weighed by looking at

real

people:

Example --Family of Four with Two Children

Consider a family of four with two children living in a medium sized

southern

city. The father is a rookie police officer making $23,000, and the

mother is

taking a few years off from working. This family pays federal taxes well

above

the amount of EITC they receive:

Federal Tax Situation Before Any Child Tax Credit:

Income taxes owed before EITC $675

Payroll Taxes (just employee share) $1,760

Excise Taxes/1 $354

Federal out of pocket taxes owed before EITC $2,789

Employer Share of Payroll taxes $1,760

Federal Taxes before EITC $4,549

Benefit from EITC $1,668

	President Clinton !,s Proposal	House Bill	Senate Bill
Child Tax Credit for family of rookie police officer making $23,000	$767	$0	$0

Notes:

1: Estimate calculated from Congressional Budget Office Data. CBO

estimates

that in 1998, families with incomes between $20,000 and $30,000 would pay

1.54

percent of their income in federal excise taxes.

Change in Income Tax: Comparison of Current Law with

The President !,s Proposal and the House and Senate Tax Bills

Couple with Income of $23,000 and Two Children

(1999 Tax Parameters)

	Current Law	President !,s Proposal	House Tax Bill	Senate Tax Bill
Adjusted Gross Income (AGI) --all earnings	23,000	23,000	23,000	23,000
Standard Deduction	7,300	7,300	7,300	7,300
Personal Exemptions	11,200	11,200	11,200	11,200
Taxable Income	4,500	4,500	4,500	4,500
Income Before Tax Credits	675	675	675	675
Employee Payroll Tax (7.65% of earnings)	1,760	1,760	1,760	1,760
Child Credits	0	767	0	0
Earned Income Credit (refundable)	1,668	1,668	1,668	1,668
Income Tax After Credits	-993	-1,760	-993	-993
Tax Savings Compared to Current Law		767	0	0

Department of the Treasury

Office of Tax Analysis June 27, 1997

The President !,s Higher Education Tax Cuts:

Greater Benefits for More Families

While providing the greatest help in the first two years, the President !,s plan has always gone much further, granting a substantial tax cut for any investment in postsecondary education or training. Unlike the Congressional plans, the Administration's higher education tax cut covers all types and ages of students, including:

! ' part-time students;

! ' students beyond their first two years of undergraduate study;

! ' graduate students;

- workers who are improving job skills rather than seeking a degree;
- those not fortunate enough to have been able to put a lot of money into savings.

For many situations that families find themselves in, the plans passed by the Senate and the House provide little or no help. Consider the following common situations:

	House Plan	Senate Plan	President
Family with $50,000 income, one child going to an average two-year community college full-time ($1,200 tuition and fees)	$600	$900	$1,100
Family with $30,000 income, one parent going to a public four-year college less than half-time ($2,000 tuition and fees)	$0	$0	$400

Family with $40,000 income, one child is junior at average private college

($12,000 tuition and fees)

$0

$0

$1,000

Homemaker, family income of $70,000, decides to go to graduate school at

public

university after being out of college for 20 years ($3,500 tuition and

fees)

$0

$0

$700

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
Note: The original return address on this message was blank and has
been replaced with the address of the local postmaster.
================= END ATTACHMENT 1 =================

=================== ATTACHMENT 2 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01IKOMGS4R3K004LD5@PMDF.EOP.GOV> for "Peter O'Keefe"@oa.eop.gov; Mon,
 30 Jun 1997 12:30:43 -0500 (EST)
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01IKOMGQNPDC004488@PMDF.EOP.GOV> for Peter_O'Keefe@oa.eop.gov; Mon,
 30 Jun 1997 12:30:41 -0500 (EST)
Received: from exinis.ms.com by gatekeeper.eop.gov;
 (5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA20704; Mon, 30 Jun 1997 12:30:38 -0400

Received: from localhost (localhost) by exinis1-1.ms.com (8.8.5/fw v1.22)
 with internal id MAA28726; Mon, 30 Jun 1997 12:30:24 -0400 (EDT)
Auto-Submitted: auto-generated (failure)
================= END ATTACHMENT 2 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: David S. Beaubaire (David S. Beaubaire@EOP@LNGTWY@LNGTWY [UNKNOWN])

CREATION DATE/TIME:30-JUN-1997 12:09:00.00

SUBJECT: President Clinton Unveils Tax Cut Proposal

TO: Barry J. Toiv (Barry J. Toiv@EOP [UNKNOWN])
READ:UNKNOWN

TO: Darrell A. Johnson (Darrell A. Johnson@EOP [UNKNOWN])
READ:UNKNOWN

TO: Michele Jolin (Michele Jolin@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
Message Creation Date was at 30-JUN-1997 12:09:00

President Clinton Unveils Tax Cut Proposal

June 30, 1997

President Clinton !,s tax cut proposal provides needed tax relief to

working

families who play by the rules, pay taxes, and are trying to do the best

for

their kids. It includes a major investment in the President !,s top

priority

-- education -- by making the first two years of college universally

available

and doing something the other plans do not: helping those Americans who

are

working and want to improve their education and upgrade their skills.

