Withdrawal/Redaction Sheet
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. email	To Jonathan Kaplan from Barbara Chow, re: Education issues -- NEC [partial] (1 page)	05/20/1998	b(6)
002. email	To Barbara Chow from Jonathan Kaplan, re: Education issues -- NEC [partial] (1 page)	05/20/1998	b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
OPD ([1997 Taxpayer Relief Act])
OA/Box Number: 250000

FOLDER TITLE:

[05/01/1998 - 07/10/1998]

2017-1075-F
bg121

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-MAY-1998 08:58:33.00

SUBJECT: Statement by the Secretary

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
FYI
---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 05/01/98
08:58 AM ---------------------------

Julie_Green @ ed.gov
04/30/98 06:14:00 PM
Record Type: Record

To: Robert M. Shireman
cc:
Subject: Statement by the Secretary

attached is the statement released responding to Republican charges
on
the student loan interest rate. it's also on
k:\shared\nddrafts\rwrloan. thanks.

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D92]MAIL42313302D.126 to ASCII,
The following is a HEX DUMP:

================== 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 V5.1-9 #29131)
id <01IWHN2Q7O9C001J5F@PMDF.EOP.GOV> for shireman_r@a1.eop.gov; Thu,
30 Apr 1998 18:15:08 EDT

Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
with ESMTP id <01IWHN2CEF0W001LIW@PMDF.EOP.GOV> for shireman_r@a1.eop.gov;
Thu, 30 Apr 1998 18:14:59 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-10 #22921)
with ESMTP id <01IWHN1LB74I000IQ0@STORM.EOP.GOV> for shireman_r@A1.eop.gov;
Thu, 30 Apr 1998 18:14:11 -0400 (EDT)
Received: from smtpgwy.ed.gov (smtpgwy.ed.gov [165.224.216.36])
by vader.ed.gov (8.8.7/8.8.4) with SMTP id SAA19017 for
<shireman_r@A1.eop.gov>; Thu, 30 Apr 1998 18:15:25 -0400 (EDT)
Received: from ccMail by smtpgwy.ed.gov (IMA Internet Exchange 2.12 Enterprise)

id 001046D9; Thu, 30 Apr 1998 18:14:08 -0400
================= END ATTACHMENT 2 =================

UNITED STATES DEPARTMENT OF EDUCATION NEWS

FOR RELEASE
April 30, 1998

Contact: Julie Green (202) 401-3026

STATEMENT BY U.S. SECRETARY OF EDUCATION RICHARD W. RILEY
On House Republican Charges About the Student Loan Interest Rate Proposal

I'm pleased that House Republicans agree with the Administration's proposed reduction in student loan interest rates. However, we strongly object to taxpayers' subsidizing record bank profits.

I am deeply troubled by false accusations that the student loan system is in jeopardy and that the Administration believes private banks should not be making student loans. In fact, the Administration has strong measures already in place to ensure that students will have continued access to government-guaranteed bank loans this fall and beyond.

Increasing access to higher education has been a hallmark of the Clinton Administration and we will continue working to reduce the student loan interest rate without soaking the taxpayers.

###

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 1-MAY-1998 17:02:46.00

SUBJECT: SENATOR Armey?

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Student Loan Interest Rates: Senator Armey fought hard to include a bank-friendly fix as part of the supplemental appropriations bill. We opposed his fix -- in part because its subsidies to banks were not offset -- and he ultimately failed. Keeping it as part of HEA helps to provide a driver for the reauthorization to occur this year. Also, the fight in the context of the supp has helped to push the parties closer to a substantive negotiation (we are making a counter-offer in response to a proposal from the Senate Budget Committee).

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

Bucket: OPD

Creation Date: 1998-05-05

Subject: Clips

Creator: OPA@ed.gov@INET@LNGTWY
OPA@ed.gov@INET@LNGTWY [UNKNOWN]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: mary_jane_gallagher@ed.gov (Mary Jane Gallagher) (mary_jane_gallagher@ed.gov (Mary Jane Gallagher) [UNKNOWN])

CREATION DATE/TIME: 6-MAY-1998 14:43:59.00

SUBJECT: Ed Daily: Student Loan Auctions

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: yamin_s@a1.eop.gov (yamin_s@a1.eop.gov [UNKNOWN]) (OMB)
READ:UNKNOWN

TO: chow_b@a1.eop.gov (chow_b@a1.eop.gov [UNKNOWN]) (OMB)
READ:UNKNOWN

TEXT:
Education Daily
May 6, 1998

White House, Senate Back Student Loan Auctions

by Eli J. Lake

The White House and the Senate Budget Committee are backing a 17-year-old plan to hold government auctions that would let banks bid for the right to make student loans.

On Friday, the Clinton administration proposed setting up such auctions by 2001, conceding a partial subsidy to lenders on student loan interest rates.

That move marks _for the first time _the administration's willingness to give banks at least some of the subsidies they say they will need to remain in the loan program if Congress and the administration cut student loan interest rates.

The White House Office of Management and Budget (OMB) backed the auction proposal under the condition that the administration certify that such a system would ensure availability of Family Education Loans (FEL). OMB wants the education secretary to have the authority to start piloting the program by October.

Auctioning Lending Authority

The plan emerged in 1981 as a way to auction blocks of loan authority to lenders, secondary markets and guarantee agencies. Successful bidders could sell their authority or enter into arrangements with schools to be the sole lender for those students.

The plan never advanced in Congress, partly because of concerns that the bidding process would allow large lenders to serve the strongest schools, leaving others without access to the loan program.

OMB recommends that a panel of outside experts, such as the National Academy of Sciences, study the pilot programs and forward recommendations for how the Education Department should proceed in establishing the student loan auctions.

Last week, Rep. Thomas Petri, R-Wis., offered the proposal as an amendment to the House version of its Higher Education Act (HEA) reauthorization proposal, H.R. 6, but soon withdrew it to smooth out the proposal with education policy committee Chairman Bill Goodling.

Committee spokesman Jay Diskey said "there is a feeling on the committee that there may be some merit to a market-based system," but added "it was a little late in the game" for the administration to offer such a sweeping proposal.

For the last two weeks, OMB and congressional lawmakers have been discussing proposals that would get Congress out of the business of setting student loan interest rates altogether, by letting the private lenders bid on the FEL interest rates.

Last Wednesday, the White House threatened to veto H.R. 6 because the legislation subsidizes the difference between the interest rate formula for borrowers (Treasury bills plus 2.3 percent) and lenders (T-Bills plus 2.8 percent) at a cost of $1.02 billion over five years, according to the Congressional Budget Office (ED, May 1).

The administration proposal says that prior to the 2001 auctions, the borrower rate for these loans would be the same as under the House and Senate proposals, and the lender rate would be 0.2 percent higher than the student rate.

The administration has said there should be no difference between the borrower and the lender rate.

The OMB proposal differs slightly from the Senate Budget Committee majority staff's auction proposal. The budget committee proposal would set the interest rates for students through T-bills plus 2.8 percent, the same rates for lenders under the House proposal.

The Senate proposal also would commission a study on the viability of replacing the two pronged FEL/DSL loan delivery systems with a single, auction-based system.

The administration's proposal would add an additional subsidy for small banks by paying 0.2 percent of the loan's original principal to lenders that make less than $1 million in student loans annually. OMB estimates that 3,000 banks would qualify for this subsidy.

The House planned to continue consideration of H.R. 6 last night, and may vote on the proposal this evening.

###

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-MAY-1998 15:33:58.00

SUBJECT: 7:45 or other context soon

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
HEA: It is not scheduled for action next week in the Senate. That is probably good, because it will increase the sense that the student loan interest rate must be solved before the bill can move (i.e. the Administration can't just be rolled). The nearly unanimous support for the House bill gave their solution perhaps too much momentum (though it is good for High Hopes, which survived unscathed).

America Reads: Chairman Jeffords's draft bill (for markup next Wednesday) focuses heavily on teacher training and family literacy, not tutoring. This is his effort to avoid the TAG problem (the House provision that provides for a tutoring voucher of sorts). If he eliminates TAG alone, Coverdell will insist on adding it. If he eliminates tutoring, then there's no logic to adding TAG. Carol Rasco thinks we should accept Jeffords's political calculus and let him move forward (perhaps with a Kennedy amendment that would at least allow for the training of tutors). We can perhaps do better in conference, and we can say that we are providing tutors now with work-study and the AmeriCorps money. This means essentially acknowledging that the Republicans are right that teacher training should be a greater priority than we had originally suggested.
I think this is okay, especially with the recent NAS study that does emphasize the need to bring the latest research into teaching. I need your thoughts so we can give the Hill a signal.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Don_Feuerstein@ed.gov (Don Feuerstein) (Don_Feuerstein@ed.gov (Don Feuerstein) [UNKNOWN])

CREATION DATE/TIME: 8-MAY-1998 06:05:40.00

SUBJECT: Re: Education Daily

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: Jon_Oberg@ed.gov (Jon Oberg) (Jon_Oberg@ed.gov (Jon Oberg) [UNKNOWN])
READ:UNKNOWN

CC: Kathryn B. Stack (CN=Kathryn B. Stack/OU=OMB/O=EOP [OMB])
READ:UNKNOWN

CC: Barry White (CN=Barry White/OU=OMB/O=EOP [OMB])
READ:UNKNOWN

CC: Barbara Chow (CN=Barbara Chow/OU=OMB/O=EOP [OMB])
READ:UNKNOWN

CC: "leppers%dom13.dopo7" <susan.lepper@ms01.do.treas.sprint.com> ("leppers%dom13.dopo7" <susan.lepper@ms01.do.treas.sprint.com> [UNKNOWN])
READ:UNKNOWN

CC: Scott_Fleming@ed.gov (Scott Fleming) (Scott_Fleming@ed.gov (Scott Fleming) [UNKNOWN])
READ:UNKNOWN

CC: Maureen_McLaughlin@ed.gov (Maureen McLaughlin) (Maureen_McLaughlin@ed.gov (Maureen McLaughlin) [UNKNOWN])
READ:UNKNOWN

CC: William_Graham@ed.gov (William Graham) (William_Graham@ed.gov (William Graham) [UNKNOWN])
READ:UNKNOWN

CC: "lizarragaj%dom3.dopo5" <jaime.lizarraga@ms01.do.treas.sprint.com> ("lizarragaj%dom3.dopo5" <jaime.lizarraga@ms01.do.treas.sprint.com> [UNKNOWN])
READ:UNKNOWN

CC: "gruberj%dom13.dopo7" <jonathan.gruber@ms01.do.treas.sprint.com> ("gruberj%dom13.dopo7" <jonathan.gruber@ms01.do.treas.sprint.com> [UNKNOWN])
READ:UNKNOWN

CC: Pauline_Abernathy@ed.gov (Pauline Abernathy) (Pauline_Abernathy@ed.gov (Pauline Abernathy) [UNKNOWN])
READ:UNKNOWN

CC: David_Longanecker@ed.gov (David Longanecker) (David_Longanecker@ed.gov (David Longanecker) [UNKNOWN])
READ:UNKNOWN

TEXT:
By allowing lenders to hold the loans for an extra 90 days, it would also
increase lender returns over those estimated under McKeon-Kildee-Jeffords
by increasing average loan lives without any substantial increase in
marginal expenses. (During the extra 90 days the loans are in the hands of
the GAs, which are trying to earn their new default aversion fee.) William
is attempting to quantify the amount of extra income that would be received
by lenders and its effect on their returns.

______________________________ Reply Separator
____

Subject: Education Daily
Author: Robert_M._Shireman@opd.eop.gov at Internet
Date: 04/28/98 12:56 PM

I'm on the record as an expert on the 180-270 days issue...

House Reaches Accord On Offsetting HEA Interest Costs

by Eli J. Lake

House lawmakers have tentatively agreed to pay for lower student loan interest rates partly by extending the period from 180 to 270 days before which a student's loan is in default, and partly through unspecified, non-education cuts.

According to House sources in these negotiations, the accord between the education and the budget committees would not cut funds for any Education Department programs. The agreement should pave the way for a vote this week on the House plan to reauthorize the Higher Education Act (HEA).

For weeks, leaders of the Budget Committee and the Education and the Workforce Committee could not agree on how to offset a key expense in legislation to reauthorize HEA. The bill passed by the education committee, H.R. 6, would pay lenders the difference?at a cost of $1.02 billion over five years?of lowering the interest rate for students, according to the latest Congressional Budget Office estimates.

The plan would lower the borrower rate for students by 0.8 percentage points, while only decreasing the interest rate for lenders by 0.3 percentage points (ED, March 16).

After getting burned by a transportation bill that increased spending by $30 billion without accompanying offsets, Budget Committee chairman John Kasich, R-Ohio, threatened to hold up a floor vote on HEA if the bill reached the floor without education offsets.

Jean Frohlicher, executive vice president for the National Counsel of Higher Education Loan Programs, said the extended default period proposal would reduce the cost of the proposal in two ways: It hides the cost for the Treasury Department's repayment of student loans in some cases by deferring the time of payment from one fiscal year to the next; and it in many cases the extra 90 days would save some students from actually defaulting.

But White House Senior Education Policy Advisor Bob Shireman says the default extension "appears to save money, but in reality it would not."

By delaying the repayment of defaulted student loans, he said, the proposal would indirectly increase the interest cost the government pays on those loans by an additional 90 days.

to be free of all known viruses.
****

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 8-MAY-1998 10:17:05.00

SUBJECT: clinton on lifelong learning

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
But I think you know that unless we can guarantee a world-class education to all of our kids, and a system of lifetime learning for all workers in America so that they can always continue to learn new skills, we will not be able to reach the people that presently have not yet fully participated in this recovery.

You've done a great job on that, and I just wanted to be here. I've done my best to do two things that I think are important. One is to open the doors of college to all Americans of any age. With our HOPE Scholarships now, we give virtually all Americans a $1,500 tax credit for the first two years of college and then credits for the second and third year, and for people who, like many of you, might want to go back and get further training. We've increased scholarships and made the loan program better. And there's also now an education IRA so that you save -- for example, for your children's education, you can put the money into an IRA and that money is not subject to tax when you put it in. And then the gain is not subject to tax when you take it out, if you use it for your children's education, to try to help make it easier for people to save for education.

The other thing we're trying to do is to create a training opportunity for people who work in companies that are not as sophisticated or advanced as yours, by passing what I've called -- and I've been trying for five years to pass this -- the G.I. Bill for Americas Workers. We have literally dozens of federal training programs. And if I gave you a sheet of paper and a pencil and I asked you write down five of them, I bet you there's not a person in the room who could do it -- probably including me. (Laughter.) But there are dozens of them. And they were all created for some particular good purpose when the economy was more static then it is, before it started changing like it is now.

What I've been trying to do for five years is to collapse all the programs, put it in a fund and just give everybody a certificate who's eligible for the training and let them take it to the local community college or wherever else, to let the people who need the training have the money and then choose the place where they want to get the training. I think most of you have enough sense to plot your own future, and most other adults do in this country, too.

And it would be a lot better than having all these separate bureaucracies and programs there.

So we're working on that. The House has passed a good bill; the Senate has got a bill up -- I think they're going to take it up today. And I hope that this vote last night on NATO is a good indicator of what might happen on the G.I. Bill for America's Workers. Because think what it would mean if every person in every workplace in America -- every person in every workplace in America -- if they lost a job or if they were grossly underemployed, could get a certificate which would basically empower them to get further education and training at any point during their life. It could revolutionize the lives of a lot of those folks we're talking about that have not yet fully participated in the recovery. And I hope we can get the support for it.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:11-MAY-1998 19:40:06.00

SUBJECT: Re: Children's Form Letter re: Taxes

TO: Catherine T. Kitchen (CN=Catherine T. Kitchen/OU=WHO/O=EOP @ EOP [WHO])
READ:UNKNOWN

TEXT:
SEE BOLD BELOW.

Catherine T. Kitchen
05/11/98 12:11:18 PM
Record Type: Record

To: Jonathan Orszag/OPD/EOP
cc:
Subject: Children's Form Letter re: Taxes

---------------------- Forwarded by Catherine T. Kitchen/WHO/EOP on
05/11/98 12:13 PM ---------------------------

Catherine T. Kitchen
05/08/98 02:11:47 PM
Record Type: Record

To: Jonathan Orszag/OPD/EOP
cc:
Subject: Children's Form Letter re: Taxes

Jonathan,
Could you please take a look at this proposed text for a children's form
letter re: Taxes?
We are trying to get all form letters cleared before the end of school so
that the children may have their responses. Let me know if somebody else
might be better to look at it.
Thanks so much,
Catherine Kitchen x65428

Dear Blank:

Thank you for writing to let me know your thoughts concerning taxes.

Taxes are the means by which citizens pay the costs of government, enabling it to provide needed programs and services. We all benefit when our tax money is spent wisely and fairly.

Over the past five years, I have worked to provide America's working families tax relief. In 1993, we cut taxes for 15 million of our most hard-pressed working families. And then last year, I signed into law the first balanced budget in a generation, which included a $500 child tax credit to make it easier for working families to raise their children, a $1,500 HOPE Scholarship tax credit to help make the 13th and 14th grades as universal as a high school degree is today, and a Lifetime Learning Tax Credit to help people upgrade their skills throughout their lifetimes. Now, I want to build of this record and provide working families additional tax relief. My new budget includes responsible, targeted tax cuts for education, the environment, and child care.

I hope that you will stay informed about this important topic. Together, we can work toward a secure a brighter future for all Americans.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:11-MAY-1998 11:42:21.00

SUBJECT: student loan interest rates

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Bob -

See e-mail below from Vanderbilt re: very indirect request supposedly from Gingrich's office through Vanderbilt on WH's position on interest rates. I bolded key portions for you to read quickly. How would you recommend I respond? (and what is the status of this?) -- Jon

---------------------- Forwarded by Jonathan H. Schnur/OPD/EOP on 05/11/98 11:16 AM ---------------------------

nancy.hoit @ npr.gov
05/11/98 11:09:00 AM
Record Type: Record

To: Jonathan H. Schnur @ eop
cc:
Subject: Re: -- No Subject -- <fwd>

Bill (Purcell) I'm forwarding this to Jon Schnur. Maybe he can give me a read on what's happening with regard to this bill. See you tomorrow night.

