BRIEFING WITH LEADERSHIP of NATIONAL CITY AND COUNTY ORGANIZATIONS

Thursday, September 9, 1999
Roosevelt Room
3:00 – 4:00 PM

Purpose: The purpose of the briefing is to build bipartisan support for the President's domestic policy initiatives with the leadership of the Associations representing cities and states throughout the country

Agenda: Other speakers on the agenda are Podesta, Reed, Frampton, and Ibarra. You will speak following Podesta, and are expected to speak on the New Markets Initiative.

Participants: A full list of participants is attached. There will be representatives from the following organization:

- United States Conference of Mayors (USCM)
- National Association of Counties (NACo)
- County Executives of America (CEA)
- The National League of Cities (NLC)
- National Conference of Black Mayors (NCBM)

- None of the participants are from cities or counties that we visited as part of the New Markets tour. With the exception of Mayor Webb, I have no record of any of their cities or counties having sent a request for the President to visit during his trip.

- Mayor Wellington Webb, President of the USCM, was very interested in having the President to visit the Denver on the first New Markets trip. He made a written request and a number of verbal entreaties. Needless to say he was very disappointed that Denver was not selected to be part of the tour. In addition, Denver applied for and lost in the most recent Empowerment Zone competition. The City of Denver is however, an Enterprise Community.

- The USCM, introduced a resolution (copy attached) at this year's conference which included support of New Markets. The theme of Mayor Webb's Inaugural Address at this year's conference was "A New Partnership with America's Communities – Empowering Our Cities." A copy of his remarks are attached.

- NACo introduced a resolution (copy attached) supporting the New Markets Initiative at its conference this year. NACo's current President is Vernon Gray.

- There will be only one representative from a city with an Empowerment Zones --- Mayor Dennis Archer from Detroit, Michigan.

- In addition to Mayor Webb, there will be several representatives from areas with Enterprise Communities. They are Kenneth Mayfield, Commissioner from Dallas, TX; Thomas Avent, County Executive from Milwaukee, WI; and Tim Davis, County Executive from Akron, OH.

List of Participants

United States Conference of Mayors
Wellington Webb (D), President, Mayor, Denver, Co

H. Brent Coles (R), Vice President, Boise, ID

J. Thomas Cochran, Executive Director

National Association of Counties:
C. Vernon Gray, President (D), City Councilmember, Howard County, Maryland

Jane Hague, President Elect, Councilmember, King County, Wash

Javier Gonzales, First Vice-President (D), Commissioner, Sata Fe County, NM

Kenneth Mayfield, Second Vice-President, Commissioner, Dallas County, TX

Betty Lou Ward, Immediate Past President, Commissioner, Wake County, NC

Larry Naake, Executive Director

County Executives of America
Robert Eckles (R), President, Harris County Judge

F. Thomas Ament (D), 2nd Vice President, County Executive, Milwalukee, WI

Tim Davis (D), Secretary-Treasurer, Summit County Executive, Akron, OH

Wayne K. Curry (D), County Executive, Prince George's County, MD

Mike Griffith, Executive Director

National League of Cities
Clarence Anthony (D) President, Mayor, South Bay, FL

Dennis W. Archer (D), Mayor, Detroit, MI

Don Bourt, Executive Director

National Conference of Black Mayors
Jesse Norwood (D), Mayor, Prichard, AL; President

Marilyn Murrell, Mayor, Second Vice President

THE WHITE HOUSE

WASHINGTON

September 8, 1999

DOMESTIC POLICY BRIEFING WITH LEADERSHIP OF NATIONAL CITY AND COUNTY ORGANIZATIONS

DATE:	Thursday, September 9, 1999
LOCATION:	Roosevelt Room
TIME:	3:00- 4:00pm
FROM:	Mickey Ibarra

I. PURPOSE

To build bipartisan support for the President's domestic policy initiatives with the leadership of the United States Conference of Mayors (USCM), National Association of Counties (NACo), County Executives of America (CEA), the National League of Cities (NLC) and National Conference of Black Mayors (NCBM).