Lastly,

President Clinton !,s proposal incorporates Republican priorities in a good faith effort to honor the budget accord and to reach final agreement for a

tax

cut the American people deserve.

THE PRESIDENT !,S PROPOSAL IS FAIR. The bulk of the President !,s tax cut

goes

to middle-class families -- two-thirds of the President !,s tax cut goes

to the

middle sixty percent of families, twice the share the alternative

congressional

plans provide these middle class families.

THE PRESIDENT PLACES A HIGHER PRIORITY ON EDUCATION TAX CUTS. Education

must

be America !,s highest priority and the core of our tax cut plan must help

families pay for education. To offer opportunity in the new and rapidly

changing economy, we must make the 13th and 14th years of education -- the

first two years of college -- as universal as a high school diploma is

today.

We must also do what we can to help people throughout their lives improve

their

education and upgrade their skills throughout their lives. The President !,

s

plan:

ADVANCES THE GOAL OF MAKING THE FIRST TWO YEARS OF COLLEGE UNIVERSAL.

The

plan includes a modified two-year $1,500 HOPE Scholarship that does more to help community college students than the congressional alternatives. First and second year students would receive a $1,000 credit for the first $1,000 of tuition and fees plus 50% of as much as another $1,000 in tuition and fees. Therefore, a student going to a typical community college with tuition of $1,200 would receive a $1,100 credit under the President !,s proposal, compared to just $600 and $900 under the House and Senate plans respectively.

HELPS THIRD AND FOURTH YEAR STUDENTS AND PROMOTES LIFELONG LEARNING. The congressional plans give virtually no support to families who are struggling to pay college costs out of pocket. Students beyond the second year would benefit only if they had substantial savings or when they paid interest on student loans. Students over 30 -- one-fourth of all undergraduate students -- could not even make use of the education savings accounts that Congress is proposing. At a time when older workers need to improve their education and upgrade their skills, it is critical that the education tax cuts promote lifelong learning. The President !,s proposal accomplishes this goal: It provides a 20 percent tuition credit on expenses up to $5,000 initially and

$10,000 beginning in 2001.

INCORPORATES OTHER GOOD EDUCATION IDEAS INCLUDED IN VARIOUS PROPOSALS,

such as

a permanent extension of the tax preference for employer-provided

undergraduate

and graduate education, tax incentives for school construction, a student

loan

interest deduction, and tax exclusion for community service and

income-contingent loan forgiveness.

THE PRESIDENT BELIEVES THAT FAMILIES WHO WORK HARD, PAY TAXES, AND TRY TO

DO

THE BEST FOR THEIR KIDS DESERVE A TAX CUT. HIS PLAN CUTS THE TAXES OF

THE 4

MILLION FAMILIES SHORTCHANGED BY CONGRESS. The President !,s proposal

includes

a $500 child tax credit for children under 17 through 2002 and under 19

thereafter. The President has a basic disagreement with some members of

Congress. Consider a family of four with two small children: the father

is a

rookie police officer making $23,000, and the mother is taking a few years

off

from teaching. They pay out of pocket over $1,000 a year in federal

taxes. The

President believes that this family needs and deserves a tax cut just as much

as family who makes twice as much. The Congressional plans would deny

this

family a tax cut. Under the President !,s plan, this family would receive a

$767

child tax credit.

TAX INCENTIVES TO CLEAN-UP AND REVITALIZE DISTRESSED NEIGHBORHOODS BELONG

IN

THE FINAL TAX PACKAGE. In the balanced budget agreement, President

Clinton and

Congress agreed to make all efforts to include three programs critical to

our

urban areas in the final budget package: a Brownfields tax incentive; new

Empowerment Zones and Enterprise Communities (EZ/EC); and expansion of the

Community Development Financial Institutions (CDFI) fund. Unfortunately,

neither the House tax bill nor the Senate tax bill includes the President !,

s

Brownfields and EZ/EC initiatives. Today, the President includes these

two

vital provisions, plus a new tax credit to encourage investment in CDFIs

and an

enhanced welfare-to-work tax credit, in his tax cut proposal.=================== ATTACHMENT 1
===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from mr.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IKOLVPQBGG001R88@PMDF.EOP.GOV>; Mon, 30 Jun 1997 12:14:36 -0500 (EST)
Received: with PMDF-MR; Mon, 30 Jun 1997 12:14:26 -0500 (EST)