-----Original Message-----
From: Bill Purcell [SMTP:Bill.Purcell@vanderbilt.edu]
Sent: Monday, May 11, 1998 2:53 PM
To: Nancy.Hoit@npr.gov

>From: Bill Phillips <billy.r.phillips@vanderbilt.edu>
>To: bill.purcell@vanderbilt.edu

>
>Bill, following up on our conversation about student
>aid...A compromise on the interest rate for student loans
>was crafted by Democrats in Congress and accepted by the
>GOP Members. In a meeting earlier this week, President
>Clinton apparently told Sen. Lott that if that provision
>comes to him in legislation, he will veto it. It has
>caused much consertnation since. I got a call from a staff
>member in Speaker Gingrich's office wanting to know if I

>could find out from VP Gore's office an "unofficial"
>assesment of the situation: i.e., is the Administration
>set in concrete; is there room for creating some wiggle
>room such as a two-year at the compromise rate while the
>issue is studied further; or what. Efforts to get any
>"political" read has gone unsuccessful so far, they claim.
>Could you possibly know someone that might give an off the
>record read on the whole issue? It would be appreciated.
>Vanderbilt does have an interest in the issue, obviously,
>but this is more a request from personal political than my
>official role. Thanks so much.
>

>--
>Bill Phillips
>Vanderbilt University
>Email: bill.phillips@Vanderbilt.Edu
>phone 322-8333
>fax 343-3930
>
>--- End Forwarded Message ---
>
>

>--
>Bill Phillips
>Vanderbilt University
>Email: bill.phillips@Vanderbilt.Edu
>phone 322-8333
>fax 343-3930
>
>
Bill Purcell
Director
The Child and Family Policy Center
Vanderbilt Institute for Public Policies
Telephone: 615-343-9865
Fax: 615-343-1761
E-Mail: Bill.Purcell@Vanderbilt.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 V5.1-9 #29131)
 id <01IWWLF7E3ZK005EWI@PMDF.EOP.GOV> for schnur_j@a1.eop.gov; Mon,
 11 May 1998 11:09:46 EDT
Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
 with ESMTP id <01IWWLF3J27K0059B6@PMDF.EOP.GOV> for schnur_j@a1.eop.gov; Mon,

 11 May 1998 11:09:40 -0400 (EDT)

Received: from mail.npr.gov ([208.213.25.10])
by STORM.EOP.GOV (PMDF V5.1-10 #22921)
with ESMTP id <01IWWLEJMNPS000PBS@STORM.EOP.GOV> for schnur_j@a1.eop.gov; Mon,

11 May 1998 11:09:16 -0400 (EDT)
Received: by SRNPR-EXCHANGE with Internet Mail Service (5.5.1960.3)
id <2NP6LFC8>; Mon, 11 May 1998 11:09:03 -0400
X-Mailer: Internet Mail Service (5.5.1960.3)
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:11-MAY-1998 12:32:26.00

SUBJECT: Re: student loan interest rates

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
We are eager to sit down with the powers-that-be on the hill; there is wiggle room; we would like to reach an accord and get this done quickly. The authorizers have not been particularly interested in negotiating, because they think the leadership will find the taxpayer funds needed to pay for the version they worked out (basically, they gave the banks and students what they wanted and left taxpayers holding the bag; that's our problem with it). Encourage them to reach out to me, or at a higher level to Larry Stein, etc.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:12-MAY-1998 14:14:31.00

SUBJECT: Re: Info on OMB Interest Rate Estimate

TO: NAGPS President <president (NAGPS President <president @ nagps.nagps.org> [UNKNOWN])
READ:UNKNOWN

TEXT:
This letter was sent by the OMB director in late March, explaining the differing estimates and raising concerns about the cuts (including student loans) that would result if it is not paid for.

The Honorable John R. Kasich
Chairman, Committee on Budget
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The bill reported by the House Education and the Workforce Committee includes a provision that would set the lender yield on guaranteed student loans at a rate 50 basis points above the maximum rate borrowers must pay, requiring taxpayers to finance the difference. I must alert you to the significant budgetary implications of this provision that are not reflected in Congressional Budget Office (CBO) scoring.

The Office of Management and Budget (OMB) estimates the cost of this provision at $2.7 billion over five years, including $398 million in 1999. CBO estimates this provision would cost $1.2 billion over five years, including $180 million in 1999, using CBO ,s non-probabilistic methodology that we understand your committee will adopt for its baseline estimates. Thus, OMB ,s cost estimate exceeds CBO ,s by $1.5 billion over 5 years, which includes $218 million in 1999.

Both CBO ,s and OMB ,s baselines are based on the current law ,s statutory requirement that beginning July 1, 1998, the interest rate on new Stafford loans shall be equal to &the bond equivalent rate of the securities with a comparable maturity as established by the Secretary, plus 1 percent. 8 We believe that much of the difference between OMB ,s cost estimate and CBO ,s is attributable to CBO ,s erroneous assumption that the rate the Secretary of Education will establish for &securities with a comparable maturity 8 will be the rate for the 10-year Treasury note. In fact, it has always been the Secretary ,s intention, as explicitly reflected in the President ,s Budget each year, to use the bond equivalent rate of 10 to 20 year Treasury securities. This results in an interest rate for students that averages 26 basis points above the 10-year rate over the next five years, using OMB economic assumptions.

For several years, the Department of Education has notified CBO of this planned administrative decision, and OMB ,s baseline calculations for the last five Budgets have reflected it. Next month, as required by statute, the Department of Education will be publishing in the Federal Register the new rate effective July 1 that is based on the 10 to 20 year rate for Treasury securities. CBO has no independent statutory authority to change this long-standing Administration policy determination.

Largely because of this underlying problem in CBO ,s baseline, CBO ,s cost estimates significantly understate the cost of the interest rate provision in the Education and the Workforce Committee bill. If the Congress fails to provide PAYGO offsets large enough to cover the costs, a sequester would be necessary under the requirements of the Budget Enforcement Act. Assuming that the Congress agrees on PAYGO offsets equal to the CBO estimate, under a 1999 sequester of $218 million (the difference between OMB and CBO ,s non-probabilitic cost estimate), the first $207 million in spending reductions would come from three designated programs: a $166 million increase in student loan origination fees, a $33 million cut in vocational rehabilitation, and an $8 million cut in foster care and adoption assistance. The residual $11 million in spending reductions would come from across the board cuts to all other non-exempt mandatory programs, including $10 million from Medicare. If the Congress does not provide any PAY GO offsets, under the OMB estimate, aside from the $207 million reductions in the three aforementioned programs, $191 million in across the board reductions would be required in all other non-exempt mandatory programs, including a $167 million cut in Medicare spending.

A mutually acceptable resolution of the budget requires that any strategy to address the student loan interest rate problem must be paid for in full. We strongly believe that the problem can be resolved without burdening the taxpayer. We encourage the House to work with the Administration to develop an approach that would achieve this.

Sincerely,

Franklin D. Raines
Director

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Maureen_McLaughlin@ed.gov (Maureen McLaughlin) (Maureen_McLaughlin@ed.gov (Maureen McLaughlin) [UNKNOWN])

CREATION DATE/TIME:12-MAY-1998 07:24:01.00

SUBJECT: Re: Student Form Letter re: College Education

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Lynn_Mahaffie@ed.gov (Lynn Mahaffie) (Lynn_Mahaffie@ed.gov (Lynn Mahaffie) [UNKNOWN])
READ:UNKNOWN

TEXT:
Bob--in addition to what we talked about earlier, here are some good
comments
from Lynn, particularly wrt to work-study and savings. Maureen
______________________________ Forward Header
____
Subject: Re: Student Form Letter re: College Education
Author: Lynn Mahaffie at wdca04
Date: 5/11/98 12:20 PM

Maureen -- The following are my comments on Bob's letter. -- Lynn

Do you have thoughts on this, before I do some edits (this is a POTUS
response to kids who write about going to college)?
---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 05/11/98
11:11 AM ---------------------------

Catherine T. Kitchen
05/08/98 12:35:27 PM

Record Type: Record

To: Robert M. Shireman/OPD/EOP

cc:
Subject: Re: Student Form Letter re: College Education (Document link not
converted)

Thank you for your help!
CK

Dear Blank:

Thanks so much for taking the time to write to me. I am encouraged by your interest in attending college, and I understand your concern about the costs involved. College can be expensive, but it should not be completely out of reach. I faced the same difficulty at your age. I found a solution by applying for scholarships and by working several jobs, and these may be options for you.

As you consider your college career, remember that there are a great many grants, scholarships, and loans available to students, including Federal programs such as the Federal Pell Grant program, Federal student loan programs, and the Federal Work-Study program. A little research at your local library and with your school counselor may give you some additional ideas. You might also visit a local university and meet with a financial aid officer to discuss your options. A record of good grades and varied interests will help you gain admission to your chosen school and may assist you in obtaining scholarship money. Also, thousands of young people are earning education awards in exchange for community service by participating in AmeriCorps -- our national service initiative. These programs are helping to make college more affordable and accessible to students across the country.

I am pleased that our budget will provide significant assistance to students pursuing their education beyond high school. The budget includes increases in the Pell Grant maximums for all eligible students, including the largest Pell Grant increase in two decades for independent low-income students. I have also requested a significant increase in funding for the Federal Work-Study program, and have proposed to reduce the cost of borrowing for students by reducing the interest rates and origination fees on Federal student loans. The HOPE Scholarship Program will help advance the goal of making the first two years of college universally available by providing a $1,500 tax credit for all eligible students. Also, for adults who want to go back to school, a 20 percent tuition tax credit can be applied to the first $5,000 of tuition and fees through 2002, and to the first $10,000 thereafter. Additional tax cuts and credits will be implemented to help working families send their children to college.

It is also very important for you and your family to begin saving early to pay for college, and I have implemented a number of initiatives to make it easier for families to save for college, including allowing parents and grandparents to withdraw funds from an IRA without penalty to pay for education expenses and the creation of an Education IRA in children's names. Earnings on Education IRAs will accumulate tax-free and no taxes will be due upon withdrawal if the money is used to pay for post-secondary tuition and required fees, books, equipment, and eligible room and board expenses. We have also provided more flexibility for families saving in qualified State tuition plans.

I have high hopes for you and for all young Americans. With hard work, imagination, and effort, you can make your college dreams come true.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:13-MAY-1998 17:59:18.00

SUBJECT: Re: 745am memo

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
*America Reads: The Senate Labor & Human Resources Committee unanimously approved their version of the House-passed reading legislation on Wednesday morning. (This needs to be enacted by July 1 or the $210 million advance appropriation goes to special education). The bill is not bad, though it focuses more on teacher training than on tutoring (this is consistent with the latest research, but not with our original proposal). An amendment by Sen. Gregg was accepted that would allow the $210 million to go to the reading initiative only if special ed funding is increased by at least $500 million. While this tying arrangement theoretically puts us in the position of having to ask for a special ed increase, the reality is that Republicans are going to be pushing for money in special education anyway, so it won't be a barrier. Instead, this probably makes the bill easier to move, because with this language, passing America Reads can bring more money into special ed than stopping America Reads would.

Student Loan Interest Rate: Increasingly, the expectation is that we will see a 3-month fix on some vehicle (perhaps IRS, if that's moving). This would put the issue off, but preserve the need to move the HEA reauthorization. Probably not a bad development, given that we're having difficulty engaging anyone in real negotiations.

High Hopes: Sen. Jeffords is finally moving toward a compromise with us. He has given in on any absolute requirement that grants must go to states, a major concession on his part (our focus is college-school partnerships). We have other important details to work out, but we're making real progress.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:14-MAY-1998 12:54:51.00

SUBJECT: Media - Interest Rate Issue

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
FYI, WSJ
---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 05/14/98 12:54 PM ---------------------------

mary_jane_gallagher @ ed.gov (Mary Jane Gallagher)
05/14/98 12:00:59 PM
Record Type: Record

To: chow_b @ a1.eop.gov, yamin_s @ a1.eop.gov
cc: Robert M. Shireman/OPD/EOP
Subject: Media - Interest Rate Issue

Based on our discussions of last week, I was able to incorporate several key media hits on the student loan interest rate issue during Mike's NYC trip.

Today, Mike is meeting with the Wall Street Journal editorial writers (he just checked in to say it went well and he was surprised by their interest in students vs the banks). He is also doing a taped piece for CBS Saturday morning and will be on CNN Live tonight between 5 and 6 pm on their personal finance show - Take It Personally.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kathryn B. Stack (CN=Kathryn B. Stack/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:14-MAY-1998 18:27:20.00

SUBJECT: student loans in Kasich plan

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: Charles R. Marr (CN=Charles R. Marr/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

CC: Barbara Chow (CN=Barbara Chow/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: Wayne Upshaw (CN=Wayne Upshaw/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: Sandra Yamin (CN=Sandra Yamin/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: Barry White (CN=Barry White/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: S. A. Noe (CN=S. A. Noe/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TEXT:
I saw the "Bob and Chuck" write-up, and was surprised you went so far as to say it provides $3 billion in unnecessary lender entitlements. What I saw in the Kasich document (1) noted the problem with the July 1 rate and the need to change it; and (2) provided $1 billion in BA and $800 million in outlays over five years, WITHOUT saying how the problem would be fixed.

Given that (1) the plan is silent on the content of the fix; and (2) the Administration's own proposal costs $848 million (in outlays under OMB scoring), are we on firm ground asserting that Kasich's $800 million allocation would provide $3 billion in unnecessary subsidies to banks? (Maybe so now that the House has acted on the interest rate and used CBO scoring. I'll defer to your judgment.)

See below for the much more technical statement we did for BRD. Aromie is coordinating other branch comments on your write-up.
---------------------- Forwarded by Kathryn B. Stack/OMB/EOP on 05/14/98 06:08 PM ---------------------------

Kathryn B. Stack

05/14/98 11:30:25 AM
Record Type: Record

To: Justin D. Sullivan/OMB/EOP@EOP
cc: Barry White/OMB/EOP@EOP, Wayne Upshaw/OMB/EOP@EOP, Barbara Chow/OMB/EOP@EOP, Sandra Yamin/OMB/EOP@EOP
Subject: student loans in Kasich plan

In response to Justin's request for talking points on the interest rate item in the Kasich plan:

The Kasich plan provides $800 million in outlays for a change to the student loan interest rate formula scheduled to take effect on July 1, 1998. This is slightly less than the $1 billion in outlays CBO estimates would be required to finance the McKeon-Kildee interest rate change incorporated into the Higher Education reauthorization bills passed by the House and reported by the Senate committee. Under OMB scoring -- upon which sequester determinations are made -- the McKeon-Kildee legislation would cost $2.9 billion, $2.1 billion more than is provided in the Kasich plan. The Administration is committed to working with Congress on a less costly compromise that will ensure students have continued access to guaranteed student loans without providing excess subsidies to lenders.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:14-MAY-1998 16:17:39.00

SUBJECT: 745am memo

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Could you please update these for the 745am memo. Sally will be attending the meeting. Thank you.

****

America Reads: The Senate Labor & Human Resources Committee unanimously approved their version of the House-passed reading legislation on yesterday (Wednesday) morning. (This needs to be enacted by July 1 or the $210 million advance appropriation goes to special education). The bill is not bad, though it focuses more on teacher training than on tutoring (this is consistent with the latest research, but not with our original proposal). An amendment by Sen. Gregg was accepted that would allow the $210 million to go to the reading initiative only if special ed funding is increased by at least $500 million. While this tying arrangement theoretically puts us in the position of having to ask for a special ed increase, the reality is that Republicans are going to be pushing for money in special education anyway, so it won't be a barrier. Instead, this probably makes the bill easier to move, because with this language, passing America Reads can bring more money into special ed than stopping America Reads would.

Student Loan Interest Rate: Increasingly, the expectation is that we will see a 3-month fix on some vehicle (perhaps IRS, if that's moving). This would put the issue off, but preserve the need to move the HEA reauthorization. Probably not a bad development, given that we're having difficulty engaging anyone in real negotiations.

High Hopes: Sen. Jeffords is finally moving toward a compromise with us. He has given in on any absolute requirement that grants must go to states, a major concession on his part (our focus is college-school partnerships). We have other important details to work out, but we're making real progress.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: mary_jane_gallagher@ed.gov (Mary Jane Gallagher) (mary_jane_gallagher@ed.gov (Mary Jane Gallagher) [UNKNOWN])

CREATION DATE/TIME:14-MAY-1998 12:15:20.00

SUBJECT: Media - Interest Rate Issue

TO: yamin_s@a1.eop.gov (yamin_s@a1.eop.gov [UNKNOWN]) (OMB)
READ:UNKNOWN

TO: chow_b@a1.eop.gov (chow_b@a1.eop.gov [UNKNOWN]) (OMB)
READ:UNKNOWN

CC: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TEXT:

Based on our discussions of last week, I was able to incorporate several key media hits on the student loan interest rate issue during Mike's NYC trip.

Today, Mike is meeting with the Wall Street Journal editorial writers (he just checked in to say it went well and he was surprised by their interest in students vs the banks). He is also doing a taped piece for CBS Saturday morning and will be on CNN Live tonight between 5 and 6 pm on their personal finance show - Take It Personally.

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
	To Jonathan Kaplan from Barbara Chow, re: Education issues -- NEC [partial] (1 page)	05/20/1998	b(6) email

COLLECTION:
Clinton Presidential Records
Automated Records Management System [Email]
OPD ([1997 Taxpayer Relief Act])
OA/Box Number: 250000

FOLDER TITLE:
[05/01/1998 - 07/10/1998]

2017-1075-F
bg121

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P3 Release would violate a Federal statute [(a)(3) of the PRA]
P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [a)(5) of the PRA]
P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.
PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).
RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

b(1) National security classified information [(b)(1) of the FOIA]
b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Barbara Chow (CN=Barbara Chow/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:20-MAY-1998 13:49:45.00

SUBJECT: Re: Education issues -- NEC

TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TEXT:
We'd be happy to keep you informed. We are having a meeting tomorrow on student loan interest rates at 10:00 in my office (Rm 260) which Bob usually attends. It is an internal Administration meeting which will be followed by a discussion with Kennedy's staff next week. You are welcome to join us or we can report to you on what happened.

(b)(6)

Withdrawal/Redaction Marker
Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. email	To Barbara Chow from Jonathan Kaplan, re: Education issues -- NEC [partial] (1 page)	05/20/1998	b(6)

COLLECTION:

Clinton Presidential Records
Automated Records Management System [Email]
OPD ([1997 Taxpayer Relief Act])
OA/Box Number: 250000

FOLDER TITLE:

[05/01/1998 - 07/10/1998]

2017-1075-F
bg121

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

P1 National Security Classified Information [(a)(1) of the PRA]
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b(1) National security classified information [(b)(1) of the FOIA]
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:20-MAY-1998 16:11:46.00

SUBJECT: Re: Education issues -- NEC

TO: Barbara Chow (CN=Barbara Chow/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:

(b)(6)

Barbara Chow
05/20/98 01:49:41 PM
Record Type: Record

To: Jonathan A. Kaplan/OPD/EOP
cc:
Subject: Re: Education issues -- NEC

We'd be happy to keep you informed. We are having a meeting tomorrow on student loan interest rates at 10:00 in my office (Rm 260) which Bob usually attends. It is an internal Administration meeting which will be followed by a discussion with Kennedy's staff next week. You are welcome to join us or we can report to you on what happened.