II. BACKGROUND

During recent months, several of these organizations have gone through a transition with new leadership. It is important to renew our partnership to achieve the President's domestic policy agenda and to open a fresh dialogue with our traditional friends. We hope to make progress in these four areas:

Budget (John Podesta)

Our nation's cities and counties will be affected by the spending and tax cut decisions currently under consideration. Local elected officials consider it unacceptable that some in Congress are supporting proposals that call for drastic cuts in many key programs that have been used to help stimulate our nation's economic growth. The USCM recently expressed to our Administration that these programs should be expanded to ensure that all areas within our cities benefit this economic expansion. They strongly urge President Clinton to oppose budget cuts in the Community Development Block Grant, HOME, the Law Enforcement Block Grant, COPS, Summer Jobs, Welfare-to-Work job program, After-School programs, Drug Treatment, Mass Transit and Local Parks. These programs are vital to the nation's mayors as they move forward in revitalizing their communities.

New Markets (Gene Sperling)

While Americans are enjoying the fruits of our strong economy, we still need to do more to improve conditions in underserved urban and rural communities and connect these communities to the economic mainstream. President Clinton's FY 2000 balanced budget provides a new initiative designed to create conditions for economic success by prompting approximately $15 billion in new investment in urban and rural areas through guarantees and tax credits. The New Markets Initiative will provide incentives for equity capital investment in communities that have not traditionally had access to venture capital funds.

City and county officials are supportive of New Market Tax Incentives, Commercial Revitalization Tax Credits, Better America Bonds, Welfare to Work Tax Credits and other incentives to spur our economic growth in distressed communities.

Education/Gun Safety (Bruce Reed)

President Clinton proposed a targeted tax cut to help support state and local efforts to build or renovate up to 6,000 schools nationwide, and funding to fulfill the commitment he and Congress made to hire 100,000 new teachers to lower class size in the early grades.

In the wake of recent acts of school gun violence, the President took comprehensive action - calling on everyone from parents, teachers and students to entertainment executives, gun owners and gun dealers to take more responsibility to keep our children safe. As one element of that strategy, the President called on Congress to close glaring loopholes in the law which allow kids and criminals to obtain guns - most importantly the gun show loophole.

While the Senate passed many of the President's common sense proposals, the House refused to close the guns show loophole and tried to weaken existing law. The President sent a letter to the Republican leadership urging that Congress take immediate action to keep our children safe, and pass a balanced, bipartisan juvenile crime bill that closes the gun-show loophole, requires child safety locks for guns, and bans the importation of large capacity ammunition clips.

Livability Agenda, Lands Legacy and Clean Air (George Frampton)

The Better America Bonds are part of the "Livability Agenda" that Vice President Gore launched earlier this year. These bonds can be used to preserve and enhance green space, protect water quality and clean up brownfields. The Better America Bonds, which total $700 million over five years, will provide communities with additional resources to achieve their smart growth objectives. This funding will support federal tax credits allowing states, local and tribal governments to issue $9.5 billion in bond authority over 5 years.

The President's Lands Legacy Initiative is a $1 billion budget proposal (FY2000) to expand federal protection of critical lands across America, help states and communities preserve local green spaces, and strengthen protections for our oceans and coasts. $588 million of this proposal is funding through the Land & Water Conservation Fund that would allow communities to protect local green spaces, improve air & water quality, and sustain wildlife. This proposal will be coordinated with the Better America Bonds under the Livability Agenda.

The Clean Air Partnership will help protect public health and ease the threat of global warming. Under this initiative, the Administration is proposing $200 million in FY2000 funding to support state, local, and private efforts that achieve early reductions in both greenhouse gas emissions and ground-level air pollutants. This fund will direct new resources to state and local governments to provide financing for public and private sector projects that accelerate pollution reductions.

NOTE: Most of the briefing participants will be in the White House on Thursday morning for an event with The President on guns legislation and COPS.

III. PARTICIPANTS

John Podesta
Gene Sperling
Bruce Reed
George Frampton
Mickey Ibarra
See attached list of officials attending the event.

IV. SEQUENCE OF EVENTS

- Mickey Ibarra welcomes the officials to the White House.
- John Podesta gives budget and tax cuts overview.
- Gene Sperling makes remarks on the New Markets Initiative.
- Bruce Reed makes remarks on the Administration's policy priorities such as education and welfare to work.
- George Frampton makes remarks on the lands legacy, sustainable communities and clean air.
- Discussion.
- Mickey concludes the program.

V. ATTACHMENTS

List of Participants
Budget Priorities: Let's Put First things first: Strengthen and Modernize Medicare
Programmatic Impacts in FY 2009 of the Republican Tax Cut
The Republican Tax And Budget Plan Could Devastate Funding For Education And Other Key Priorities
Letter from President Clinton to Speaker Hastert
President Clinton Challenges The Congress To Pass A Bipartisan Health Care Agenda This Fall

Budget Priorities:

Let's Put *First Things First:* Strengthen and Modernize Medicare

We have the best economy in the world today. But remember just six and a half years ago? The President's strategy of fiscal responsibility and investment in the American people are the foundation of our current prosperity.