X400-MTS-identifier: [;62412103607991/5600606@EOPMRX]
================== END ATTACHMENT 1 ==================

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

Collection: 2017-1075-F

Bucket: Default

Creation Date: 1997-06-30

Subject: Q/A's -for internal use only

Creator: David S. Beaubaire David S. Beaubaire@EOP@LNGTWY@LNGTWY [UNKNOWN]

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2017-1075-F

Bucket: Default

Creation Date: 1997-07-01

Subject: CFR Update #78

Creator: tombutts tombutts@umich.edu@INET@LNGTWY [UNKNOWN]

Clinton Presidential Records
Automated Records Management System
[EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2007-0143-F Segment 2

Bucket: Default

Creation Date: 1997-07-02

Subject: Education's Weekly Report for July 6-12

Creator: Robert Clayton CN=Robert Clayton/OU=EDUC/O=GOV [UNKNOWN]

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: ElmendorfE (ElmendorfE@aascu.nche.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 3-JUL-1997 15:45:00.00

SUBJECT: FW: Letter to Clinton

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:

AASCU ADVISORY -- INFORMATION

FROM: ED ELMENDORF

TO: AASCU COUNCIL OF STATE REPRESENTATIVES

> Subject: LETTER TO PRESIDENT CLINTON FROM HIGHER EDUCATION

> ASSOCIATIONS re: Tax Proposal

==================================

The six presidential higher education associations wrote President

Clinton about his most recent tax reform proposal.

> July 3, 1997

>

>

>

> The Honorable William J. Clinton

> President

> The United States of America

> 1600 Pennsylvania Avenue
> Washington, DC 20500
>
> Dear Mr. President:
>
>   I write on behalf of the higher education associations listed
> below to express our appreciation for the agreement you reached with
> the
> congressional leadership to devote a significant portion of any tax
> cuts
> to education-related tax incentives. We are grateful that you and the
> congressional leadership agree that this goal is consistent with the
> objectives of balancing the federal budget and enhancing the nation's
> investment in human capital.
>
>   We deeply appreciate your continued efforts in this area. The
> plan you outlined earlier this week will help make higher education
> more
> affordable for middle-income students and families. This plan builds
> upon your proposals to create a Hope Scholarship tax credit and to
> encourage lifelong learning by incorporating a number of complementary
> provisions that are widely supported in the higher education
> community.
>
>   On June 6th, I sent a letter to Chairman Archer expressing our
> belief that any truly effective tax package must include six elements:
>

> *   A Hope Scholarship tax credit available to needy as well as
> middle-income students for the first two years of college. This
> program
> would guarantee students access to at least two years of an
> undergraduate education and should be the central feature of any plan.
>
> *   A provision to encourage lifelong learning for undergraduate and
> graduate students.
>
> *   Meaningful incentives to families with young children to save
> for college expenses.
>
> *   Permanent extension of Section 127 of the tax code for
> employer-provided educational assistance for both undergraduate and
> graduate education to ensure that working adults can participate in
> higher education without adverse tax consequences.
>
> *   Reinstatement of the student loan interest deduction to help
> students repay their loans following graduation. The deduction should
> be "above the line" to ensure that the broadest number of students can
> benefit. Further, certain types of student loan forgiveness should be
> excluded from income when college graduates pursue community service
> and
> other low-paying careers.
>
> *   Elimination of the tax-exempt bond cap for all colleges and
> universities so that they can maintain their campus facilities, keep

> up

> with the rapid growth of technology, and offer their students and

> faculty state-of-the-art classroom and research facilities.

>

> Your proposal addresses each of these issues, and, we believe,

> represents a much needed and extraordinarily valuable set of tax cuts

> for middle-income families. We are pleased that the Senate-passed

> bill

> also encompasses a similar set of issues, and we urge you to work with

> the Congress to develop a final bill that includes these elements.

>

> In addition, we encourage you to strongly oppose provisions that

> would impose new taxes on tuition assistance, such as phasing out

> Section 117(d), and on retirement benefits offered to the higher

> education community through TIAA-CREF. Both of these provisions run

> counter to the efforts to make higher education more affordable, and

> to

> make teaching a career that attracts our most outstanding scholars.