(b)(6)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: David R Thomas (CN=David R Thomas/O=OVP [UNKNOWN])

CREATION DATE/TIME:21-MAY-1998 12:02:08.00

SUBJECT: Senate schedule in June

TO: Audrey Choi (CN=Audrey Choi/O=OVP [UNKNOWN])
READ:UNKNOWN

TO: Dan J. Taylor (CN=Dan J. Taylor/O=OVP [UNKNOWN])
READ:UNKNOWN

TO: Satish Narayanan (CN=Satish Narayanan/O=OVP [UNKNOWN])
READ:UNKNOWN

TO: Beth A. Viola (CN=Beth A. Viola/OU=CEQ/O=EOP [CEQ])
READ:UNKNOWN

TO: Trooper Sanders (CN=Trooper Sanders/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: Monica M. Dixon (CN=Monica M. Dixon/O=OVP [UNKNOWN])
READ:UNKNOWN

TO: Matthew J. Bianco (CN=Matthew J. Bianco/O=OVP [UNKNOWN])
READ:UNKNOWN

TO: Ricardo M. Gonzales (CN=Ricardo M. Gonzales/O=OVP [UNKNOWN])
READ:UNKNOWN

TO: Kay Casstevens (CN=Kay Casstevens/O=OVP [UNKNOWN])
READ:UNKNOWN

TO: Doug Babcock (CN=Doug Babcock/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Jim Kohlenberger (CN=Jim Kohlenberger/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
The following is a list from the Majority Leader of legislation expected
prior to the July 4th recess. The list
is not exclusive and is not in any particular order:

* DOD Authorization
* Higher Education Reauthorization
* Any available appropriation bills
* Budget Resolution Conference Report (10 hr. time limit)

* Private Property Rights
* Workforce Development Conference Report
* IRS Reform Conference Report
* ISTEA Conference Report
* Education IRA Conference Report
* Nuclear Waste
* Juvenile Justice
* Drug Czar Reauthorization
* Internet bills (gambling, decency, and filtering)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Richard J. Turman (CN=Richard J. Turman/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:22-MAY-1998 13:57:20.00

SUBJECT: FYI -- Prelim. list of Senate Legislation for June

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP@EOP [OPD])
READ:UNKNOWN

TO: Joshua Gotbaum (CN=Joshua Gotbaum/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Mark E. Miller (CN=Mark E. Miller/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Patrick G. Locke (CN=Patrick G. Locke/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Frank J. Seidl III (CN=Frank J. Seidl III/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Jim R. Esquea (CN=Jim R. Esquea/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Wm G. White (CN=Wm G. White/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Daniel N. Mendelson (CN=Daniel N. Mendelson/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Charles E. Kieffer (CN=Charles E. Kieffer/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Thomas Reilly (CN=Thomas Reilly/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Natasha M. Cavanaugh (CN=Natasha M. Cavanaugh/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Barry T. Clendenin (CN=Barry T. Clendenin/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Marc Garufi (CN=Marc Garufi/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Melany Nakagiri (CN=Melany Nakagiri/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TEXT:
It will be interesting to see how they fit tobacco amidst all of the other items on the list.

Forward Header

Subject: Legislation for June
Author: Gary Myrick at DPC
Date: 5/21/98 9:21 AM

The following is a list from the Majority Leader of legislation expected prior to the July 4th recess. The list is not exclusive and is not in any particular order:

* DOD Authorization
* Higher Education Reauthorization
* Any available appropriation bills
* Budget Resolution Conference Report (10 hr. time limit)
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* Workforce Development Conference Report
* IRS Reform Conference Report
* ISTEA Conference Report
* Education IRA Conference Report
* Nuclear Waste
* Juvenile Justice
* Drug Czar Reauthorization
* Internet bills (gambling, decency, and filtering)

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: 2015-0463-F

Bucket: OPD

Creation Date: 1998-05-26

Subject: [no subject]

Creator: Robert M. Shireman CN=Robert M. Shireman/OU=OPD/O=EOP [OPD]

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: 2015-0463-F

Bucket: OPD

Creation Date: 1998-05-26

Subject: Note for Gene and 7:45

Creator: Robert M. Shireman CN=Robert M. Shireman/OU=OPD/O=EOP [OPD]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:27-MAY-1998 15:53:02.00

SUBJECT: VP and student loan interest rate

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
I have talked to the VP staff (Jon Schnur) about VPOTUS possibly announcing the new, low rate for students that starts on July 1. If there is interest, this would be next week some time.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:27-MAY-1998 14:06:39.00

SUBJECT: Re: Transportation Bill

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Dorothy Robyn (CN=Dorothy Robyn/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Two important links that I think need to be addressed by the President:

1. Education Infrastructure: The President made the link between transportation spending and the need for school construction. He should continue that by calling on Congress to do "10 Percent for Modern Schools" before they leave this year (our $22 billion in school construction bonds is 10 percent of the highway bill spending).

2. Student loan interest rate: The bill includes the exact rate for students that the Vice President laid out in February. We should get credit for that. Coincidentally, Monday is the day that the Education Department would normally announce the actual rate for this coming July 1, so we could make that announcement.

(Please include in the 7:45)

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

Collection: 2015-0463-F

Bucket: OPD

Creation Date: 1998-05-27

Subject: Re: VP and student loan interest rate

Creator: Jake Siewert CN=Jake Siewert/OU=OPD/O=EOP [OPD]

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

Bucket: OPD

Creation Date: 1998-06-01

Subject: Clips

Creator: OPA@ed.gov@INET@LNGTWY
OPA@ed.gov@INET@LNGTWY [UNKNOWN]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 3-JUN-1998 16:00:05.00

SUBJECT: Re: Student Loan Paragraph for Transportation Bill Signing Statement

TO: Sandra Yamin (CN=Sandra Yamin/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:
Upon further reflection, here is my suggestion:

I am pleased that the bill adopts the low student loan interest rate that the Vice President proposed in February on behalf of the Administration. However, I have serious concerns about the arbitrary and excessive subsidies that the bill would force taxpayers to pay to lenders on top of the payments made by borrowers. It is critical that we move toward a system that relies on market pressures, not political pressures, in setting subsidies for lenders and intermediaries, and my Administration is fully committed to working with Congress on a long-term, mutually acceptable solution that moves toward a market-based mechanism for determining lender returns.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-JUN-1998 11:26:05.00

SUBJECT: Democratic Budget Substitute

TO: Michael Cohen@EOP (Michael Cohen@EOP [OPD])
READ:UNKNOWN

TEXT:

According to staff, the Democratic subsitute will contain 75% of the President's request on class size or $5.5 billion over 5 years.

There will be a $30 billion tax package with unspecified cuts, but it is anticipated that many members will talk about school construction as part of this proposal.

Function 500 will be $7 billion higher than Kasich over 5 years but only about $100 million higher than Kasich in '99.

The substitute also assumes a student loan interest rate fix.
=================== 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 V5.1-9 #29131)
id <01IXSQHK581S00C066@PMDF.EOP.GOV> for cohen_m@a1.eop.gov; Wed,
3 Jun 1998 11:19:51 EDT
Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
with ESMTP id <01IXSQHFFMQ800C5SW@PMDF.EOP.GOV> for cohen_m@a1.eop.gov; Wed,
03 Jun 1998 11:19:45 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-10 #22921)
with ESMTP id <01IXSQHBR9IC000UGM@STORM.EOP.GOV> for cohen_m@a1.eop.gov; Wed,

03 Jun 1998 11:19:35 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.216.37])
by vader.ed.gov (8.8.7/8.8.4) with SMTP id LAA15566 for <cohen_m@a1.eop.gov>;

Wed, 03 Jun 1998 11:21:36 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov
(IMA Internet Exchange 2.12 Enterprise) id 001842F5; Wed,
03 Jun 1998 11:18:20 -0400
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 3-JUN-1998 12:48:07.00

SUBJECT: Re: Democratic Budget Substitute

TO: Michael Cohen@EOP (Michael Cohen@EOP [OPD])
READ:UNKNOWN

TEXT:
Scott--is our letter still OK, given this? I would think it is.

______________________________ Reply Separator
____

Subject: Democratic Budget Substitute
Author: Sandra Cook at WDCB03
Date: 6/3/98 11:15 AM

According to staff, the Democratic subsitute will contain 75% of the President's request on class size or $5.5 billion over 5 years.

There will be a $30 billion tax package with unspecified cuts, but it is anticipated that many members will talk about school construction as part of this proposal.

Function 500 will be $7 billion higher than Kasich over 5 years but only about $100 million higher than Kasich in '99.

The substitute also assumes a student loan interest rate fix.
=================== ATTACHMENT 1 ===================
ATT CREATION TIME/DATE: 0 00:00:00.00

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id <01IXST6R176800C5NQ@PMDF.EOP.GOV> for cohen_m@a1.eop.gov; Wed,
3 Jun 1998 12:37:23 EDT
Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
with ESMTP id <01IXST6FEY9S00E3HX@PMDF.EOP.GOV> for cohen_m@a1.eop.gov; Wed,
03 Jun 1998 12:37:16 -0400 (EDT)
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by STORM.EOP.GOV (PMDF V5.1-10 #22921)
with ESMTP id <01IXST63SRPA000UK4@STORM.EOP.GOV> for cohen_m@a1.eop.gov; Wed,

03 Jun 1998 12:36:50 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.216.37])
by vader.ed.gov (8.8.7/8.8.4) with SMTP id MAA18308 for <cohen_m@a1.eop.gov>;

Wed, 03 Jun 1998 12:38:48 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov
(IMA Internet Exchange 2.12 Enterprise) id 001847C5; Wed,
03 Jun 1998 12:36:33 -0400
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 4-JUN-1998 15:31:25.00

SUBJECT: Re: S. 1882 bill report

TO: Constance J. Bowers (CN=Constance J. Bowers/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Daniel J. Chenok (CN=Daniel J. Chenok/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:
A few changes:

In the letter:
--Student Loan Interest Rate Structure: I am pleased that the Senate bill includes the Administration's proposal to lower the interest rates paid by students. However, the Administration strongly objects to the arbitrary and excessive subsidies for lenders. [delete "working with Congress" sentence] The Administration has recently advanced. . .[the rest as is].

In the attachment:
--Third bullet of FFEL section: delete the second sentence ("By basing. . .")
--Perkins: Start with the "We are disappointed. . ." paragraph. Then just say "With regard to the revolving account, we understand that technical corrections. . ." (the current first two sentences would be deleted).
--Delete the paragraph on Graduate Programs.

--And finally, if there's time: Did the Senate include our proposal to allow schools to implement regulations early even if the regs don't yet go into effect because of the master calendar? If yes, a blurb should indicate pleasure. If no, one should indicate disappointment.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 4-JUN-1998 00:15:11.00

SUBJECT: Re[2]: Democratic Budget Substitute

TO: Michael Cohen@EOP (Michael Cohen@EOP [OPD])
READ:UNKNOWN

TEXT:

It may work, but it will need some adjustments. They aren't where we are
on
discretionary spending by a long shot.

______________________________ Reply Separator
____

Subject: Re: Democratic Budget Substitute
Author: David Frank at WDCB02
Date: 6/3/98 12:23 PM

Scott--is our letter still OK, given this? I would think it is.

______________________________ Reply Separator
____

Subject: Democratic Budget Substitute
Author: Sandra Cook at WDCB03
Date: 6/3/98 11:15 AM

According to staff, the Democratic subsitute will contain 75% of the
President's request on class size or $5.5 billion over 5 years.

There will be a $30 billion tax package with unspecified cuts, but it
is anticipated that many members will talk about school construction
as part of this proposal.

Function 500 will be $7 billion higher than Kasich over 5 years but
only about $100 million higher than Kasich in '99.

The substitute also assumes a student loan interest rate fix.
=================== 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 V5.1-9 #29131)

id <01IXTG4VCAF400CCTS@PMDF.EOP.GOV> for cohen_m@a1.eop.gov; Wed,
3 Jun 1998 23:34:02 EDT
Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
with ESMTP id <01IXTG4P6PY800DMEH@PMDF.EOP.GOV> for cohen_m@a1.eop.gov; Wed,
03 Jun 1998 23:33:54 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-10 #22921)
with ESMTP id <01IXTG409D6O000X92@STORM.EOP.GOV> for cohen_m@a1.eop.gov; Wed,

03 Jun 1998 23:33:18 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.216.37])
by vader.ed.gov (8.8.7/8.8.4) with SMTP id XAA28373 for <cohen_m@a1.eop.gov>;

Wed, 03 Jun 1998 23:35:19 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov
(IMA Internet Exchange 2.12 Enterprise) id 00185C9E; Wed,
03 Jun 1998 23:33:20 -0400
================= END ATTACHMENT 1 =================

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 4-JUN-1998 19:24:57.00

SUBJECT: Re: 745am update

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Higher Education Act/student loan interest rate: We have heard rumors that the bill may come up next week in the Senate (to further slow down the tobacco legislation). Chairman Jeffords has told Lott and Domenici that he will have offsets to address the funding problems of the interest rate fix. This considerably weakens Domenici's hand; Hoagland told Chow he may not be able to help.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: "GRUBERJ%DOM13.DOPO7" <JONATHAN.GRUBER@MS01.DO.treas.sprint.com> ("GRUBERJ%DOM13.DOPO7" <JONATHAN.GRUBER@MS01.DO.treas.sprint.com> [UNKNOWN])

CREATION DATE/TIME: 4-JUN-1998 08:41:58.00

SUBJECT: "One-pager" on market-based mechanisms -Reply

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TEXT:
Date: 06/04/1998 08:23 am (Thursday)
From: Jonathan Gruber
To: EX.MAIL("Robert_M._Shireman@opd.eop.gov")
Subject: "One-pager" on market-based mechanisms -Reply

Bob -

This is very good. My main comment is: why give so much prominence to the arguments around the 98% guarantee? If I were student groups, that is the one thing that I would be most worried about - keeping guarantee high so that all students have access. By making this so prominent, we may undercut the more basic message, which is about market determination of interest rates. Why not kill your second point, and simply leave this as one of the options at the end?

Also, you may want to add at the end of the first point my stuff on excess profitability. "Both the Treasury Department and CBO agree that under the current Congressional "solution" to the student loan interest rate problem, banks would earn a higher rate of return on student loans than they do on their average line of business".

What is the plan of dissemination for this document?

Jon

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 12:44:10.00

SUBJECT: Announcement of student loan interest rate

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
FYI, any thoughts?

---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 06/09/98 12:43 PM ---------------------------

Robert M. Shireman
06/09/98 12:43:43 PM
Record Type: Record

To: Morley A. Winograd/OVP @ OVP
cc:
Subject: Announcement of student loan interest rate

This is the issue that I mentioned the other day. Jake (our communications person) suggests that the VP could issue a statement, and perhaps include it in any appropriate remarks he's making tomorrow. What do you think?

---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 06/09/98 12:42 PM ---------------------------

Robert M. Shireman
06/09/98 12:08:23 PM
Record Type: Record

To: Melissa G. Green/OPD/EOP
cc: Jake Siewert/OPD/EOP, Sally Katzen/OPD/EOP, Jonathan A. Kaplan/OPD/EOP, Brian A. Barreto/OPD/EOP
Subject: Announcement of student loan interest rate

Q: Should we do more to claim credit for the new, low interest rate for students?

Tomorrow, the Education Department plans to issue a press release announcing the interest rate that will be in effect for new student loans made starting July 1. As proposed by the VP in February, it is a reduction for student borrowers of about 80 basis points from today's rate. However, the bank subsidy is higher than we support, so we don't consider it a victory for taxpayers. Still, I don't see anything wrong with us claiming credit for saving students money, while continuing to fight the bank subsidy. (And the groups give us credit). While I haven't discussed this with Gene, I know he was torn as to whether we should active ly celebrate this or not.

I will include the info in the 7:45 memo so that Gene can bring it up at the morning meeting and perhaps suggest that it be mentioned in any appropriate remarks tomorrow.

However, if Gene or anyone feels strongly that the VP or other WH official should do more to claim credit for the lower interest rate for students, then I need to know today in order to slow Education down on the announcement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: ussaleg@essential.org@INET@LNGTWY (ussaleg@essential.org@INET@LNGTWY [UNKNOWN])

CREATION DATE/TIME: 9-JUN-1998 18:41:03.00

SUBJECT: Leg.Report 16 -ACTION NEEDED

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

TEXT:
Legislative Report 16
June 8, 1998

This report contains an update on Reauthorization of the Higher Education Act--including amendments requiring prompt attention-- and FY99 Appropriations. Critical grassroots action is needed on both fronts to ensure student benefits and to save education programs from severe cuts. Please note the ACTION sections!

REAUTHORIZATION
INTEREST RATE PROVISION ATTACHED TO HIGHWAY BILL; SENATE HEA BILL STALLED
Although the House passed their bill to reauthorize the Higher Education Act (H.R. 6) over a month ago, the Senate has still not brought their reauthorization bill (S. 1882) to the floor. The delay is due in part to Senate Leader Lott's prioritization of other legislation (tobacco and possibly, next week, defense appropriations) and to the fact that a temporary measure on the student loan interest rate was attached to the Highway and Transportation reauthorization bill approved by both houses of Congress just before Memorial Day. Because the current formula for setting the interest rate on student loans was scheduled to change on July 1, the temporary measure was attached the to the Highway bill in order to avert a crisis in the disbursement of student loans. The measure incorporates the 0.8% reduction in interest rates (bringing student loan interest rates down to 7.43%) that USSA and the House Education and the Workforce Committee have been working hard to ensure. The measure does not include language on consolidation loans and extends only through September 30, 1998. While USSA was pleased to see the 0.8% reduction enacted into law, albeit temporarily, the measure removed the pressure on the Senate to pass their Reauthorization bill. Students must emphasize to their Senators and to Majority Leader Lott that we are depending on them to pass the legislation quickly so that the numerous student benefits contained within Higher Education Act reauthorization bills can be enacted into law.

When the Senate bill does reach the floor, a number of amendments are likely to be offered. The manager's amendment. offered by Labor and Human Resources Committee Chair, Jim Jeffords, will include authorization for $10 million for campus sexual assault prevention services (paralleling a similar measure in the House bill). We have also been urging Jeffords' office to include authorization for the High Hopes early intervention initiatives and the White House has been working with his staff to develop legislative language and a structure for the implementation of the programs that Jeffords can actively support.