We had a deficit of $290 billion...Now we have a surplus of $99 billion, the largest ever.

We had stagnant job growth...Now we have nearly 19 million new jobs.

We had average unemployment of 7%...Now we have the lowest unemployment rate in 29 years.

President Clinton has a responsible budget plan that *builds* on our prosperity, by putting first things first. The President's plan invests in our continued prosperity by:

- *Strengthening Social Security and Medicare,* including modernizing Medicare with a long overdue prescription drug benefit.
- Providing *targeted tax cuts* for childcare, long-term care and the President's USA Accounts proposal which helps middle-income Americans save for retirement.
- Providing for *military readiness.*
- Strengthening our investment in domestic priorities like *education, law enforcement* and the *environment.*
- And, the President's plan continues down the path of fiscal responsibility -- and would *eliminate the national debt by 2015,* making our nation debt free for the first time since 1835.

Republicans want to spend nearly the entire surplus on a risky tax cut scheme that would threaten the continued health of our economy- and do nothing on our priority domestic issues.

- Their plan does *nothing* to strengthen Social Security.
- Their plan does *nothing* to strengthen and modernize Medicare.
- Their plan does *nothing* about providing prescription drug coverage for Medicare beneficiaries.

Fifty economists, including six Nobel laureates, signed a statement on July 21st which said: *[C]committing to a large tax cut would create significant risks to the budget and the economy."* And on July 22nd, Federal Reserve Chairman Alan Greenspan said: *I would prefer to held off on significant further tax cuts."*

And Republican plans would lead to deep, across the board cuts in domestic priorities. In order to pay for their risky tax cut and fund our military at the same level as the President, Republicans would have to cut *more than $700 billion* from domestic spending. In 2009, that would mean roughly a 50% cut in domestic programs across the board.

August 4, 1999

PROGRAMMATIC IMPACTS IN FY 2009 OF THE REPUBLICAN TAX CUT*

Department of Agriculture

- **Rural development loan and grant programs** would be cut by over $6 billion, resulting in over 100,000 jobs not being created or saved, as well as 50,000 fewer rural residents being able to own safe, decent housing, and 700,000 fewer rural residents receiving new or upgraded water or sewer systems.

- **Farm loan assistance** would be cut in half, and over 16,000 farmers would be unable to secure affordable farm operating and ownership financing, likely forcing them out of farming.

Department of Commerce

- Cuts to the **Census Bureau** and **Economics and Statistics Administration** could lead to a dramatic decrease in the 2010 census accuracy and a large and systematic population undercount. In turn, inaccurate census data could lead to inequitable distributions of formula grants and voting representation. The Nation's economic statistics would also be jeopardized, endangering private investment and government fiscal and monetary policy decisions.

Department of Education

- **Title I, Education for the Disadvantaged (Grants to LEAs)** would be forced to cut about 5.9 million children (from a total of about 12 million children) in high poverty communities from key educational services necessary to improve their future prospects. This would cut the number of children Title I serves to pre-1992 levels.

- The **Reading Excellence** program, which would otherwise help about one million children learn to read well and independently and by the 3rd grade, would serve about 480,000 fewer students.

- The **Pell Grant** maximum award, which would reach about $3,850 in FY 2009, would be slashed to $2,175, the lowest level since 1987, denying low- and middle-income students financial aid to help make college more affordable.

- **Work Study,** which would otherwise help approximately 930,000 low- and middle-income students work their way through college (some of whom would serve as reading and math tutors for disadvantaged children), would provide awards to nearly 495,000 fewer students.

- **Special Education** would be cut by $3.4 billion from the $6.6 billion FY 2009 level, severely limiting the Federal contribution to programs that help special education children of all ages receive a free, appropriate public education and aspire to the same challenging academic standards as their non-disabled peers.

Department of Health and Human Services

- The proposed tax cut would eliminate **Head Start** services to over 430,000 children and their families in FY 2009, reducing the estimated 835,000 participant program by more than half and serving less than 10 percent of the 4.1 million low-income children eligible for Head Start.

- Funding for the **Administration on Aging** would be reduced by $567 million from a baseline of $1.1 billion. This reduction would mean 124 million fewer meals served to the elderly in FY 2009 through the home-delivered and congregate meal programs.