>

> Again, we thank you for the abiding leadership you have

> demonstrated in support of higher education. We urge you to continue

> your work with Congress on these important matters to ensure that this

> historic opportunity for America's college students does not pass us

> by.

>

> Sincerely,

>

>

>

> Stanley O.

> Ikenberry

> President

>

> This letter is sent on behalf of the following associations:

>

> American Council on Education

> American Association of Community Colleges

> American Association of State Colleges and Universities

> Association of American Universities

> National Association of Independent Colleges and Universities

> National Association of State Universities and Land-Grant Colleges=================== ATTACHMENT 1

===================

ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01IKT2BWPIPC00669R@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Thu,

 03 Jul 1997 16:48:05 -0500 (EST)
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
 id <01IKT2BV598G0052AX@PMDF.EOP.GOV> for Robert_M._Shireman@oa.eop.gov; Thu,
 03 Jul 1997 16:48:03 -0500 (EST)
Received: from [205.128.140.10] by gatekeeper.eop.gov;
 (5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA32634; Thu, 03 Jul 1997 16:48:01 -0400

Received: by PTAH with Internet Mail Service (5.0.1458.49) id <3BCZJHTR>; Thu,

 03 Jul 1997 16:45:28 -0400
X-Mailer: Internet Mail Service (5.0.1458.49)
X-Priority: 3

================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Julia R. Green (Julia R. Green@EOP@LNGTWY@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 8-JUL-1997 11:59:00.00

SUBJECT: State by State Release

TO: Anne M. Edwards (Anne M. Edwards@eop [UNKNOWN])
READ:UNKNOWN

TO: April Mellody (April Mellody@eop [UNKNOWN])
READ:UNKNOWN

TO: Barry J. Toiv (Barry J. Toiv@EOP [UNKNOWN])
READ:UNKNOWN

TO: Darby E. Stott (Darby E. Stott@eop [UNKNOWN])
READ:UNKNOWN

TO: Jeremy M. Gaines (Jeremy M. Gaines@eop [UNKNOWN])
READ:UNKNOWN

TO: Joshua Silverman (Joshua Silverman@EOP [UNKNOWN])
READ:UNKNOWN

TO: Lori Anderson (Lori Anderson@eop [UNKNOWN])
READ:UNKNOWN

TO: Michael McCurry (Michael McCurry@eop [UNKNOWN])
READ:UNKNOWN

TO: Paul K. Engskov (Paul K. Engskov@eop [UNKNOWN])
READ:UNKNOWN

TO: Stuart Schear (Stuart Schear@eop [UNKNOWN])
READ:UNKNOWN

TEXT:
Message Creation Date was at 8-JUL-1997 11:59:00

THE WHITE HOUSE

Office of the Press Secretary

—

FOR IMMEDIATE RELEASE July 8, 1997

ADMINISTRATION RELEASES STATE-BY-STATE ANALYSIS ON EDUCATION IMPACT OF TAX CUT PROPOSAL

The Clinton Administration today released a state-by-state analysis of tuition tax credits available to Americans in the President's tax cut proposal. This analysis reflects the number of people who will be helped by tuition tax credits over the next several years under the President's tax cut proposal compared to the House and Senate tax plans.

The Administration's HOPE Scholarship and 20 percent tax credit would provide an estimated $35 billion in tax relief while the House and Senate versions of HOPE Scholarships would provide $22 billion and $20 billion respectively. The House and Senate proposals provide the greatest benefits to higher income families who can afford to save large amounts for their children's college education, and they offer no tax benefits for education beyond the first two years of postsecondary education.

A complete copy of the state-by-state analysis is available via U.S.

Newswire

or by calling the White House press office at 202/456-7150.

- 30-30-30-

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: csmith (csmith@natstrat.com@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 9-JUL-1997 10:02:00.00

SUBJECT: Re: Vice President Gore Highlights Administration Tax Cuts That

TO: Brian D. Smith (Brian D. Smith@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
brian- 11:00 am

thanks for that, but it didn't even mention the one thing that i needed, so

I guess if its not in there, then there wasn't a press

release on it. What it was, was from the Wall Street, and it was a mention

of the vice president citing Netscape and their creation of a new software

known as Educational dashboard. All i need is information on that piece of

it. If you dont have it, thats fine,which is probably the case considering

the Netscape corp did not even know about it yet. thanks anyway.

colby

At 10:10 AM 7/9/97 -0500, you wrote:

>Message Creation Date was at 9-JUL-1997 10:10:00

>

>---------------------- Forwarded by Brian D. Smith/WHO/EOP on 07/09/97

10:07 AM

>---------------------------

>

>

>

>

>Brenda M. Anders

>07/09/97 10:06:18 AM

>Record Type: Record

>

>To: Brian D. Smith/WHO/EOP @ EOP

>cc:

>Subject: Vice President Gore Highlights Administration Tax Cuts That Help

More

>Students Afford Higher Education

>

>

>---------------------- Forwarded by Brenda M. Anders/WHO/EOP on 07/09/97

10:01

>AM ---------------------------

>

>

>

>Mary A. Dixon @ OVP

>07/08/97 12:19:24 PM

>Record Type: Record

>

>To: See the distribution list at the bottom of this message

>cc:

>Subject: Vice President Gore Highlights Administration Tax Cuts That Help

More

>Students Afford Higher Education

>

> WHITE HOUSE

>Office of the Vice President

>____

>For Immediate Release   Contact: 202-456-7035

>July 8, 1997

>

>VICE PRESIDENT GORE HIGHLIGHTS ADMINISTRATION TAX CUTS

>THAT HELP MORE STUDENTS AFFORD HIGHER EDUCATION

>

>The Clinton/Gore Hope Scholarship and Tuition Tax Credit

>Help 7 Million More Students than Congressional Versions

>

> PITTSBURGH -- Vice President Gore today (7/8) released a state-by-state

>analysis which shows that 12.6 million students would benefit from the

>Clinton/Gore Administration Hope Scholarship and Tuition Tax Credit -- 7

>million more than the Congressional versions.

>

> "While adhering to the budget agreement, our proposal provides a

substantial

>tax cut for virtually any investment in postsecondary education and
training,"
>said the Vice President. "Compared to the Congressional plans, our tax
credits
>would help more types and ages of students, including older students
seeking
>the education they need to succeed in the workplace. Our plan aims to
lessen
>the financial stresses associated with going to college for students
across the
>nation."
>
> The Vice President released the state-by-state analysis at a forum with
higher
>education students at the University of Pittsburgh. For example, the
analysis
>showed that nearly 545,000 students in Pennsylvania would benefit from
the
>Administration!,s tax package, about 303,000 more than under the House
and
>Senate versions of the tax cuts agreed to in the balanced budget
agreement.
>Discussing the need for expanded higher education assistance with the
Vice
>President were undergraduates, graduate students and adults returning to
higher
>education or going to school for the first time to enhance their job

>marketability.

>

> Stanley Ikenberry, President of the American Council on Education and a

>supporter of the Administration!,s education tax proposal, accompanied the

Vice

>President to Pittsburgh. Ikenberry!,s council represents 1,600 colleges

and 200

>higher education organizations and associations.

>

> The Administration plan would cover: part-time students seeking to

improve or

>acquire job skills; students beyond their first two years of

undergraduate

>study; and graduate students. The Congressional plans do not provide

comparable

>education benefits for students after their first two years of higher

>education, including adults returning to school, graduate students and

3rd- and

>4th-year undergraduates. Under the Congressional plans, 5.6 million

students

>would benefit as compared to 12.6 million who would benefit under the

>Clinton/Gore Administration proposal.

>

> Key elements in the Administration plan include:

>

> Tax Credit for Third- and Fourth-Year Students and Lifelong Learning:

>Undergraduates beyond their first two years, graduate students, and

working

>people going to school part-time to improve or acquire job skills would

benefit

>from a 20 percent tax credit on the first $5,000 of tuition and required

fees

>through the year 2000, and after 2000, a 20 percent tax credit on the

first

>$10,000 of tuition and required fees.

>

> HOPE Scholarship: A maximum $1,500 credit for the first two years of

>postsecondary education. Students attending at least on a half-time basis

would

>receive a 100 percent credit for the first $1,000 of tuition and required

fees

>and a 50 percent credit for up to the next $1,000.

>

> Education and Retirement Savings Accounts: Allows penalty-free IRA

withdrawals

>for undergraduate, post-secondary vocational, and graduate education

expenses.

>Additionally, taxpayers are given the opportunity to deposit their child

tax

>credit plus an additional $500 in a Kidsave Account for the child!,s

education,

>first-time home purchase or the taxpayer!,s retirement. Earnings would

>accumulate tax-free in the Kidsave Account and no taxes would be due upon

>withdrawal for an approved purpose.

>

> Employer-Provided Education Benefits: Extends permanently Section 127 of

the

>tax code, which allows people to exclude $5,250 of employer provided

education

>benefits from their taxable income. Both undergraduate and graduate

education

>would be eligible.