Other amendments include the following:

1) Senator Wellstone (D-MN) will offer an amendment to increase educational access for students receiving public assistance. Since the enactment of the welfare reform law in 1996, thousands of students have been forced to leave school in order to comply with new work requirements, and many more who could have gained the skills and knowledge needed for long term employment opportunities have been forced to give up dreams of obtaining a higher education degree. The Wellstone amendment would give states the ability to rectify these negative impacts of the law by 1) allowing post-secondary education to count as a "work activity" 2) expanding the time a student could count such activity as "work" from 12 to 24 months, thereby providing a much more realistic chance of the student being able to complete a degree, and 3) eliminating teen parents from the caps that limit the number of persons who can count educational activities as work, thereby making room for more adults to access education programs.

*****ACTION*******
The Wellstone amendment has a good chance of passing IF we can guarantee the support of moderate Republicans who voted for a similar measure last year. Students should place calls to the following offices and urge them to support the Wellstone welfare amendment (it is important to make sure you mention welfare, as Sen. Wellstone may offer other amendments to HEA):

Office	D.C Office	State
Abraham (R-MI)	1-202-624-4822	1-615-975-1112
Chaffee (R-RI)	1-202-624-2921	1-401-528-5294
Collins (R-ME)	1-202-624-2523	1-207-780-3575
D'Amato (R-NY)	1-202-624-6542	1-212-947-7390
Jeffords (R-VT)	1-202-624-5141	1-802-658-6001
Lugar (R-IN)	1-202-624-4841	1-317-226-5555
Smith (R-OR)	1-202-624-3753	1-503-326-3386
Snowe (R-ME)	1-202-624-5344	1-207-874-0883
Specter (R-PA)	1-202-624-4254	1-215-597-7200
Stevens (R-AK)	1-202-624-3004	1-907-271-5915

2) Senator Harkin will offer an amendment to reduce origination fees by 1% for subsidized borrowers. The amendment's cost is offset by redirecting the 1% insurance fee on FFEL unsubsidized and PLUS loans to the federal government. USSA has long been active in the battle to eliminate origination fees, which unjustly require students to pay hundreds of dollars just for the ability to take out a loan and which result in students paying interest on money that we never see. USSA will continue to advocate for the complete elimination of these fees for all borrowers, but believes the Harkin amendment will provide a great step in the right direction. By reducing from 4% to 3% the loan fees paid by subsidized borrowers, the amendment will save hundreds of thousands of students more

than $170. As students need every penny in order to meet rising expense costs, this amendment will do much to alleviate some of the burden for the millions of needy students suffering under continually escalating loan debt.

******ACTION******
As with the Wellstone welfare amendment, this amendment could pass if we can gain needed support. Students should call their Senators and urge them to support the Harkin amendment on origination fees. In addition, students should place calls to the following target members:

Jeffords (R-VT-chair) 1-202-224-5141
Kennedy (D-MA-ranking member) 1-202-224-4523
Smith (R-OR)
1-202-224-3753
Snowe (R-ME) 1-202-224-5344
Collins (R-ME)
1-202-224-2523
Chaffee (R-RI) 1-202-224-2921
D'Amato (R-NY)
1-202-224-6542
Warner (R-VA) 1-202-224-2023
Abraham (R-MI) 1-202-224-4822

3) Senator Specter (R-PA) plans to offer an amendment on campus safety. The amendment clarifies the definition of "campus" for crime reporting and imposes $25,000 penalties on universities for failing to report crimes accurately. The amendment is likely to be accepted.

Additional amendments may be offered to restore a graduate grant for underrepresented students and to require universities to play a more active role in voter registration. We will let students know about these and any other amendments that may come up as soon as more definite information is available.

FISCAL YEAR 1999 APPROPRIATIONS
FUNDING FOR ALL HIGHER EDUCATION PROGRAMS SERIOUSLY THREATENED!

As stated in the last Legislative Report, the programatic changes we are aiming to enact in reauthorization will mean very little unless there is money to make these changes become a reality. We must, thus, make all of Congress (and particularly those now starting the process of disbursing the money--i.e. the Appropriations Committees) understand the necessity for a strong federal investment in education.

Despite the fact that almost every politician will claim they support education, the Congress, thus far, has indicated that they are not willing to back their rhetoric with actual funds. Instead of offering increases in education funding, both the House and the Senate have passed Budget Resolutions calling for education CUTS:

* On Friday, June 5 the House passed by a vote of 216-204 the House Budget Comittee's FY 99
Budget Resolution, which CUTS education programs by $800 million next year and by $13.8 BILLION over the next five years.

* The Senate Budget Resolution calls for CUTTING education funding by $1.1 BILLION over the next five years.

These budget plans indicate a huge departure from Congress' willingness to invest in education witnessed during the last two years. Instead of investing in education, Congress is now committing its money elsewhere (transportation recently received a $33 BILLION increase and many continue to discuss the enactment of another large tax cut.) If the Appropriations Committees were to enact the provisions in these plans, students would see cuts in their Pell grants, FSEOG grants and certain graduate fellowships, fewer work-study jobs, limited availability of Perkins loans, reductions in and possible elimination of state grants, and a decline in the number of students served by TRIO. However, because it is an election year, students can effectively play a critical role in ensuring that these harmful changes do not occur and that education is not squeezed out of the fiscal priorities. By demanding that our elected officials respond to students' and the public's cry for greater education investment, and by letting these legislators know that they will be losing votes by refusing to commit to such investment, we can make Congress heed our demands.

TO DO SO, WE MUST VOICE OUR DEMANDS NOW.

The Committee For Education Funding (CEF), a coalition of education groups of which USSA is a member, is kicking off a co-ordinated grassroots effort by sponsoring a National Call In Day tomorrow (June 10).

******ACTION******
STUDENTS SHOULD USE THE **FREE** ALLIANCE TO SAVE STUDENT AID HOTLINE TO CONTACT THEIR LEGISLATORS.

CALL 1-800-574-4AID AND SEND YOUR LEGISLATORS THE MESSAGE THAT FUNDING FOR ALL HIGHER EDUCATION PROGRAMS MUST BECOME A PRIORITY NOW!

(If the Alliance Hotline is not able to connect you, you can call the Capitol Switchboard at 1-202-225-3121)

****

Erica Adelsheimer
Legislative Director
U.S. Student Association
ussaleg@essential.org

Phone: 202.347.USSA
Fax: 202.393.5886
E-mail:

1413 K Street NW 9th Floor
http://www.essential.org/ussa
Washington, DC 20005

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

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id <01IY1JJLJ8OW00DVQ2@PMDF.EOP.GOV>; Tue, 9 Jun 1998 18:38:30 EDT
Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
with ESMTP id <01IY1JJJ3D4000GIBM@PMDF.EOP.GOV>; Tue,
09 Jun 1998 18:38:28 -0400 (EDT)
Received: from essential.essential.org ([198.4.52.1])
by STORM.EOP.GOV (PMDF V5.1-10 #29131)
with ESMTP id <01IY1JJ5MXG40009SK@STORM.EOP.GOV>; Tue,
09 Jun 1998 18:38:09 -0400 (EDT)
Received: from essential.essential.org (essential.org [198.4.52.1])
by essential.essential.org (8.8.7/8.8.7) with SMTP id SAA17317; Tue,
09 Jun 1998 18:32:29 -0400 (EDT)
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 12:21:16.00

SUBJECT: Announcement of student loan interest rate

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Jake, I think that your opinion on this would be worth Gene having. Can you provide it to Melissa so that she is able to incorporate it into Bob's email when she gives it to Gene?

---------------------- Forwarded by Jonathan A. Kaplan/OPD/EOP on 06/09/98 12:18 PM ---------------------------

Robert M. Shireman
06/09/98 12:08:23 PM
Record Type: Record

To: Melissa G. Green/OPD/EOP
cc: Jake Siewert/OPD/EOP, Sally Katzen/OPD/EOP, Jonathan A. Kaplan/OPD/EOP, Brian A. Barreto/OPD/EOP
Subject: Announcement of student loan interest rate

Q: Should we do more to claim credit for the new, low interest rate for students?

Tomorrow, the Education Department plans to issue a press release announcing the interest rate that will be in effect for new student loans made starting July 1. As proposed by the VP in February, it is a reduction for student borrowers of about 80 basis points from today's rate. However, the bank subsidy is higher than we support, so we don't consider it a victory for taxpayers. Still, I don't see anything wrong with us claiming credit for saving students money, while continuing to fight the bank subsidy. (And the groups give us credit). While I haven't discussed this with Gene, I know he was torn as to whether we should active ly celebrate this or not.

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However, if Gene or anyone feels strongly that the VP or other WH official should do more to claim credit for the lower interest rate for students, then I need to know today in order to slow Education down on the announcement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 12:48:48.00

SUBJECT: Announcement of student loan interest rate

TO: Christopher S. Lehane (CN=Christopher S. Lehane/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Eli G. Attie (CN=Eli G. Attie/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
Any thoughts?
---------------------- Forwarded by Jonathan H. Schnur/OPD/EOP on 06/09/98
12:50 PM ---------------------------

Robert M. Shireman
06/09/98 12:44:05 PM
Record Type: Record

To: Jonathan H. Schnur/OPD/EOP @ EOP
cc:
Subject: Announcement of student loan interest rate

FYI, any thoughts?

---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 06/09/98
12:43 PM ---------------------------

Robert M. Shireman
06/09/98 12:43:43 PM
Record Type: Record

To: Morley A. Winograd/OVP @ OVP
cc:
Subject: Announcement of student loan interest rate

This is the issue that I mentioned the other day. Jake (our communications person) suggests that the VP could issue a statement, and perhaps include it in any appropriate remarks he's making tomorrow. What do you think?

---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 06/09/98
12:42 PM ---------------------------

Robert M. Shireman
06/09/98 12:08:23 PM
Record Type: Record

To: Melissa G. Green/OPD/EOP
cc: Jake Siewert/OPD/EOP, Sally Katzen/OPD/EOP, Jonathan A. Kaplan/OPD/EOP, Brian A. Barreto/OPD/EOP
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Stephanie_Babyak@ed.gov (Stephanie Babyak) (Stephanie_Babyak@ed.gov (Stephanie Babyak) [UNKNOWN])

CREATION DATE/TIME: 9-JUN-1998 14:54:49.00

SUBJECT: Press Release

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Kristi_Kimball@ed.gov (Kristi Kimball) (Kristi_Kimball@ed.gov (Kristi Kimball) [UNKNOWN])
READ:UNKNOWN

TEXT:

Bob,
below is the text of the draft national press release on the interest rate. Individual state releases will be issued simultaneously -- both on Wednesday, June 10.

I am sending in context of the e-mail since that's how I recall you need these sent. If not readable, e-mail me back and I'll redo.

Thank you.

FOR RELEASE: CONTACT: Stephanie
Babyak (202) 401-2311
k:\shared\nddrafts\fedreg Jane Glickman (202) 401-1307
asciidostext

GOOD NEWS FOR STUDENTS: NEW LOAN INTEREST RATES
LOWEST IN YEARS

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"I am pleased that the Administration's proposed student interest rate has been adopted, with bipartisan support in Congress, despite a strong lobbying effort begun last year by the banking industry to overturn the interest rate reduction," Riley said.

Under the new rates, a typical 4-year college student with a $12,200 average debt would save $610 in interest over a standard 10-year repayment period. A graduate student borrowing $60,000 would save $3,000 in interest.

In February, Vice President Gore introduced a plan to go forward with a scheduled loan interest rate reduction promised to students in a 1993 law, while offering private lenders a reasonable return and protecting taxpayers. The low student rate was adopted as part of a temporary, three-month measure recently enacted by Congress as part of a major highway bill (the Transportation Equity Act for the 21st Century) that became law yesterday.

For new Federal Stafford loans with a first disbursement between July 1 and September 30, the interest rate will drop from 8.25 percent to 7.46 percent during repayment (7.66 percent to 6.86 percent while the student is in school). The new rate applies to Federal Family Education Loans (FFEL) and Federal Direct subsidized and unsubsidized Stafford loans.

This three-month provision will allow Congress and the administration additional time to reach agreement on a permanent interest rate change to be included in legislation reauthorizing

-MORE-

the Higher Education Act (HEA). "I urge Congress to act quickly on the reauthorization of the HEA to enact a long-term solution on student loan interest rates. Our goal is to preserve savings for borrowers striving to further their education, while offering lenders a reasonable return and protecting taxpayers at the same time," Riley said.

The administration continues to oppose provisions that would provide lenders with excessive subsidies -- estimated by the administration at $2.7 billion over the next five years -- especially during this time of generally low commercial loan interest rates and record banking industry profits. In fact, the Congressional Budget Office and U.S. Treasury Department determined that these provisions would provide returns substantially higher than banks' recent surging overall profit levels on student loans. Instead, the administration has proposed to lower lender subsidies and move toward a market-based mechanism for setting interest rates for lenders.

In addition, the Administration has also called for the following as part of the HEA reauthorization:

o the "High Hopes for College" initiative that would create partnerships between colleges and low-income middle schools to inspire more young people to complete school and pursue a college education;

- a reduction in the student loan origination fee by one percentage point next year and eliminating them entirely by 2003 for the most needy students.

- an expansion in student aid eligibility for distance learning students at degree-granting schools while ensuring quality through improved accreditation;

- the Learning Anytime, Anywhere Partnership program (LAAP), a $30 million initiative to support pilot projects that use distance learning and other technologies to deliver quality postsecondary education to students who face time and place constraints; and,

- the deferral of interest on student loans for up to three years for borrowers performing community service for low wages.

"We are committed to working for passage of a reauthorization bill that broadens educational opportunities for all students and ensures that finances are not a barrier to the realization of their dreams," Riley said.

###

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 17:07:32.00

SUBJECT: Press Release

TO: Morley A. Winograd (CN=Morley A. Winograd/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
Much of what you said (except for the NPR mention) is in ED's draft press release. I'll be providing this to Gene for the morning meeting.
---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 06/09/98 05:05 PM ---------------------------

Stephanie_Babyak @ ed.gov (Stephanie Babyak)
06/09/98 02:50:49 PM
Record Type: Record

To: Robert M. Shireman/OPD/EOP
cc: Kristi_Kimball @ ed.gov (Kristi Kimball)
Subject: Press Release

Bob,
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Thank you.

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Babyak (202) 401-2311
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"We are committed to working for passage of a reauthorization bill that broadens educational opportunities for all students and ensures that finances are not a barrier to the realization of their dreams," Riley said.

###

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 12:43:47.00

SUBJECT: Announcement of student loan interest rate

TO: Morley A. Winograd (CN=Morley A. Winograd/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
This is the issue that I mentioned the other day. Jake (our communications person) suggests that the VP could issue a statement, and perhaps include it in any appropriate remarks he's making tomorrow. What do you think?

---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 06/09/98 12:42 PM ---------------------------

Robert M. Shireman
06/09/98 12:08:23 PM
Record Type: Record

To: Melissa G. Green/OPD/EOP
cc: Jake Siewert/OPD/EOP, Sally Katzen/OPD/EOP, Jonathan A. Kaplan/OPD/EOP, Brian A. Barreto/OPD/EOP
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 17:27:09.00

SUBJECT: Press Release

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
This should be in Gene's morning materials (referred to in the prior e-mail about announcing the interest rate). I have provided some of this info to Morley Winograd, who may alert Ron Klain.
---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 06/09/98 05:23 PM ---------------------------

Stephanie_Babyak @ ed.gov (Stephanie Babyak)
06/09/98 02:50:49 PM
Record Type: Record

To: Robert M. Shireman/OPD/EOP
cc: Kristi_Kimball @ ed.gov (Kristi Kimball)
Subject: Press Release

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FOR RELEASE: CONTACT: Stephanie
Babyak (202) 401-2311
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asciidostext

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 12:08:30.00

SUBJECT: Announcement of student loan interest rate

TO: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Sally Katzen (CN=Sally Katzen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Morley A. Winograd (CN=Morley A. Winograd/O=OVP [UNKNOWN])

CREATION DATE/TIME: 9-JUN-1998 15:18:01.00

SUBJECT: Re: Announcement of student loan interest rate

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: David W. Beier (CN=David W. Beier/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

CC: Patricia M. Ewing (CN=Patricia M. Ewing/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
Rob:
Here's what I think we ought to say AND what I think we ought to do (if you would like to partner with NPR on the issue):
1. Take credit for the student interest rate loan being exactly where the VP asked it to be X months ago.
2. At the same time, indicate we do not believe that the banks ought to be subsidized in this enterprise by the Congress over time. We instead believe that we should move to a more market-based system. (For one thing it would be so good to write such a line and have it come from a Dem. VP attacking the Rs that its tough to not do!)

Then, in order to back up that statement, Gore could indicate he has asked NPR and NEC to try and come up with a transitional program to move to a more market based system and eliminate this entitlement or subsidy for banks. To do the final piece, you would need sign off from Gene on the partnership with NPR. I will tell you now I think there is a way to get there by creating a "sliding scale" government guarantee. You may have thought of other ways to get there.

I am sending this message to the people who would also have to vote on having VP say this and ultimately Ron Klain gets to cast the deciding vote. Don't know how late in to the process we are, but if you like the approach, we will try and work our part from our end.
Morley

Robert M. Shireman @ EOP
06/09/98 12:43:43 PM
Record Type: Record

To: Morley A. Winograd/OVP @ OVP

cc:
Subject: Announcement of student loan interest rate

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 9-JUN-1998 12:39:13.00

SUBJECT: Re: Announcement of student loan interest rate

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Sally Katzen (CN=Sally Katzen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Why don't we have the VPOTUS issue a statement (he can stress that he is following up on his earlier work on the issue) and -- if there's anything on his schedule that's appropriate -- incorporate it into remarks?

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:10-JUN-1998 16:22:40.00

SUBJECT: 745am and Edcuation

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Would you please update for the 745am. If you have naything else that needs to be added that would be great. I have the piece on HEA for the 745am.

Also, are you planning to go to the Weekly education meeting tomorrow? Do you know what the topics are or an agenda?

Student Loan Interest Rate Press Release: Today, the Education Department plans to issue a press release announcing the interest rate that will be in effect for new student loans made starting July 1. As proposed by the VP in February, it is a reduction for student borrowers of about 80 basis p oints from today's rate. However, the bank subsidy is higher than we support, so we don't consider it a victory for taxpayers. Still, Bob doesn't see anything wrong with us claiming credit for saving students money, while continuing to fight the bank subsidy. (And the groups give us credit). While Bob hasn't discussed this with you, he know you are torn as to whether we should actively celebrate this or not. See attached press release.