>

> State-by-state numbers and other background are available by calling

>202-456-7035.

>

>###

>

>

>

>Message Sent

To:

>Elizabeth R. Newman

>Ricardo M. Gonzales

>Mary E. Glynn

>Julie E. Mason

>April Mellody

>Darby E. Stott

>Julia R. Green

>Laura D. Schwartz

>Joshua Silverman

>Eric Schnure @ OVP @ EOP

>Dan Pink @ OVP @ EOP

>Jonathan Spalter @ OVP @ EOP

>David Thomas @ OVP @ EOP

>Michael B. Feldman/OVP @ OVP

>Eli G. Attie/WHO/EOP

>Ann F. Lewis/WHO/EOP

>Pauline M. Abernathy

>Lori E. Abrams

>Lori Anderson

>Brenda M. Anders

>David S. Beaubaire

>Marsha E. Berry

>Laura Capps

>Steven A. Cohen

>Michelle Crisci

>Carolyn Curiel

>Suzanne Dale

>Lanny J. Davis

>Marilyn DiGiacobbe

>James A. Dorskind

>Christopher A. Dwan

>James T. Edmonds

>Anne M. Edwards

>Rahm Emanuel

>Karen E. Finney

>Jay K. Footlik

>Ben A. Freeland

>Jeremy M. Gaines

>Michael A. Gill @ OVP @ EOP

>Adam W. Goldberg

>Jason S. Goldberg

>Donald Goldberg

>Lawrence J. Haas/OMB/EOP

>Richard Hayes

>Russell W. Horwitz

>Brian J. Johnson

>David E. Kalbaugh

>Angus S. King

>Joshua A. King

>Nicholas B. Kirkhorn

>Catherine T. Kitchen

>Jim Kohlenberger @ OVP @ EOP

>Heidi Kukis @ OVP @ EOP

>Sara M. Latham

>G N. Lattimore

>Patricia F. Lewis

>Gordon Li

>Michael D. Malone

>Laura S. Marcus

>Doris O. Matsui

>Andrew J. Mayock

>Anne E. McGuire

>Cheryl D. Mills

>Megan C. Moloney

>Kevin Moran

>Jonathan Murchinson

>Melissa M. Murray

>Peter R. Orszag

>Carole A. Parmelee

>Sally P. Paxton

>Jonathan Prince

>Peter O'Keefe

>Stuart Schear

>Douglas S. Sheorn

>David Shipley

>Jake Siewert

>Richard Socarides

>Douglas B. Sosnik

>Todd Stern

>Sylvia M. Mathews

>Lisa Tamagni

>Virginia M. Terzano @ ovp @ eop

>terri tingen

>Barry J. Toiv

>Jodie R. Torkelson

>June G. Turner

>Dag Vega

>Lorraine A. Voles @ ovp @ eop

>Michael Waldman

>Angelina Walker @ ovp @ eop

>Teresa Wildman

>SUNTUM_M @ A1 @ CD @ LNGTWY

>COGDELL_C @ A1 @ CD @ LNGTWY

>MCHUGH_L @ A1 @ CD @ LNGTWY

>backup @ wilson.ai.mit.edu @ INET @ LNGTWY

>wh-outbox-distr @ clinton.ai.mit.edu @ INET @ LNGTWY

>BARBUSCHAK_K @ A1 @ CD @ LNGTWY

>BARTHOLOW_T @ A1 @ CD @ LNGTWY

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>HERMAN_A @ A1 @ CD @ LNGTWY

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>WOZNIAK_N @ A1 @ CD @ LNGTWY

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>73030.21 @ compuserve.com @ INET @ LNGTWY

>INFOMGT @ A1 @ CD @ LNGTWY

>newsdesk @ usnewswire.com @ INET @ LNGTWY

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>reuters @ 8988401 @ fax

>upi @ 8988057 @ fax

>la times @ 8871050 @ fax

>new york times @ 8620340 @ fax

>usa today @ 17032766585 @ fax

>wsj @ 8629266 @ fax

>washpost @ 4963936 @ fax

>abc @ 2227684 @ fax

>abcwh @ 2226681 @ fax

>cbs @ 6387739 @ fax

>cbswh @ 3311765 @ fax

>cnn @ 8987565 @ fax

>cnnwh @ 6381967 @ fax

>cspan @ 7376226 @ fax

>nbc @ 3622009 @ fax

>nbcwh @ 8854460 @ fax

>fox @ 824=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)

id <01IL13YE14ZK008NST@PMDF.EOP.GOV> for "Brian D. Smith"@oa.eop.gov; Wed,
09 Jul 1997 11:01:39 -0500 (EST)
Received: from gatekeeper.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01IL13Y1SEV4007BLJ@PMDF.EOP.GOV> for Brian_D._Smith@oa.eop.gov; Wed,
09 Jul 1997 11:01:18 -0500 (EST)
Received: from [205.246.56.34] by gatekeeper.eop.gov;
(5.65v3.2/1.1.8.2/17Oct95-0424PM) id AA10873; Wed, 09 Jul 1997 11:00:48 -0400

Received: by mail.natstrat.com from localhost (router,SLmail95 V2.4); Wed,
09 Jul 1997 11:07:43 Eastern Daylight Time
Received: by mail.natstrat.com from local_host
(205.246.56.33::mail daemon; unverified,SLmail95 V2.4); Wed,
09 Jul 1997 11:07:01 Eastern Daylight Time
X-Sender: "Colby Smith" <csmith@natstrat.com>
X-Mailer: Windows Eudora Pro Version 3.0.1 (16)
================= END ATTACHMENT 1 =================

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: Robert Clayton (CN=Robert Clayton/OU=EDUC/O=GOV [UNKNOWN])

CREATION DATE/TIME:11-JUL-1997 13:29:32.00

SUBJECT: Education Hot Issues for 7/11/97

TO: Cabinet Affairs (Cabinet Affairs [UNKNOWN])
READ:UNKNOWN

TEXT:
MEMORANDUM TO STEPHEN SILVERMAN

DEPUTY ASSISTANT TO THE PRESIDENT AND

DEPUTY SECRETARY TO THE CABINET

FROM: Leslie T. Thornton

Chief of Staff

DATE: July 11, 1997

SUBJECT: Education Hot Issues -- Daily Report

Washington Post Article: The Washington Post ran an article today under the headline &Education Initiatives Off to a Slow Start --Clinton ,s Plan Faces Growing Opposiition From Congress, State Officials. 8 The article focuses on state and local resistance to the voluntary national testing initiative and changes in and proposed alternatives to the Hope Scholarship and other higher education access initiatives. The school construction initiative and legislative opposition to the America Reads Challenge are also mentioned. Although the article contains a few positive statements and quotes, the general thrust of the coverage is that the Administration education agenda is endangered.

RECORD TYPE: FEDERAL (TRP NOTES MAIL)

CREATOR: tombutts (tombutts@umich.edu@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME:16-JUL-1997 20:23:00.00

SUBJECT: TAX BILL - ASSOCIATIONS SUPPORT PACKAGE

TO: Robert M. Shireman (Robert M. Shireman@EOP [UNKNOWN])
READ:UNKNOWN

TEXT:
Following is the text of the letter the major higher education associations just sent to Congress in support of a package of higher education tax proposals under discussion in the tax conference. If enacted these proposals could result in up to $41 billion in new assistance to students and families.

It is time for higher education to actively and with one voice make its views known to Congress in support of this package of proposals. It is possible the conference may conclude yet this week. If you wish to express a view to conferees and your own representatives when it can make a difference, the next couple of days are most important.

AMERICAN COUNCIL ON EDUCATION

July 15, 1997

Dear Senator Lott

United States Senate

487 Russell Senate Office Building

Washington, DC 20510

Dear Senator Lott:

I write on behalf of the higher education associations listed below to express our views on the education tax provisions under consideration in the Revenue Reconciliation Act of 1997 (H.R. 2014).

We are grateful for the agreement by the congressional leadership and the administration that a comprehensive set of proposals to help families save and pay for higher education should be a central feature of any tax relief legislation. This decision recognizes that widespread access to higher education will generate substantial benefits for the nation as a whole in the forms of long-term economic growth and social progress.

We believe that any comprehensive higher education tax package should include six elements:

A Hope Scholarship tax credit available to needy as well as middle income students for the first two years of college. Such a credit would help guarantee students access to two years of postsecondary education or training and should be the central feature of any plan. We note that neither the House nor Senate bills would allow all students to claim 100 percent of their allowable tuition and fees up to $1,500. We urge the conferees to structure the credit so that it is not reduced to the detriment of students attending low-cost institutions.

A provision to encourage students to pursue postsecondary education after their eligibility for the Hope tax credit has expired, including features that promote lifelong learning, such as those proposed by President Clinton.

Effective incentives to help families with young children save for college expenses-- e.g., allowing the use of Individual Retirement Accounts for higher education expenses without penalty and authorizing the creation of "educational IRAs."