Thanks.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Eli G. Attie (CN=Eli G. Attie/O=OVP [UNKNOWN])

CREATION DATE/TIME:10-JUN-1998 14:56:26.00

SUBJECT: Announcement of student loan interest rate

TO: Lawrence J. Haas (CN=Lawrence J. Haas/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Patricia M. Ewing (CN=Patricia M. Ewing/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

CC: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Unable to convert ARMS_EXT:[MESSAGE.D94]MAIL455951164.126
To ASCII,
The following is a HEX dump of the file:

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:15-JUN-1998 17:29:02.00

SUBJECT: 745an memo

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Would you please update for the 745am memo.
P.S. Has Ed put out the press release yet? If not should we include a mention for the 745am?

Thanks.

Student Loan Interest Rates: The student loan working group (NEC, OMB, Treasury, and Education) met Friday (6/12) and reached a tentative decision that the Secretary should set the rate for consolidating into direct lending (DL) at the lowest level (T-bill plus 2.3 percentage points) starting on July 1. That is 80 basis points less than the maximum rate in the guarantee (FFEL) program. Today we will review a draft letter to the congressional committees informing them of the plan and of our d esire to work with them in the reauthorization to provide for the same low rate in both DL and FFEL (though lenders could theoretically offer the low rate, it would be unquestionably unprofitable). We will then set up Hill briefings with Democrats, probably tomorrow morning. If that goes smoothly, Republicans will be informed and the letter will be sent. See attached memo from Bob Shireman for additional information.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Thomas A. Kalil (CN=Thomas A. Kalil/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-JUN-1998 17:39:16.00

SUBJECT: Re: Mike and Tom -- could you look at 1-2 paragraphs below

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Jim Kohlenberger (CN=Jim Kohlenberger/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
Jon:

Looks good - 1 minor change on #6 - I just said - rural
health care centers

Jonathan H. Schnur
06/16/98 03:15:38 PM
Record Type: Record

To: Michael Cohen/OPD/EOP, Thomas A. Kalil/OPD/EOP, Jim Kohlenberger/OVP @ OVP, Tanya E. Martin/OPD/EOP
cc:
Subject: Mike and Tom -- could you look at 1-2 paragraphs below

I have to send this draft onto the research ofc for tomorrow's event.
With Shireman's comments
incorporated, i just need Tom/Jim's on paragraph # 6, and Mike's on paras
1,3, and 5. Again, this
is for an "accomplishments" sheet to be handed out for tomorrow's
education/after-school event.
Thanks!

1) Smaller Classes with Well-Prepared Teachers. President Clinton
has proposed helping school districts reduce class size in grades 1-3 to a
nationwide average of
18 by helping them to hire an additional 100,000 well-prepared teachers.
This initiative will help children learn to
read well in the early grades by giving them more individualized attention
and will help teachers
get the training and preparation they need to succeed.

2) Modernizing And Building Schools To Improve Student Learning. In order

for students to learn and compete in the global economy, schools must be well-equipped and have the space to
accommodate booming student enrollments and smaller class sizes. The President has proposed
federal tax credits that would cover the interest on nearly $19 billion in state and local bonds to
modernize and build more than 5,000 public schools.

3) Striving for Excellence with National Education Standards. Seeking high
national standards for all students, the President has proposed the first-ever national tests in 4th grade
reading and 8th grade math. Goals 2000 is helping States to establish standards of excellence
and to plan and implement steps to raise educational achievement. The Clinton Administration's Improving
America's Schools Act also overhauled and increased funding for the Title I program
to help more than 10 million disadvantaged students reach high academic standard by giving
them extra help with basic and advanced skills.

4. Helping All Children Read Well and Independently. The America Reads Challenge is the President's comprehensive strategy for involving teachers, families and communities in ensuring that all children learn to read well and independently by the end of third grade. More than 1000 colleges have already committed to use Federal work-study slots for reading tutors; Thousands of AmeriCorps members and senior volunteers are recruiting more than 100,000 volunteer tutors; and legislation promoting tutoring, family literacy, and teacher training is moving thr ough Congress.

5) Expanding Choice and Accountability in Public Schools. President Clinton has
challenged every state to let parents choose the right public school for their children and is
helping teachers, parents, and community groups start public charter schools with start-up grants that
he has championed in Congress. With the President's leadership, the number of charter schools has
increased from only one charter school when he was elected to more than 1,000 charter schools
next year. The President has also called for an end to social promotion and higher standards for
students, teachers, and schools.

6) Preparing for the 21st Century with Greater Education Technology. The Clinton
Administration created the Technology Literacy Challenge Fund to help connect every classroom
to the Internet by 2000, increase the number of multimedia computers in the classroom, provide

teachers with technology training, and promote the development of high-quality educational software. This Administration is continuing to fight for the "e-rate" -- discounts for schools, libraries, rural health centers to connect to the Internet.

7) Helping Students Go To College. The President won an historic $35 billion in education tax cuts in last year's balanced budget to help families pay for college as well as the largest increase in Pell Grants in more than 2 decades. This includes the President's $1500 HOPE Scholarship tax credit to make the first two years of college universally available and a 20% "lifetime learning" tax credit to help students beyond the first two years of college and those seeking to acquire or improve job skills throughout their lifetime. With his High Hopes program, the President has challenged colleges to build partnerships with low-income middle schools to provide mentoring and other support to all children at the school to improve their preparation for college.

8) Expanding Head Start to Reach 1 million Students a Year. President Clinton has made Head Start an Administration priority, providing $4.4 billion last year for this progam -- an increase of 57% since 1993 and enough to keep on track to meet the President's goal of serving one million children. The President's budget proposal this year includes __ in additional funding.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-JUN-1998 13:24:36.00

SUBJECT: Could you quickly review a few paras for paper for tomorrow's education event?

TO: Tanya E. Martin (CN=Tanya E. Martin/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Thomas A. Kalil (CN=Thomas A. Kalil/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
The research office put together an "accomplishments" paper for tomorrow's
after-school
event and has asked for feedback by 3 or 3:30pm today. The version below
contains signficant
edits/additions/changes to the version e-mailed to you yesterday. While
you should all feel
free to look at the whole thing, could Mike look at paragraphs 1, 3, and
5....Bob look
at paragraphs 2,4, and 7....Tom at paragraph 6? Bob, I think yours need
the most attention,
because I know them least well.

1) Smaller Classes with Well-Prepared Teachers. President Clinton
has proposed helping school districts reduce class size in grades 1-3 to a
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18 by helping them to hire an additional 100,000 well-prepared teachers.
This initiative will help children learn to
read well in the early grades by giving them more individualized attention
and will help teachers
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national standards for all students, the President has proposed the
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and to plan and implement steps to raise educational achievement. The
Clinton Administration's Improving
America's Schools Act also overhauled and increased funding for the Title
I program
to help more than 10 million disadvantaged students reach high academic
standard by giving
them extra help with basic and advanced skills.

4) THIS para. NEEDS TO BE REPLACED. Teaching Every Child to Read by the
3rd Grade. The America Reads Initiative is providing
tutors for after-school and is helping parents help their children learn
to read. America Reads is
part of the President ,s strategy -- involving teachers, families and
communities -- to ensure that
all children learn to read well and independently by the end of the third
grade.

5) Expanding Choice and Accountability in Public Schools. President
Clinton has
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high-quality educational
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7) Helping Students Go To College. The President won an historic $35
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cuts in last year's balanced budget to help families pay for college as
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Grants in more than 2 decades. This includes the President's $1500 HOPE
Scholarship tuition tax
credit to make the first two years of college univerally available, a 20%

"lifetime learning" tax credit
to help students beyond the first two years of college and those seeking to acquire or improve
job skills throughout their lifetime. The President has proposed a "High Hopes " initiative this year
to support school/college/family partnerships to help students get the mentoring and information they
need to get on the right track to college.

8) Expanding Head Start to Reach 1 million Students a Year. President Clinton has made
Head Start an Administration priority, providing $4.4 billion last year for this progam -- an increase of
57% since 1993 and enough to keep on track to meet the President's goal of serving one
million children. The President's budget proposal this year includes __ in additional funding.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:16-JUN-1998 15:19:50.00

SUBJECT: Mike and Tom -- could you look at 1-2 paragraphs below

TO: Tanya E. Martin (CN=Tanya E. Martin/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Thomas A. Kalil (CN=Thomas A. Kalil/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Jim Kohlenberger (CN=Jim Kohlenberger/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TO: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:17-JUN-1998 18:15:40.00

SUBJECT: Education Daily (today)

TO: jonathan.gruber (jonathan.gruber @ MS01.do.treas.sprint.com @ inet [UNKNOWN])
READ:UNKNOWN

TO: Barbara Chow (CN=Barbara Chow/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

CC: Barry White (CN=Barry White/OU=OMB/O=EOP @ EOP [OMB])
READ:UNKNOWN

TEXT:
White House Floats Options For Student
Loan Auctions

by Eli J. Lake

The Clinton administration is floating two
options for
auctioning the right to issue student loans in
anticipation
of a Senate proposal that would give the Education
Department the authority to pilot this concept.

In a private briefing last Friday for a handful
of higher
education lobbyists, administration officials
described
two general approaches for testing the auction
concept
over the next three years:

* The Treasury Department could auction the
rights to
make all loans for an individual school through
voluntary
agreements with the college; or

* Groups of lenders or student loan guarantors
could sell
Family Education Loans (FELs) to secondary
markets.

Sen. Edward Kennedy, D-Mass., is expected to offer
an amendment to S. 1881 -- the Senate's Higher
Education Act (HEA) reauthorization bill -- that
would

give ED the authority to study--and then pilot--loan auctions for up to 20 percent of the total FEL loan market.

Kennedy's amendment would require ED to study the options before initiating a pilot project.

Kennedy, the Clinton administration and Senate Budget Committee chairman Pete Domenici, R-N.M., have pushed Congress to get out of the business of setting student loan interest rates, and instead allow the market to determine the rates, in this year's HEA reauthorization (ED, May 6).

To date, neither side has shared any substantive details as to what a market-based mechanism would entail, leading bankers and higher education lobbyists to favor a more cautious approach to testing the interest rate market for student loans (ED, May 21).

Auction Options

White House senior education policy advisor Bob Shireman says the administration has met with congressional staff, university groups and students over the last few weeks to vet options for how such an approach would work.

While the administration intends to consult with the entire student aid community should Congress pass legislation approving the auction pilots, Shireman said the White House is focusing on two approaches to the auction.

If a study supports an auction for the right to make loans, lenders would bid for an exclusive contract to make all of the loans for a particular school. The lender agreeing to the lowest interest rate would get the contract.

Under this plan, ED could offer schools financial incentives to participate voluntarily because the ED-approved lenders would agree to make loans at lower interest rates than the interest rate currently in the House and Senate HEA legislation.

If the study endorses auctions for individual loans, Shireman said consortiums of banks or guarantors could sell a portion of their loans to the lender that makes the lowest bid in this pilot.

Lukewarm Reaction

The proposals were not well-received by the higher education community.

"We have a number of very serious reservations about the idea of a pilot at this point," said Barmak Nassirian, policy analyst for the American Association of State Colleges and Universities says

Terry Hartle, vice president of government relations at the American Council on Education, said he would rather see the administration pilot this approach by selling off their direct student loan (DSL) portfolio instead of piloting auctions for FEL.

Both the Senate and House HEA proposals would allow ED to sell off DSL assets.

Without strong support from two of the major stakeholders -- schools and lenders -- many observers predict that Kennedy's amendment may not have enough support to pass the Senate.

A budget committee staff member said Senator Domenici probably will not vote for Kennedy's plan because it would give ED too much discretion to create the pilots without congressional input.

"At this point I would urge the senator not to support this amendment," this source said. The full Senate is expected to begin consideration of HEA within the next two weeks. --Eli J. Lake

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

Bucket: OPD

Creation Date: 1998-06-19

Subject: Clips

Creator: OPA@ed.gov@INET@LNGTWY
OPA@ed.gov@INET@LNGTWY [UNKNOWN]

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Stephanie_Babyak@ed.gov (Stephanie Babyak) (Stephanie_Babyak@ed.gov (Stephanie Babyak) [UNKNOWN])

CREATION DATE/TIME:22-JUN-1998 14:46:01.00

SUBJECT: IR press

TO: Maureen_McLaughlin@ed.gov (Maureen McLaughlin) (Maureen_McLaughlin@ed.gov (Maureen McLaughlin) [UNKNOWN])
READ:UNKNOWN

TO: David_Longanecker@ed.gov (David Longanecker) (David_Longanecker@ed.gov (David Longanecker) [UNKNOWN])
READ:UNKNOWN

TO: Jane_Glickman@ed.gov (Jane Glickman) (Jane_Glickman@ed.gov (Jane Glickman) [UNKNOWN])
READ:UNKNOWN

TO: Pauline_Abernathy@ed.gov (Pauline Abernathy) (Pauline_Abernathy@ed.gov (Pauline Abernathy) [UNKNOWN])
READ:UNKNOWN

TO: David_Frank@ed.gov (David Frank) (David_Frank@ed.gov (David Frank) [UNKNOWN])
READ:UNKNOWN

CC: Susan_Frost@ed.gov (Susan Frost) (Susan_Frost@ed.gov (Susan Frost) [UNKNOWN])
READ:UNKNOWN

CC: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Jim_Bradshaw@ed.gov (Jim Bradshaw) (Jim_Bradshaw@ed.gov (Jim Bradshaw) [UNKNOWN])
READ:UNKNOWN

CC: Jon_Oberg@ed.gov (Jon Oberg) (Jon_Oberg@ed.gov (Jon Oberg) [UNKNOWN])
READ:UNKNOWN

CC: Kristi_Kimball@ed.gov (Kristi Kimball) (Kristi_Kimball@ed.gov (Kristi Kimball) [UNKNOWN])
READ:UNKNOWN

CC: Tom_Lyon@ed.gov (Tom Lyon) (Tom_Lyon@ed.gov (Tom Lyon) [UNKNOWN])
READ:UNKNOWN

TEXT:

We've received a number of radio/tv calls as a result of the state releases on the student loan interest rate change.

I'll try to post them periodically to give folks an idea of the outreach. Our radio broadcast director will be preparing a radio package featuring David Longanecker that will run over recess and the July 4 holiday that should get wide distribution.

Here's what's come in so far:

KCBS, San Fran., Calif
KVEC, San Luis Obispo, Calif.
CNN-TV affilitate, San Diego, Calif.
WKBK, New Hampshire
WQBH, Detroit
Connecticut Public Radio

Most of these have a large listener audience.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Pauline_Abernathy@ed.gov (Pauline Abernathy) (Pauline_Abernathy@ed.gov (Pauline Abernathy) [UNKNOWN])

CREATION DATE/TIME:22-JUN-1998 15:06:39.00

SUBJECT: Re: IR press

TO: Julie_Green@ed.gov (Julie Green) (Julie_Green@ed.gov (Julie Green) [UNKNOWN])
READ:UNKNOWN

TO: Mike_Smith@ed.gov (Mike Smith) (Mike_Smith@ed.gov (Mike Smith) [UNKNOWN])
READ:UNKNOWN

TO: Jane_Glickman@ed.gov (Jane Glickman) (Jane_Glickman@ed.gov (Jane Glickman) [UNKNOWN])
READ:UNKNOWN

TO: David_Longanecker@ed.gov (David Longanecker) (David_Longanecker@ed.gov (David Longanecker) [UNKNOWN])
READ:UNKNOWN

TO: Thomas_Skelly@ed.gov (Thomas Skelly) (Thomas_Skelly@ed.gov (Thomas Skelly) [UNKNOWN])
READ:UNKNOWN

TO: Dan_Madzelan@ed.gov (Dan Madzelan) (Dan_Madzelan@ed.gov (Dan Madzelan) [UNKNOWN])
READ:UNKNOWN

TO: Stephanie_Babyak@ed.gov (Stephanie Babyak) (Stephanie_Babyak@ed.gov (Stephanie Babyak) [UNKNOWN])
READ:UNKNOWN

TO: Maureen_McLaughlin@ed.gov (Maureen McLaughlin) (Maureen_McLaughlin@ed.gov (Maureen McLaughlin) [UNKNOWN])
READ:UNKNOWN

TO: David_Frank@ed.gov (David Frank) (David_Frank@ed.gov (David Frank) [UNKNOWN])
READ:UNKNOWN

CC: Susan_Frost@ed.gov (Susan Frost) (Susan_Frost@ed.gov (Susan Frost) [UNKNOWN])
READ:UNKNOWN

CC: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: Jim_Bradshaw@ed.gov (Jim Bradshaw) (Jim_Bradshaw@ed.gov (Jim Bradshaw) [UNKNOWN])
READ:UNKNOWN

CC: Jon_Oberg@ed.gov (Jon Oberg) (Jon_Oberg@ed.gov (Jon Oberg) [UNKNOWN])
READ:UNKNOWN

CC: Kristi_Kimball@ed.gov (Kristi Kimball) (Kristi_Kimball@ed.gov (Kristi Kimball) [UNKNOWN])
READ:UNKNOWN

CC: Tom_Lyon@ed.gov (Tom Lyon) (Tom_Lyon@ed.gov (Tom Lyon) [UNKNOWN])
READ:UNKNOWN

TEXT:
Wonderful! Congratulations to everyone who worked so hard on the
press
release and state by state impact numbers. The response suggests that the
state
by state numbers, while time consuming, do significantly increase the press
coverage.

_______________________________ Reply Separator

____

Subject: IR press
Author: Stephanie Babyak at WDCB02
Date: 6/22/98 2:43 PM

We've received a number of radio/tv calls as a result of the state releases on the student loan interest rate change.