Permanent extension of Section 127 of the tax code for employer-provided educational assistance for both undergraduate and graduate education, to ensure that working adults can participate in higher education without adverse tax consequences.

Reinstatement of the student loan interest deduction to help student borrowers repay their loans after graduation. The deduction should be "above the line," as in the Senate bill, to ensure that all borrowers benefit. In addition, we strongly endorse the provisions in the House and Senate bills that would exclude from federal taxation loans that are canceled by a college, university or other nonprofit organization when college graduates pursue community service and other low-paying careers. Finally, we support the provision in both bills that would exclude from federal taxation the income contingent repayment plan. This plan, established in 1992 to help individuals whose income remains low throughout their working lives, cancels any remaining federal student loan debt after 25 years of repayment. Borrowers who have worked to repay their debt and receive federal loan "forgiveness" benefit from this provision only because they have low income. They should not be expected to pay federal income tax on the amount forgiven.

Elimination of the tax-exempt bond cap for all colleges and universities so that they can maintain their campus facilities, keep up with the rapid growth of technology, and offer their students and faculty state-of-the-art classroom and research facilities.

The House and Senate bills and the administration proposals can be combined to include these six elements. Such a package would provide a much needed and extraordinarily valuable set of tax cuts to help middle income families invest in education. Taken together, the six elements listed above would represent landmark legislation in the tradition of the GI Bill and the Higher Education Act.

We also strongly encourage you to drop two provisions included in the House version of the bill.

The first would impose new taxes on college employees and students by phasing out Section 117(d) of the tax code. Under this provision, tuition reimbursements or waivers received by students, staff, and faculty are excluded from income. More than 50 percent of the faculty and staff members who benefit form this provision have adjusted gross incomes of less than $30,000. Removing this provision would increase the cost of education for these individuals sharply and dramatically. In addition, phasing out Section 117(d) would impose a substantial new tax burden on graduate teaching assistants, most of whom currently pay little or no tax on their small stipends.

The second provision would eliminate the long-standing tax-exempt status of TIAA-CREF. Such a change could reduce earnings that otherwise would be credited as dividends to the two million participants in this retirement plan.

Again, we thank you for your bipartisan support of higher education, and your willingness to make higher education a priority in this important legislation. We look forward to working with you as the tax bill conference moves forward.

Sincerely,

Stanley O. Ikenberry

On behalf of the following associations:

American Council on Education

American Association of Community Colleges

American Association of Dental Schools

American Association of State Colleges and Universities

Association of American Universities

Association of Catholic Colleges and Universities

Association of Jesuit Colleges and Universities

Council of Independent Colleges

Council of Graduate Schools

Hispanic Association of Colleges and Universities

National Association of College and University Business Officers

National Association of State Universities and Land-Grant Colleges

National Association of Student Financial Aid Administrators

cc: President William J. Clinton

Thomas A. Butts

Associate Vice President for University Relations

University of Michigan

202-554-0578, FAX 202-554-0582, tombutts@umich.edu

=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

TEXT:
RFC-822-headers:
Received: from conversion.pmdf.eop.gov by PMDF.EOP.GOV (PMDF V5.0-4 #6879)
id <01ILBHOMA3DC000EXM@PMDF.EOP.GOV> for "Robert M. Shireman"@oa.eop.gov; Wed,

16 Jul 1997 21:22:31 -0500 (EST)
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by PMDF.EOP.GOV (PMDF V5.0-4 #6879) id <01ILBHOIDER4000AVG@PMDF.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Wed, 16 Jul 1997 21:22:24 -0500 (EST)
Received: from mothra.rs.itd.umich.edu ([141.211.83.20])
by STORM.EOP.GOV (PMDF V5.1-7 #6879)
with ESMTP id <01ILBHO90I0O002SH0@STORM.EOP.GOV> for
Robert_M._Shireman@oa.eop.gov; Wed, 16 Jul 1997 21:22:12 -0400 (EDT)
Received: from [192.195.231.218] by mothra.rs.itd.umich.edu (8.8.5/2.2)
id VAA27526; Wed, 16 Jul 1997 21:22:09 -0400 (EDT)
X-Sender: tombutts@t.imap.itd.umich.edu
================= END ATTACHMENT 1 =================

Clinton Presidential Records
Automated Records Management System [EMAIL] and Tape Restoration Project [Email]

This is not a presidential record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

This marker identifies a responsive email, already made available within another collection.

Collection: 2017-1075-F

Bucket: Default

Creation Date: 1997-07-18

Subject: Conference on Tax Bill

Creator: tombutts tombutts@umich.edu@INET@LNGTWY [UNKNOWN]