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CNN-TV affilitate, San Diego, Calif.
WKBK, New Hampshire
WQBH, Detroit
Connecticut Public Radio

Most of these have a large listener audience.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:22-JUN-1998 14:46:28.00

SUBJECT: IR press

TO: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
FYI - this is on the lower July 1 interest rate on regular loans (NOT the lower rate on consolidation loans, which reporters are just starting to hear about but we're not pushing).
---------------------- Forwarded by Robert M. Shireman/OPD/EOP on 06/22/98 02:45 PM ---------------------------

Stephanie_Babyak @ ed.gov (Stephanie Babyak)
06/22/98 02:43:44 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: IR press

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Message Sent

To:____

David_Frank @ ed.gov (David Frank)
David_Longanecker @ ed.gov (David Longanecker)
Pauline_Abernathy @ ed.gov (Pauline Abernathy)
Maureen_McLaughlin @ ed.gov (Maureen McLaughlin)
Jane_Glickman @ ed.gov (Jane Glickman)

Message Copied
To:____

Tom_Lyon @ ed.gov (Tom Lyon)
Jim_Bradshaw @ ed.gov (Jim Bradshaw)
Kristi_Kimball @ ed.gov (Kristi Kimball)
Robert M. Shireman/OPD/EOP
Jon_Oberg @ ed.gov (Jon Oberg)
Susan_Frost @ ed.gov (Susan Frost)

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: mkr@merle.acns.nwu.edu (Marilyn Keller Rittmeyer) (mkr@merle.acns.nwu.edu (Marilyn Keller Rittmeyer) [UNKNOWN])

CREATION DATE/TIME:22-JUN-1998 14:24:07.00

SUBJECT: From Senator John Ashcroft -- A+ Account Act

TO: BDH@aol.COM (BDH@aol.COM [UNKNOWN])
READ:UNKNOWN

TO: lbraden@sps.EDU (lbraden@sps.EDU [UNKNOWN])
READ:UNKNOWN

TO: hstevens@umich.EDU (hstevens@umich.EDU [UNKNOWN])
READ:UNKNOWN

TO: edh9k@faraday.clas.virginia.EDU (edh9k@faraday.clas.virginia.EDU [UNKNOWN])
READ:UNKNOWN

TO: lslerner@ix.netcom.COM (lslerner@ix.netcom.COM [UNKNOWN])
READ:UNKNOWN

TO: bicycle@u.washington.EDU (bicycle@u.washington.EDU [UNKNOWN])
READ:UNKNOWN

TO: nathanmg@fox.nstn.CA (nathanmg@fox.nstn.CA [UNKNOWN])
READ:UNKNOWN

TO: rschaefe@eve.assumption.EDU (rschaefe@eve.assumption.EDU [UNKNOWN])
READ:UNKNOWN

TO: Richards@newsday.COM (Richards@newsday.COM [UNKNOWN])
READ:UNKNOWN

TO: "Tom_Loveless ("Tom_Loveless/FS/KSG"@ksg.harvard.EDU [UNKNOWN])
READ:UNKNOWN

TO: mjacob@sas.upenn.EDU (mjacob@sas.upenn.EDU [UNKNOWN])
READ:UNKNOWN

TO: jbetts@ucsd.EDU (jbetts@ucsd.EDU [UNKNOWN])
READ:UNKNOWN

TO: Michael Cohen (CN=Michael Cohen/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: cfrank@mcgraw-hill.COM (cfrank@mcgraw-hill.COM [UNKNOWN])
READ:UNKNOWN

TO: amas@ix.netcom.COM (amas@ix.netcom.COM [UNKNOWN])
READ:UNKNOWN

TO: jleo@usnews.COM (jleo@usnews.COM [UNKNOWN])
READ:UNKNOWN

TO: Sstotsky@aol.COM (Sstotsky@aol.COM [UNKNOWN])
READ:UNKNOWN

TO: econmp@showme.missouri.EDU (econmp@showme.missouri.EDU [UNKNOWN])
READ:UNKNOWN

TO: Thernstr@husc.harvard.EDU (Thernstr@husc.harvard.EDU [UNKNOWN])
READ:UNKNOWN

TO: GardenD@aol.COM (GardenD@aol.COM [UNKNOWN])
READ:UNKNOWN

TO: rarm@db1.cc.rochester.edu (rarm@db1.cc.rochester.edu [UNKNOWN])
READ:UNKNOWN

TO: Silvers7@aol.COM (Silvers7@aol.COM [UNKNOWN])
READ:UNKNOWN

TO: rsilvers@ironwoodhomes.COM (rsilvers@ironwoodhomes.COM [UNKNOWN])
READ:UNKNOWN

TO: Viteritt@is.nyu.EDU (Viteritt@is.nyu.EDU [UNKNOWN])
READ:UNKNOWN

TO: lds@vm.temple.EDU (lds@vm.temple.EDU [UNKNOWN])
READ:UNKNOWN

TO: sheldon.stern@kennedy.nara.GOV (sheldon.stern@kennedy.nara.GOV [UNKNOWN])
READ:UNKNOWN

TO: pteske@datalab2.sbs.sunysb.EDU (pteske@datalab2.sbs.sunysb.EDU [UNKNOWN])
READ:UNKNOWN

TO: lmone@manhattan-institute.ORG (lmone@manhattan-institute.ORG [UNKNOWN])
READ:UNKNOWN

TO: PetrilliM@aol.COM (PetrilliM@aol.COM [UNKNOWN])
READ:UNKNOWN

TO: info@c-b-e.ORG (info@c-b-e.ORG [UNKNOWN])
READ:UNKNOWN

TO: jmarks@ertnet.demon.co.UK (jmarks@ertnet.demon.co.UK [UNKNOWN])
READ:UNKNOWN

TO: lhunt@sas.upenn.EDU (lhunt@sas.upenn.EDU [UNKNOWN])
READ:UNKNOWN

TO: Jimsleep@aol.COM (Jimsleep@aol.COM [UNKNOWN])
READ:UNKNOWN

TO: dws7@psu.EDU (dws7@psu.EDU [UNKNOWN])
READ:UNKNOWN

TO: jhb5@cornell.EDU (jhb5@cornell.EDU [UNKNOWN])
READ:UNKNOWN

TO: ddenenbe@marauder.millersv.EDU (ddenenbe@marauder.millersv.EDU [UNKNOWN])
READ:UNKNOWN

TO: hwalberg@uic.EDU (hwalberg@uic.EDU [UNKNOWN])
READ:UNKNOWN

TO: Nancy.Hoit@npr.gsa.GOV (Nancy.Hoit@npr.gsa.GOV [UNKNOWN])
READ:UNKNOWN

TO: rdballou@pcnet.COM (rdballou@pcnet.COM [UNKNOWN])
READ:UNKNOWN

TO: Cefinnjr@aol.COM (Cefinnjr@aol.COM [UNKNOWN])
READ:UNKNOWN

TO: jmirel@learnlink.emory.EDU (jmirel@learnlink.emory.EDU [UNKNOWN])
READ:UNKNOWN

TO: costrell@umbsky.cc.umb.EDU (costrell@umbsky.cc.umb.EDU [UNKNOWN])
READ:UNKNOWN

TO: pgross@mbl.edu (pgross@mbl.edu [UNKNOWN])
READ:UNKNOWN

TEXT:
Date: Mon, 22 Jun 1998 13:48:06 -0400
From: John_Ashcroft@ashcroft.senate.gov (John Ashcroft)
Subject: Re:Please Forward to Senator Ashcroft
To: Marilyn Keller Rittmeyer <mkr@merle.acns.nwu.edu> (by way of
mkr@merle.acns.nwu.edu (Marilyn Keller Rittmeyer))
Content-Type: text/plain; charset=US-ASCII
Content-Description: cc:Mail note part
Content-Transfer-Encoding: 8bit
X-MIME-Autoconverted: from quoted-printable to 8bit by merle.acns.nwu.edu
id MAA12875
X-UIDL: 2b9677d9b5f348b09dec42cdad0953a5

Thank you for contacting me about education savings accounts. I
appreciate
the opportunity to respond to your comments on this aspect of education
reform.

The Taxpayer Relief Act of 1997 allows parents to contribute up to
$500 per
year, per child, to a tax-free "education IRA" for college expenses. On
April
23, 1998, the Senate passed legislation that would further expand these

tax-free
education savings accounts. The new Parent and Student Savings Account
Plus Act
(A+ Account Act) would allow parents and other interested parties to
contribute
a maximum of $2,000 a year to accounts that can be used to pay for
elementary
and secondary education expenses, in addition to college costs.

These benefits would be available to students in public or private
schools,
as well as home schooled children. The money could pay for multiple
education
expenses -- from text books, home computers, and other educational aids to
transportation costs, private tutoring, and tuition. Without cutting
current
education spending or increasing taxes, the A+ Account Act could generate
$5
billion in new education resources for primary and secondary schools alone.

Passage of the A+ Account proposal is an important part of education
reform
which would give parents more control over the kind and quality of
education
their children receive. Furthermore, two amendments to the A+ Account Act
passed that would ensure that education policy and programs are determined
at
the state and local levels. I offered an amendment that permanently bans
federal funding for the Administrationis flawed national testing
initiative.
The second amendment returns over $10 billion in federal education dollars
to
states, allowing them to determine for themselves the best way to spend the
funds to educate children.

Although the President has expressed his intent to veto the A+ Account
legislation, I am encouraged that Congress is supporting real educational
reforms that encourage parental involvement and local control. I will
continue
to work for legislation that embodies these vital principles and that
ultimately
promotes excellence in our childrenis education.

Thank you for your interest in education savings accounts. It is a
privilege to serve you in the U.S. Senate.

Sincerely,

John Ashcroft
U.S. Senate

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:23-JUN-1998 09:39:28.00

SUBJECT: Re: Revised draft of talking points for BRT

TO: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
I would add "modern schools" or "state-of-the-art schools" before smaller class sizes.

He could also note that "one week from today" (July 1), Americans can start taking advantage of the Lifetime Learning Tax Credit that the President fought for as part of last year's tax bill.

It would be good to mention Lucent Technologies as one that is investing in school improvement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan Orszag (CN=Jonathan Orszag/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:23-JUN-1998 09:41:45.00

SUBJECT: Re: Revised draft of talking points for BRT

TO: Eli G. Attie (CN=Eli G. Attie/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
The second and third comments seem good. Use what you want. None of these seem essential.
---------------------- Forwarded by Jonathan Orszag/OPD/EOP on 06/23/98 10:41 AM ---------------------------

Robert M. Shireman
06/23/98 09:39:23 AM
Record Type: Record

To: Jonathan Orszag/OPD/EOP
cc:
Subject: Re: Revised draft of talking points for BRT

I would add "modern schools" or "state-of-the-art schools" before smaller class sizes.

He could also note that "one week from today" (July 1), Americans can start taking advantage of the Lifetime Learning Tax Credit that the President fought for as part of last year's tax bill.

It would be good to mention Lucent Technologies as one that is investing in school improvement.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:30-JUN-1998 11:42:30.00

SUBJECT: VP in Iowa next week

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Thomas A. Kalil (CN=Thomas A. Kalil/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Cecilia E. Rouse (CN=Cecilia E. Rouse/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Dan J. Taylor (CN=Dan J. Taylor/O=OVP @ OVP [UNKNOWN])
READ:UNKNOWN

TEXT:
Cece, Bob, and Tom --

As Bob knows, the VP will be in Dubuque Iowa next Thursday, and he will announce 1) that people across the country are now eligible, as of July 1, for the lifetime learning tax credit, and 2) revised state-by-state estimates of how many people could benefit from HOPE scholarships and lifetime learning tax credits. RIght now, the overall focus of the event will be to tout these victories the President and VP won last year, encourage people to make use of these and other resources to get the skills they need to advance in their careers, and call for stronger partnerships among colleges, employers, and unions to help employees/members get the skills they need to succeed.

I could use your advice and help in several ways. Usually, I could work with the Education Dept on some of the more logistical/people issues, but this issue cuts across so many agencies that I wanted to ask you for help. I have copied Dan Taylor from the VP's office on this e-mail, as he'll be working on this especially #s 2-4 below. .

1) Message/announcements. Would you suggest any changes or additions to the overall message or announcements? In particular, I am wondering if the workforce development bill or the Higher Ed bill will be at a point that it would be useful to focus on those in some ways.

2) Site. We would like to identify a site of a very good program -- perhaps at a community college, working with a business partners -- that the VP could visit. While the Education Dept is beginning to look around, who else could help? Should we call NSF to see if one of their sites is in Dubuque? Labor Dept? Organizations or foundations outside the govt? If so, do you have recommendations for whom we should call at these or other places?

3) Possible smaller, closed-press roundtable discussion. The VP may have time for a smaller, roundtable discussion about local efforts in Dubuque to provide high-quality skill development for the workforce. Do you have any recommendations of who could give advice on this in Dubuque, or key people or institutions that would be upset if they were not consulted or included in some way?

4) Other key people to invite to the event. Again, pls let me know if you know either
a) people that would be helpful in id'ing who should be invited to the event or b) key people who would be upset if they were not consulted or included.

5) Briefing memos. What would be the best way to get a brief memo on the status and conent of the workforce development bill , another one on the status and key aspects of the Higher Ed bill, and another one on H1B?

Thanks for any help you can provide!! -- Jon Schnur

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Dan J. Taylor (CN=Dan J. Taylor/O=OVP [UNKNOWN])

CREATION DATE/TIME: 1-JUL-1998 11:02:03.00

SUBJECT: Lifetime Learning

TO: Jonathan H. Schnur (CN=Jonathan H. Schnur/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
I still haven't heard back from Jill. Have you heard anything from Ed about possible college sites?

---------------------- Forwarded by Dan J. Taylor/OVP on 07/01/98 11:01 AM

Dan J. Taylor
07/01/98 09:40:09 AM
Record Type: Record

To: jill_riemer @ ed.gov @ inet
cc:
Subject: Lifetime Learning

Jon asked Bob to check into this, too. Any news? Page me when you have a chance to talk.

---------------------- Forwarded by Dan J. Taylor/OVP on 07/01/98 09:38 AM

Robert M. Shireman @ EOP
06/30/98 07:32:44 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc: See the distribution list at the bottom of this message
Subject: Lifetime Learning

A week from Thursday, the VP will be in Dubuque, Iowa and plans to talk about lifetime learning. We may be able to put out a new state-by-state on the benefits of the Lifetime Learning tax credit which goes into effect tomorrow. It might also be an appropriate time to say something about the job training legislation and/or the Higher Education Act as it relates to lifelong learning.

I have three questions on which we need quick responses (COB Wed.) from ED and DOL:

--Are there any particular institutions (e.g. community colleges) or programs in Dubuque that you would recommend highlighting? Of particular interest would be those with strong partners in the business community.

--Who are the key people in the education and training community there locally who should be consulted?

--Are there any messages that you recommend be pursued?

Longer term -- early next week, we'll need background memos on where we stand on G.I. Bill (DOL) and the HEA (ED).

My fax number if you need it is 456-2223.

Thanks for your help.

Message Sent
To:____
uhalde-raymond @ dol.gov @ inet
kamela-william @ dol.gov @ inet
Jon_Weintraub @ ed.gov @ inet
Patricia_McNeil @ ed.gov @ inet
Maureen_McLaughlin @ ed.gov @ inet
David_Longanecker @ ed.gov @ inet
Maureen_McLaughlin @ ed.gov @ inet

Message Copied
To:____
Jonathan H. Schnur/OPD/EOP @ EOP
Dan J. Taylor/OVP
Thomas A. Kalil/OPD/EOP @ EOP
Cecilia E. Rouse/OPD/EOP @ EOP
Barry White/OMB/EOP @ EOP

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 6-JUL-1998 15:24:29.00

SUBJECT: IOWA ACCOMPLISHMENTS

TO: Dan J. Taylor@OVP@EOP (Dan J. Taylor@OVP@EOP [UNKNOWN])
READ:UNKNOWN

TO: Jonathan H. Schnur@eop (Jonathan H. Schnur@eop [OPD])
READ:UNKNOWN

TEXT:

You may have already seen these, but just in case I thought I would send you a copy of the Iowa accomplishments paper. In the education section, it states that 69,000 students in Iowa will receive a HOPE tax credit and 84,000 students in Iowa will receive a Lifetime Learning tax credit.

Jill

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D20]MAIL49129568O.126 to ASCII,
The following is a HEX DUMP:

================== 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 V5.1-9 #29131)
id <01IZ32K4F31C001C1Z@PMDF.EOP.GOV>; Mon, 6 Jul 1998 15:21:54 EDT
Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
with ESMTP id <01IZ32JWEJB4001DNE@PMDF.EOP.GOV>; Mon,
06 Jul 1998 15:21:45 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-10 #29131)
with ESMTP id <01IZ32J5QXKQ003KN4@STORM.EOP.GOV>; Mon,
06 Jul 1998 15:21:06 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.16.166])
by vader.ed.gov (8.8.7/8.8.4) with SMTP id PAA03190; Mon,
06 Jul 1998 15:23:48 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov
(IMA Internet Exchange 2.12 Enterprise) id 001B9E79; Mon,
06 Jul 1998 15:17:14 -0400

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

PRESIDENT CLINTON AND VICE PRESIDENT GORE'S ACCOMPLISHMENTS: *Iowa*

EXPANDING ECONOMIC OPPORTUNITY FOR ALL

- ***Unemployment Down to 2.3%:*** The unemployment rate in Iowa has declined from 4.2% to 2.3% since 1993.

- ***175,100 New Jobs:*** 175,100 new jobs have been created in Iowa since 1993 --an average of 32,831 jobs per year, compared to an average of just 20,025 jobs per year during the previous administration.

- ***159,600 New Private Sector Jobs:*** Since 1993, 159,600 new private sector jobs have been created in Iowa --an average of 29,925 jobs per year, compared to an average of just 17,825 private sector jobs per year in the previous administration.

- ***25,800 New Manufacturing Jobs:*** 25,800 manufacturing jobs have been created in Iowa since 1993 --an average of 4,838 jobs per year. In contrast, an average of only 425 manufacturing jobs were created each year during the previous administration.

- ***15,500 New Construction Jobs:*** 15,500 construction jobs have been created in Iowa since 1993 --an average of 2,906 jobs per year. In contrast, an average of only 1,800 construction jobs were created each year during the previous administration.

- ***64,000 Have Received a Raise:*** Approximately 6,000 Iowa workers benefited from an increase in the minimum wage --from $4.25 to $4.75 --October 1, 1996. They, along with about 58,000 more, received an additional raise --from $4.75 to $5.15 --on Sept. 1, 1997.

- ***Business Failures Down 11.8% Per Year:*** Business failures in Iowa have dropped an average of 11.8% per year since 1993, after increasing 18% per year during the previous 12 years.

- ***A $500 Child Tax Credit to Help Families Raising Children:*** To help make it easier for families to raise their children, the balanced budget includes a $500 per-child tax credit for children under 17. **Thanks to President Clinton, the balanced budget delivers a child tax credit to 312,000 families in Iowa.**

- *__Highest Home Ownership Ever:__* Home Ownership in Iowa has increased from 66.3 to 74.7 since 1992 and it is now the highest on record.

- *__Home Building Up 2.7% Per Year:__* New home building in Iowa has increased 2.7% per year since 1993.

- *__2.7% Growth in Personal Income:__* Personal income in Iowa has risen at an annual rate of 2.7% since 1993 compared to an average growth of just 0.6% per year during the previous 12 years.

- *__4.4% Growth in Total Bank Loans and Leases:__* Iowa has seen a 4.4% average growth rate in total bank loans and leases per year since 1993, after increasing only 0.6% per year over the previous 12 years.

- *__4.8% Growth in Commercial and Industrial Loans and Leases:__* Each year since 1993, Iowa has experienced a 4.8% growth in commercial and industrial loans and leases. In contrast, commercial and industrial loans and leases fell over 1.2% per year during the previous administration.

- *__Over $25,000 of Reduced Federal Debt for Every Family of Four:__* The national debt will $1.7 trillion lower in fiscal year 1999 than projected in 1993 --that's $25,000 less debt for each family of four in Iowa next year.

EXPANDING ACCESS TO EDUCATION

- *__Over $31 Million in Head Start Funding:__* In FY97, Iowa received $28.5 million in Head Start funding benefitting 6,300 children. In FY98 Iowa will receive over $31 million, an increase of $2.7 million over 1997. President Clinton's FY99 budget proposal will increase Head Start funding for Iowa's children by an additional $2.2 million.

•

$3.9 Million in Goals 2000 Funding: This year [FY98], Iowa receives $3.9 million in Goals 2000 funding. President Clinton's FY99 budget proposes to increase Goals 2000 funding by an additional $180,000. This money is used to raise academic achievement by raising academic standards, increasing parental and community involvement in education, expanding the use of computers and technology in classrooms, and supporting high-quality teacher professional development.

•

$2.7 Million for Technology Literacy: This year [FY98], Iowa receives $2.7 million for the Technology Literacy Challenge Fund which helps communities and the private sector ensure that every student is equipped
with the computer literacy skills needed for the 21st century. President Clinton's FY99 budget proposal will raise funding for technology literacy by $500,000 over FY98.

•

Nearly $52 Million for Students Most in Need: Iowa will receive $51.9 million in Title I Grants (to Local Education Agencies) providing extra help in the basics for students most in need, particularly communities and schools with high concentrations of children in low-income families. [FY98]

•

$96 Million in Pell Grants: This year [FY98], Iowa will receive $96 million in Pell Grants for low-income students going to college, an additional $16.7 million over last year. With this increase, a total of 49,900 Iowa students will benefit, 2,800 more than the previous year. And President Clinton's FY99 budget proposal increases Pell Grant funding to $88.9 million.

•

Over 700 Have Served in Iowa through AmeriCorps: Since the National Service program began in 1993, over 700 AmeriCorps participants, working in 90 different programs, have earned money for college while working in Iowa's schools, hospitals, neighborhoods or parks. [through 3/98]

•

Tuition Tax Credits in Balanced Budget Open the Doors of College and Promote Lifelong Learning: The balanced budget includes both President Clinton's $1,500 HOPE Scholarship to help make the first two years of college as universal as a high school diploma and a Lifetime Learning Tax Credit for college juniors, seniors, graduate students and working

Americans pursuing lifelong learning to upgrade their skills. This 20% tax credit will be applied to the first $5,000 of tuition and fees through 2002 and to the first $10,000 thereafter. **69,000 students in Iowa will receive a HOPE Scholarship tax credit of up to $1,500. 84,000 students in Iowa will receive the Lifetime Learning Tax Credit.**

FIGHTING CRIME AND VIOLENCE

- ***Crime Falls 6% in Iowa:*** Since 1992, serious crime has fallen 6% statewide. In the last year, serious crime has declined 9% in Cedar Rapids. [1996 and preliminary 1997 Uniform Crime Report data, FBI]

- ***466 More Police:*** The President's 1994 Crime Bill has funded 466 new police officers to date in communities across Iowa. [through 6/98]

- ***Over $1.6 Million to Combat Domestic Violence:*** Through the Violence Against Women Act, Iowa receives $1,647,000 in federal funds this year [FY98] to establish more women's shelters and bolster law enforcement, prosecution, and victims' services.

- ***$609,337 in Grants for Battered Women and Children:*** This year [FY98], Iowa will receive $609,337 in HHS's Family Violence Prevention Program grants to assist women and children fleeing domestic abuse, an additional $106,000 increase over last year. President Clinton's FY99 budget proposal increases HHS's Family Violence Prevention Program grants to $623,400.

- ***$4.4 Million to Keep Drugs & Violence Out of Iowa's Schools:*** Iowa receives $4.4 million in FY98 for the Safe & Drug Free Schools Program, which invests in school security and drug prevention programs.

MOVING IOWANS FROM WELFARE TO WORK

- ***33,754 Fewer People on Welfare:*** There are 33,754 fewer people on welfare in Iowa now than there were at the beginning of 1993 --a 33% decrease. [through 3/98]

__Child Support Collections Up 56%:__ Child support collections have increased by $54 million --or 56% --in Iowa since FY92. [through FY96]

__Iowa Receives $8.3 Million in Welfare-to-Work Grants:__ In FY98, Iowa is eligible to receive $8.3 million in welfare-to-work state formula grants, helping Iowa prepare welfare recipients for work and to place them in jobs. Part of the President's comprehensive efforts to move recipients from welfare to work, this funding is included in the $3 billion Welfare-to-Work Jobs Challenge Fund signed into law in the 1997 balanced budget.

INVESTING IN IOWA'S HEALTH

__Health Care for Uninsured Children:__ The balanced budget includes the largest single investment in health care for children since the passage of Medicaid in 1965 --an unprecedented $24 billion over five years to cover as many as five million children throughout the nation. This investment guarantees the full range of benefits --from checkups to surgery -- that children need to grow up strong and healthy. It ensures that prescription drugs, vision, hearing, and mental health coverage now offered at the state level are extended to millions of uninsured children. To expand health coverage to more uninsured children in Iowa the balanced budget provides $32.5 million in 1998. This compares to the 1995 Republican plan vetoed by President Clinton that would have denied health coverage to 26,400 children in Iowa.

__Helping Iowa Women and Children with WIC:__ The Clinton Administration is committed to full funding in the Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Last year in Iowa, 7,837 more women and children in need received health and food assistance than in 1994.

__More Toddlers Are Being Immunized:__ As a result of the President's 1993 Childhood Immunization Initiative, childhood immunization rates have reached an historic high. According to the CDC, 90% or more of America's toddlers in 1996 received the most critical doses of each of the routinely recommended vaccines --surpassing the President's 1993 goal. In Iowa in 1996, 97% of two-year olds received the vaccines for diphtheria, tetanus, pertussis; 94% received the vaccine for polio ; 92% received the vaccine for measles, and 94% received the vaccine for *Haemophilus influenzae* B, the bacteria causing a form of meningitis.

- ***Increased Funding for HIV/AIDS Programs by 347%:*** In FY97, Iowa communities received $1.8 million in Ryan White formula and other HIV/AIDS program funds, a 347% increase over FY93 levels. This funding provides people living with HIV and AIDS medical and support services, including the AIDS Drug Assistance Program which helps those without insurance obtain much needed prescription drugs. [HHS, Health Resources and Services Administration, 4/98]

- ***President's Tobacco Plan Will Cut Smoking and Premature Deaths by 42% in Iowa:*** If the Clinton Administration's tobacco proposal on youth smoking is enacted, by 2003, Iowa will see a 42% cut in youth smoking and resulting premature deaths. Over the next five years, 30,000 youth of Iowa will be kept from smoking and 10,000 will be spared a premature tobacco-related death. [Treasury Dept., 3/23/98]

- ***1,420,000 Americans in Iowa Cannot Be Assured They Have Patient Protections***. Even if Iowa enacted all the protections in the Patients' Bill of Rights, 1,420,000 people in Iowa cannot be assured they have the comprehensive patient protections recommended by the President's Advisory Commission. This is because the Employee Retirement Income Security Act (ERISA) may preempt state-enacted protections. That is why the President has called on Congress to pass a federally enforceable patients' bill of rights so that everyone enrolled in managed care may have a basic set of protections. Notably, 700,000 Iowa women are in ERISA health plans and are therefore not necessarily protected. Women are particularly vulnerable without these protections because they are greater users of health care services, they make three-quarters of the health care decisions for their families, and they have specific health care needs addressed by a patients' bill of rights.

PROTECTING THE ENVIRONMENT

- ***6 Toxic Waste Sites Cleaned Up:*** Since 1993, the EPA has completed 6 Superfund toxic waste cleanups in Iowa, in West Point, Fairfield, Mason City, Maurice, Kellogg, and Charles City [through 1/98]. This is more than the number of sites cleaned up in Iowa during the previous twelve years combined (4).

- *Revitalizing Brownfields in Des Moines:* Part of the Clinton-Gore Administration's efforts to clean up Brownfields, the EPA has designated Des Moines, Iowa for environmental clean-up and economic revitalization. This project is intended to jump-start local clean-up efforts by providing funds to return unproductive, abandoned, contaminated urban properties to productive use.

SPEARHEADING URBAN RENEWAL EFFORTS

- *$3 Million to Des Moines:* Des Moines was designated an Enterprise Community in December, 1994 and was awarded $3 million to create more jobs, housing, and economic opportunity for city residents.

- *Expanding the Low-Income Housing Tax Credit Will Help Develop 1,700 To 2,000 New Affordable Housing Units in Iowa Over the Next 5 years:* In January, the Vice-President announced the Clinton-Gore Administration's proposed 40-percent expansion of the Low-Income Housing Tax Credit. If enacted, it will mean an additional 1,700 -2,000 quality rental housing units for low-income American families in Iowa during the next five years.

EXPANDING FUNDS FOR TRANSPORTATION IMPROVEMENT

- *Over $1 Billion in Federal Highway Aid:* Since 1993, Iowa has received $1.12 billion in federal highway aid. These funds have helped generate over 47,000 jobs. [through FY97]

- *Over $124 Million in Aviation Funds:* From FY93-FY97 Iowa received $124,620,000 in AIP funds to help build and renovate airports, and, when necessary, to provide funds for noise abatement to improve the quality of life for residents who live near airports.

- *Over $104 Million in Transit Funds:* Iowa has received a total of $104,300,000 in FTA funds since 1993.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

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

CREATION DATE/TIME: 7-JUL-1998 15:54:38.00

SUBJECT: New & Improved Families' Guide

TO: Dan J. Taylor@OVP@EOP (Dan J. Taylor@OVP@EOP [UNKNOWN])
READ:UNKNOWN

TO: Jonathan H. Schnur@eop (Jonathan H. Schnur@eop [OPD])
READ:UNKNOWN

TEXT:
Jon & Dan,

I have revised and upgraded the Families' Guide to reflect the new
national numbers. It also looks a lot better since we will be
handing
it out at a Vice Presidential event. Also, you will find information
on Section 127 included in this guide.

I am having Dan Madzelan look into whether we need to change our
language on the student loan deduction section to reflect the changes
found in the IRS bill that the President will be signing. There are
provisions in the IRS bill that deal with the student loan interest
deduction, but it isn't clear to me yet whether this language in our
guide needs to be revised. I will let you know if Dan suggests any
changes and then we will have to check back with Treasury.

Please see the attached and let me know if there are any other
changes
we need to make on our end to this guide.

Jill=================== 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 V5.1-9 #29131)
id <01IZ4HTK138G001FCJ@PMDF.EOP.GOV>; Tue, 7 Jul 1998 15:50:10 EDT
Received: from Storm.EOP.GOV by PMDF.EOP.GOV (PMDF V5.1-9 #29131)
with ESMTP id <01IZ4HTH9YKG001DQE@PMDF.EOP.GOV>; Tue,
07 Jul 1998 15:50:06 -0400 (EDT)
Received: from vader.ed.gov ([165.224.216.253])
by STORM.EOP.GOV (PMDF V5.1-10 #29131)
with ESMTP id <01IZ4HSUFL1A0001JO@STORM.EOP.GOV>; Tue,
07 Jul 1998 15:49:35 -0400 (EDT)
Received: from smtpgwy1.ed.gov (smtpgwy1.ed.gov [165.224.16.166])
by vader.ed.gov (8.8.7/8.8.4) with SMTP id PAA11167; Tue,
07 Jul 1998 15:52:20 -0400 (EDT)
Received: from ccMail by smtpgwy1.ed.gov

(IMA Internet Exchange 2.12 Enterprise) id 001BC355; Tue,
07 Jul 1998 15:43:13 -0400
================== END ATTACHMENT 1 ==================

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-JUL-1998 15:20:02.00

SUBJECT: 7:45 & response to Gene's request at staff meeting

TO: Brian A. Barreto (CN=Brian A. Barreto/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

CC: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TEXT:
Higher Education Act reauthorization. The HEA bill may be considered on the floor of the Senate as early as Thursday (but it could be next week or later). There are five signficant improvements for which we should take credit: lower student loan interest rates, the government's first "perfo rmance-based organization," High Hopes, distance learning, and teacher training. (See memo)

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D15]MAIL44306678C.126 to ASCII,
The following is a HEX DUMP:

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

July 7, 1998

MEMORANDUM FOR GENE SPERLING

FROM: **Bob Shireman**

SUBJECT: **Administration Victories in the Higher Education Act reauthorization**

The House and Senate versions of the reauthorization of the Higher Education Act (HEA) reflect the Clinton Administration's proposals to make college more affordable for all Americans, to make it more accessible through technology and through assistance to low income youth, and to improve program management.

Assuming anticipated changes are made in the Senate bill to restore cuts to administrative funds for the Education Department, we could highlight any or all of the following:

- **Endorsing billions in interest savings for students.** The student rate proposed by the Vice President in February has been adopted by both the House and Senate. We would be able to cite billions of dollars of savings for students emanating from the 1993 law and endorsed in this reauthorization. **Downside**: The bill still includes a subsidy for lenders that we do not support, and which is not fully paid for under OMB scoring. It is not clear that we will get authority we have requested to pilot new approaches to setting that subsidy.

- **Creating the government's first-ever performance-based organization (PBO).** Adopting a concept developed by the Reinventing Government effort, a PBO would be created within the Education Department for the delivery of student aid. A Chief Operating Officer and staff would be freed from much red tape in exchange for being held accountable for results in the administration of the programs. (Student aid policy would continue to be the responsibility of the Secretary).

- **Calling on colleges to help disadvantaged children reach for college.** Both bills establish efforts to fund partnerships between colleges and high-poverty middle schools in long-term efforts to provide students with information, tutoring, mentoring, and rigorous courses to prepare them for college. (The House has adopted the High Hopes proposal as recommended; the Senate has made changes to an existing program). ***Note:*** *The Race Initiative is very interested in participating in any effort we make to highlight this success. We could likely involve an impressive bipartisan group, from Chaka Fattah to J.C. Watts.*

- **Promoting high-quality distance learning.** The bills provide the Secretary with limited authority to expand student aid eligibility at degree-granting institutions that offer on-line courses. (More information will be available when the text of the Senate managers' amendment is made available to us).

- **Improving teacher recruitment and training.** The Senate bill authorizes a program based on the Administration proposal to improve teacher training by linking successful programs with those in need of improvement. Both bills also include provisions sponsored by Rep. George Miller and Sen. Jeff Bingaman to promote accountability for the success of colleges of teacher education in preparing graduates for teacher licensing examinations.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-JUL-1998 15:41:10.00

SUBJECT: 7:45 & response to Gene's request at staff meeting

TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
is there any press we can do around this--if we want to take credit?
---------------------- Forwarded by Melissa G. Green/OPD/EOP on 07/07/98
03:35 PM ---------------------------

Robert M. Shireman
07/07/98 03:19:56 PM
Record Type: Record

To: Brian A. Barreto/OPD/EOP
cc: Melissa G. Green/OPD/EOP
Subject: 7:45 & response to Gene's request at staff meeting

Higher Education Act reauthorization. The HEA bill may be considered on the floor of the Senate as early as Thursday (but it could be next week or later). There are five signficant improvements for which we should take credit: lower student loan interest rates, the government's first "perfo rmance-based organization," High Hopes, distance learning, and teacher training. (See memo)

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D98]MAIL451276784.126 to ASCII,
The following is a HEX DUMP:

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

July 7, 1998

MEMORANDUM FOR GENE SPERLING

FROM: **Bob Shireman**

SUBJECT: **Administration Victories in the Higher Education Act reauthorization**

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME: 7-JUL-1998 15:35:44.00

SUBJECT: 7:45 & response to Gene's request at staff meeting

TO: Jonathan A. Kaplan (CN=Jonathan A. Kaplan/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
---------------------- Forwarded by Melissa G. Green/OPD/EOP on 07/07/98 03:35 PM --------------------------

Robert M. Shireman
07/07/98 03:19:56 PM
Record Type: Record

To: Brian A. Barreto/OPD/EOP
cc: Melissa G. Green/OPD/EOP
Subject: 7:45 & response to Gene's request at staff meeting

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

TEXT:
Unable to convert ARMS_EXT:[ATTACH.D80]MAIL444966781.126 to ASCII,
The following is a HEX DUMP:

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

July 7, 1998

MEMORANDUM FOR GENE SPERLING

FROM: **Bob Shireman**

SUBJECT: **Administration Victories in the Higher Education Act reauthorization**

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RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Julie_Green@ed.gov (Julie Green) (Julie_Green@ed.gov (Julie Green) [UNKNOWN])

CREATION DATE/TIME: 8-JUL-1998 19:04:36.00

SUBJECT: Re: DRAFT tps to respond to Sallie Mae letter

TO: David_Longanecker@ed.gov (David Longanecker) (David_Longanecker@ed.gov (David Longanecker) [UNKNOWN])
READ:UNKNOWN

TO: Jill_Riemer@ed.gov (Jill Riemer) (Jill_Riemer@ed.gov (Jill Riemer) [UNKNOWN])
READ:UNKNOWN

TO: Jack_Kristy@ed.gov (Jack Kristy) (Jack_Kristy@ed.gov (Jack Kristy) [UNKNOWN])
READ:UNKNOWN

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: Don_Feuerstein@ed.gov (Don Feuerstein) (Don_Feuerstein@ed.gov (Don Feuerstein) [UNKNOWN])
READ:UNKNOWN

TO: Diane_Rogers@ed.gov (Diane Rogers) (Diane_Rogers@ed.gov (Diane Rogers) [UNKNOWN])
READ:UNKNOWN

TO: Jon_Oberg@ed.gov (Jon Oberg) (Jon_Oberg@ed.gov (Jon Oberg) [UNKNOWN])
READ:UNKNOWN

TO: Kristi_Kimball@ed.gov (Kristi Kimball) (Kristi_Kimball@ed.gov (Kristi Kimball) [UNKNOWN])
READ:UNKNOWN

TO: Pauline_Abernathy@ed.gov (Pauline Abernathy) (Pauline_Abernathy@ed.gov (Pauline Abernathy) [UNKNOWN])
READ:UNKNOWN

TO: Claudia_Withers@ed.gov (Claudia Withers) (Claudia_Withers@ed.gov (Claudia Withers) [UNKNOWN])
READ:UNKNOWN

TO: Brian_Siegel@ed.gov (Brian Siegel) (Brian_Siegel@ed.gov (Brian Siegel) [UNKNOWN])
READ:UNKNOWN

TO: James_Kvaal@ed.gov (James Kvaal) (James_Kvaal@ed.gov (James Kvaal) [UNKNOWN])
READ:UNKNOWN

TO: Shelley_Amdur@ed.gov (Shelley Amdur) (Shelley_Amdur@ed.gov (Shelley Amdur) [UNKNOWN])
READ:UNKNOWN

TO: Maureen_McLaughlin@ed.gov (Maureen McLaughlin) (Maureen_McLaughlin@ed.gov (Maureen McLaughlin) [UNKNOWN])
READ:UNKNOWN

TEXT:

The two lines approved per OGC for public reaction that I've used in press calls today are below for what it's worth to be incorporated in this document:

"The implementation of this change in law will help students struggling to repay their loans. This action is entirely consistent with Department policy, regulations and the law. The Secretary acted in the best interests of students by implementing existing law so that the direct loan consolidation rate matches the new student loan interest rate."

______________________________ Reply Separator
____

Subject: DRAFT tps to respond to Sallie Mae letter
Author: Kristi Kimball at WDCB01
Date: 7/8/98 5:56 PM

Please review asap the attached one-pager that responds to the Sallie Mae letter on loan consolidation. I will incorporate any comments tonight and attempt to finalize the document later tonight or tomorrow morning at the latest.

The document will be distributed to Dems on the Hill, and it will provide background for the Secretary and the Deputy Secretary for press calls.

Don F.'s comments have already been incorporated, and we are waiting for confirmation from Treasury and Budget Service on the last bullet point (re: voluntary 80 basis point discounts).

Thanks,
Kristi

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kristi_Kimball@ed.gov (Kristi Kimball) (Kristi_Kimball@ed.gov (Kristi Kimball) [UNKNOWN])

CREATION DATE/TIME: 8-JUL-1998 18:46:21.00

SUBJECT: Re[2]: DRAFT tps to respond to Sallie Mae letter

TO: David_Longanecker@ed.gov (David Longanecker) (David_Longanecker@ed.gov (David Longanecker) [UNKNOWN])
READ:UNKNOWN

TO: Jill_Riemer@ed.gov (Jill Riemer) (Jill_Riemer@ed.gov (Jill Riemer) [UNKNOWN])
READ:UNKNOWN

TO: Jack_Kristy@ed.gov (Jack Kristy) (Jack_Kristy@ed.gov (Jack Kristy) [UNKNOWN])
READ:UNKNOWN

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

TO: Don_Feuerstein@ed.gov (Don Feuerstein) (Don_Feuerstein@ed.gov (Don Feuerstein) [UNKNOWN])
READ:UNKNOWN

TO: Diane_Rogers@ed.gov (Diane Rogers) (Diane_Rogers@ed.gov (Diane Rogers) [UNKNOWN])
READ:UNKNOWN

TO: Jon_Oberg@ed.gov (Jon Oberg) (Jon_Oberg@ed.gov (Jon Oberg) [UNKNOWN])
READ:UNKNOWN

TO: Julie_Green@ed.gov (Julie Green) (Julie_Green@ed.gov (Julie Green) [UNKNOWN])
READ:UNKNOWN

TO: Pauline_Abernathy@ed.gov (Pauline Abernathy) (Pauline_Abernathy@ed.gov (Pauline Abernathy) [UNKNOWN])
READ:UNKNOWN

TO: Claudia_Withers@ed.gov (Claudia Withers) (Claudia_Withers@ed.gov (Claudia Withers) [UNKNOWN])
READ:UNKNOWN

TO: Brian_Siegel@ed.gov (Brian Siegel) (Brian_Siegel@ed.gov (Brian Siegel) [UNKNOWN])
READ:UNKNOWN

TO: James_Kvaal@ed.gov (James Kvaal) (James_Kvaal@ed.gov (James Kvaal) [UNKNOWN])
READ:UNKNOWN

TO: Shelley_Amdur@ed.gov (Shelley Amdur) (Shelley_Amdur@ed.gov (Shelley Amdur) [UNKNOWN])
READ:UNKNOWN

TO: Maureen_McLaughlin@ed.gov (Maureen McLaughlin) (Maureen_McLaughlin@ed.gov (Maureen McLaughlin) [UNKNOWN])
READ:UNKNOWN

TEXT:
Thanks Julie. I'll incorporate those lines into the one-pager.

______________________________ Reply Separator

____

Subject: Re: DRAFT tps to respond to Sallie Mae letter
Author: Julie Green at WDCB02
Date: 7/8/98 6:10 PM

The two lines approved per OGC for public reaction that I've used in press calls today are below for what it's worth to be incorporated in this document:

"The implementation of this change in law will help students struggling to repay their loans. This action is entirely consistent with Department policy, regulations and the law. The Secretary acted in the best interests of students by implementing existing law so that the direct loan consolidation rate matches the new student loan interest rate."

______________________________ Reply Separator

____

Subject: DRAFT tps to respond to Sallie Mae letter
Author: Kristi Kimball at WDCB01
Date: 7/8/98 5:56 PM

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Don F.'s comments have already been incorporated, and we are waiting for confirmation from Treasury and Budget Service on the last bullet point (re: voluntary 80 basis point discounts).

Thanks,
Kristi

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Kathryn B. Stack (CN=Kathryn B. Stack/OU=OMB/O=EOP [OMB])

CREATION DATE/TIME:10-JUL-1998 17:00:16.00

SUBJECT: Tax Deductibility of Consolidated Loans

TO: Wayne Upshaw (CN=Wayne Upshaw/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TO: Barry White (CN=Barry White/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

CC: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP [OPD])
READ:UNKNOWN

CC: S. A. Noe (CN=S. A. Noe/OU=OMB/O=EOP@EOP [OMB])
READ:UNKNOWN

TEXT:
"Secretary" refers to the Secretary of the Treasury. ED has no idea what process Treasury will use to make a determination regarding the 60 month period for multiple loans that are refinanced.
---------------------- Forwarded by Kathryn B. Stack/OMB/EOP on 07/10/98 04:56 PM ---------------------------

Jamienne_Studley@ed.gov (Jamienne Studley)
07/10/98 01:36:50 PM
Record Type: Record

To: See the distribution list at the bottom of this message
cc:
Subject: Tax Deductibility of Consolidated Loans

I understand there was a question about the provision in the IRS reform bill permitting the deductibility of student loan interest. I looked at the provision, and here's what I found:

Under current law (26 U.S.C. 221(d)), a deduction is allowed only with respect to interest paid on any qualified education loan during the first 60 months (whether or not consecutive) in which interest payments are required. Further, for purposes of paragraph (d), "any loan and all refinancings of such loan are treated as 1 loan."

The tax reform bill would add a new sentence after the sentence about treatment of refinancings, providing the Secretary with the authority to prescribe the manner in which the "first 60 months" will be determined, in the case of "multiple loans which are refinanced by, or serviced as, a single loan and in the case of loans incurred before the date of enactment of this section."

Therefore, new section 221(d) would now read:

"(d) Limit on period deduction allowed. A deduction shall be allowed under this section only with respect to interest paid on any qualified loan during the first 60 months (whether or not consecutive) in which interest payments are required. For purposes of this paragraph, any loan and all refinancings of such loan shall be treated as one loan. Such 60 months shall be determined in the manner prescribed by the Secretary in the case of multiple loans which are refinanced by, or serviced as, a single loan and in the case of loans incurred before the date of the enactment of this section.".

Please let me know if you have other questions, or need more information.

Thanks!

Lisa

Message Sent
To:____

Mike_Smith@ed.gov (Mike Smith)
Diane_Rogers@ed.gov (Diane Rogers)
Tony_Oliveto@ed.gov (Tony Oliveto)
Jim_Gette@ed.gov (Jim Gette)
Kathryn B. Stack/OMB/EOP
Jack_Kristy@ed.gov (Jack Kristy)
Pauline_Abernathy@ed.gov (Pauline Abernathy)
Jean_Veta@ed.gov (Jean Veta)
Debbie_Brown@ed.gov (Debbie Brown)
shireman_r@a1.eop.gov

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Jake Siewert (CN=Jake Siewert/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:10-JUL-1998 13:37:16.00

SUBJECT: FYI

TO: Melissa G. Green (CN=Melissa G. Green/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TO: Robert M. Shireman (CN=Robert M. Shireman/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
Senate OKs Lower Student Loan Rates

By DARLENE SUPERVILLE Associated Press Writer

WASHINGTON (AP) -- Student loan interest rates would fall to their lowest levels in nearly two decades and needy students would benefit from increases in federal education grants under legislation adopted by the Senate.

Sponsors of the bill, which passed 96-1 late Thursday, said it would put a college education within reach of more Americans by increasing access and quality.

``This bill will help ensure that our nation remains a leader in educational excellence for all of our citizens," said Sen. Jim Jeffords, R-Vt., chairman of the Senate Labor and Human Resources Committee.

``Our goal in this bill is to strengthen federal support for higher education," added Sen. Edward Kennedy of Massachusetts, the panel's senior Democrat.

President Clinton today welcomed the Senate action, saying the legislation ``will help my effort to usher more Americans through the doors of higher education." He said he would work with Congress on ``serious fiscal and policy issues that need to be resolved."

The House voted 414-4 in May for its version of the five-year bill that would renew authorization for federal spending on higher education programs.

Lawmakers must resolve differences before sending legislation to the White House. The Clinton administration opposes a provision in the Senate bill that would bestow billions in what the White House called ``arbitrary and excessive" subsidies on lenders to keep interest rates low.

Similar payments also are in the House version of the bill.

The bill also authorizes an increase in the maximum Pell Grant from $3,000 to $5,000 next school year, and to $5,800 in the 2003-2004 academic year.

The bill also aims to improve the quality and supply of teachers.

Under the measure, the student loan repayment interest rate would drop by almost 1 percentage point, to 7.43 percent, the lowest rate in nearly two decades, compared with the current 8.25 percent rate. Kennedy said the change would save the average borrower on a $12,000 loan $650 in interest payments over the life of the loan.

But lenders stand to collect billions in subsidies. The Congressional Budget Office has estimated the cost at between $1 billion and $3.6 billion over five years, while the administration pegged it at $2.4 billion.

The administration contends the bill would provide returns that are higher than lenders' profits on their overall loan portfolio and that the subsidies are not offset by corresponding spending cuts.

Congress still must appropriate funds.

The Senate bill also would:

--Forgive up to $8,000 in student loan payments for students who go into teaching in schools in poor areas.

--Provide grants to colleges to set up and maintain campus-based child care centers for needy students and improve instruction of students with disabilities.

--Collapse an existing patchwork of unfunded teacher training programs into one initiative focused on teacher training and recruitment.

Sen. Jesse Helms, R-N.C., voted against the measure, while Sens. Jon Kyl, R-Ariz.; Kay Bailey Hutchison, R-Texas; and Daniel Patrick Moynihan, D-N.Y., did not vote.

RECORD TYPE: PRESIDENTIAL (NOTES MAIL)

CREATOR: Diana Fortuna (CN=Diana Fortuna/OU=OPD/O=EOP [OPD])

CREATION DATE/TIME:10-JUL-1998 14:54:28.00

SUBJECT: note Roth quote in bold in case you missed it

TO: Cynthia A. Rice (CN=Cynthia A. Rice/OU=OPD/O=EOP @ EOP [OPD])
READ:UNKNOWN

TEXT:
---------------------- Forwarded by Diana Fortuna/OPD/EOP on 07/10/98
02:53 PM ---------------------------

Robert M. Shireman
07/10/98 11:37:20 AM
Record Type: Record

To: Diana Fortuna/OPD/EOP, Cynthia A. Rice/OPD/EOP, Jake Siewert/OPD/EOP,
Melissa G. Green/OPD/EOP
cc: Michael Cohen/OPD/EOP
Subject: Today's web Chronicle of Higher Education

Senate Votes to Extend Higher Education Act,
Expand the Poor's Chance at College

By STEPHEN BURD

WASHINGTON

The Senate on Thursday voted, 96 to 1, to extend the Higher Education Act for five years, after unexpectedly approving an amendment that would allow more welfare recipients to attend college.

Ten Republicans joined all 45 Democrats in supporting the amendment on welfare, which would permit welfare recipients to spend two full years in college or vocational training without having to work at the same time.

The amendment's approval was a major victory for college associations and advocacy groups for the poor, which have complained that work requirements mandated in welfare-reform legislation enacted two years ago effectively precluded most welfare recipients from getting a postsecondary education.

"When Congress passed welfare reform, surely it did not mean to force students to choose between feeding their children and obtaining the education they need to better their families' future," said Sen. Paul Wellstone, the Minnesota Democrat who sponsored the amendment.

The overall higher-education legislation, S. 1882, is popular with college officials and student groups because it would sharply cut the interest rate on student loans -- to 6.8 per cent from the current 7.6 while borrowers are in college, and to 7.4 per cent from the current 8.2 per cent after that. The interest-rate reduction could save an undergraduate student with a loan debt of $15,000 nearly $800, according to the United States Student Association, a lobbying group.

The bill also would authorize large increases in the maximum Pell Grant, and widen eligibility for the grants to include more students who are independent of their parents and more dependent students who work outside of college.

The bill would, however, limit the period during which students can receive a Pell Grant to 150 per cent of the time normally required to complete a course of study. For students attending college full-time, for example, that would be six years.

In addition, the Senate legislation would:

Require lenders to give borrowers with more than $30,000 in student-loan debt 25 years to repay their loans.

Currently, most borrowers in the guaranteed-student-loan program must repay their loans in 10 years.

Give grants to states and college-school partnerships to improve the training of teachers at universities and to recruit more students to teach in underserved urban and rural areas.

Help modernize the Education Department's delivery of student aid.

The Clinton Administration still opposed the bill, because it would give banks a large new subsidy to cover the added costs to them of lowering the student-loan interest rate.

But overwhelming votes in support of the bill by both the Senate and the House of Representatives made it unlikely that the President would veto the bill.

Sen. James M. Jeffords, the Vermont Republican who drafted his chamber's legislation, said that "the spirit of cooperation and the commitment to working through differences" by Democrats and Republicans alike "has allowed us to present to the Senate a solid piece of legislation."

"By increasing the access and quality of higher education, this bill will help insure that our nation remains a leader in educational excellence for all our citizens," said Mr. Jeffords. "By giving more students the ability to attend college, we are giving them the opportunity to pursue their dreams."

Lawmakers from the Senate were expected to begin meeting with their counterparts from the House this month to work out differences between the two chambers' versions of the Higher Education Act legislation. The House passed its bill, H.R. 6, in May.

Mr. Wellstone's amendment sought to ease some of the restrictions that the 1996 welfare-reform law had imposed on aid recipients who wished to attend college.

The law, which focused on getting those on welfare into jobs, mandated that states would lose some of their federal funds unless a certain proportion of their welfare recipients were employed or engaged in "work-related activities." That proportion is 25 per cent this year, and is set to climb to 50 per cent by 2002.

The law restricted welfare recipients from attending college in a few ways. First, it allowed states to count only a year of welfare recipients' education or training as "work," which college officials said excluded such people from virtually all degree programs and from anything but short-term job training.

The law also mandated that no more than 30 per cent of the people a state counted as "working" could be enrolled in vocational-education programs. And it counted toward that figure teenage parents who were participating in high-school vocational programs, leaving little room under many states' caps for individuals in college job-training programs.

Mr. Wellstone's amendment would extend from one year to two the amount of time that a welfare recipient could receive education or training and have it count as work. It also would allow all kinds of postsecondary education, not just vocational training, to qualify.

In addition, under Mr. Wellstone's measure, teenage parents would no longer count under states' 30-per-cent cap, freeing up spaces for welfare recipients in college.

Most Republican Senators opposed the amendment, arguing that it would undermine the intent of the welfare law: to move aid recipients off welfare rolls and into the work force. "This is simply an attempt to insert a giant loophole into our welfare-reform efforts, with the intent to unravel them," said Sen. William V. Roth, Jr., a Delaware Republican.

Republicans noted that the federal welfare law did not preclude recipients from attending college, as long as they also worked at least 20 hours a week.

But Democrats said that the work requirement essentially made it impossible for welfare recipients, many of whom were single mothers, to enroll in college, because they did not have the time, money, or child-care arrangements to work and go to college.
Such disincentives were "crazy," Mr. Wellstone said. "When these mothers are on the path to economic self-sufficiency, why would we want to take them off it?"

While college groups and advocates for the poor celebrated the amendment's passage in the Senate, they acknowledged that a tough fight awaited the compromise bill. The provision is likely to face stiff opposition from Republican leaders in the House, who have fought other efforts to alter the 1996 welfare-reform law.
House Democrats did not try to attach a welfare provision to their version of the higher-education bill.

The Senate rejected two other amendments, proposed by Democratic lawmakers, that brought out the deep divisions between the parties over the government's two major student-loan programs. One amendment, sponsored by Sen. Tom Harkin of Iowa, would have cut the "origination" fees that students pay to receive their loans. The 3-per-cent fee in the guaranteed-loan program comes out of the amount a student has borrowed. Students in the guaranteed-loan program often also have to pay a 1-per-cent "insurance fee" to the agencies that guarantee their loans. Students who receive loans from the government's direct-loan program pay a fee of 4 per cent.

Mr. Harkin's amendment would have cut the fee on direct loans to 3 from 4 per cent, and eliminated the insurance fee on guaranteed loans. But Republican lawmakers defeated it, saying that it would hurt the guarantee agencies.

The Senate also defeated, 58 to 39, an amendment by Massachusetts Sen. Edward M. Kennedy that would have directed the Education Department to run a pilot program aimed at testing market-based approaches to setting the rates on guaranteed student loans. (See a story from The Chronicle on June 26, 1998.)

Senator Jeffords said Republican lawmakers did not want to give the Clinton Administration's Education Department, which had sought to replace the guaranteed-loan program with its own direct-loan program, the "unbridled authority to conduct an experiment on the [Federal Family Education Loan] Program that we all know they'd like to run out of business."