Department of Housing and Urban Development

- Of the approximately three million families receiving **Section 8 rental assistance**, 1.5 million would lose their subsidy, forcing many into homelessness.

- Cuts to the **Public Housing Operating Subsidies and Capital Grants** would cause the Nation's public housing stock to become uninhabitable quickly because of a loss of both modernization and operating subsidies. The alternative for public housing agencies would be to shut down half of their public housing stock and evict more than 500,000 families.

- In the **Community Development Block Grant** (CDBG) program, we estimate that reductions to housing activities would prevent 260,000 people from benefiting from programs providing housing rehabilitation, construction, and homebuyer assistance, and 57,000 fewer jobs being created using CDBG assistance for economic development. The activities funded by the remaining two-thirds of the CDBG program benefit hundreds of thousands of people, and would similarly be cut.

- Due to reduced funding for the **HOME** Program, more than 50,000 households, including 20,000 children and 7,000 elderly persons, would be denied the opportunity to live in affordable rental housing, would be unable to rehabilitate their existing homes, or would not become homeowners.

Department of Justice

- The proposed cuts would result in the elimination of all **Federal law enforcement grants**, including the Byrne formula grants, the Local Law Enforcement Block Grants, the State Prison Grants, the State Criminal Alien Assistance Program, the Violence Against Women grants, the Juvenile Justice grant programs, and the Juvenile Accountability Block Grants, which provide funding to all States and territories of the United States.

- Cuts to the **Immigration and Naturalization Service** could result in a reduction of approximately 4,000 Border Patrol agents from the 8,947 assumed in the baseline; a reduction of approximately 5,000 detention beds from the 14,249 assumed in the baseline (resulting in the release of mandatory detainees); a reduction of approximately 890 land border inspectors from the 1,567 assumed in the baseline; and, a reduction of approximately 800 special agents from the 2,212 assumed in the baseline.

Department of Labor

- Approximately 368,000 **dislocated workers** would be denied training, job search assistance, and support services needed to find new jobs, out of the 708,000 that would otherwise be served in FY 2009, hindering thousands of employers in their search to find the skilled workers they need.

- **Adult training services** for 169,000 of the 325,000 adults who would otherwise be served in FY 2009 would be eliminated. This would also result in the elimination of half of the **One-Stop Career Centers** around the country – the foundation of the new workforce investment system, as envisioned by the bipartisan Workforce Investment Act enacted last year. The Act is intended to provide access to information and services that all Americans need to find and keep a job in the new global economy.

- About 330,000 summer **jobs and training opportunities** for low-income youth could be eliminated from the 634,000 that would otherwise be provided in FY 2009. Such a reduction would also mean closing 62 of the 118 **Job Corps** Centers, taking away job training from 21,000 disadvantaged youth, and denying 27,000 youth in high-poverty communities access to education, training, and employment assistance through **Youth Opportunity** Grants.

Department of Transportation

- **Federal Aviation Administration (FAA) operations** would be cut by $3.7 billion. The FAA would have to scale back its air traffic controller workforce drastically, and would only be able to handle 9.2 million of a projected 19.2 million commercial air carrier operations at airports. This would cut air travel by over 50 percent -- over 450 million fewer passenger trips on commercial air carriers in the U.S. FAA's flight services to general aviation would decline from a projected 33 million to 16 million operations, jeopardizing the safety and mobility of private and corporate aviators.

Department of Veterans Administration

- It is estimated that the **Veterans Administration (VA) health care system** will provide health care to 3.5 million veterans in FY 2009. With the cut, more than 50 percent of these veterans would lose the ability to receive health care from the VA.

Environmental Protection Agency

- Presently, 240 million Americans receive drinking water from community water systems. By FY 2009, thousands of these water systems would need to make capital improvements to ensure safe drinking water for their customers. A reduction of over $400M in funding for the **Drinking Water State Revolving Fund** could make it more difficult for Americans to receive safe drinking water.

- Major reductions to the **Children's Health Initiative** would significantly impair efforts to train health care workers on the environmental control of asthma; curtail outreach programs to children, parents, and care-givers on avoidance of second-hand smoke and other indoor allergens; and, derail critical research into the role that pesticides and chemicals may play in the onset of asthma. In addition, EPA's lead program, which focuses on enforcing lead regulations and community-based programs that are aimed at reducing children's exposure to lead, would be severely curtailed.

Small Business Administration

- **Small business loans** would be cut from $10 billion to $4.8 billion, forcing SBA to reduce the number of loans from 51,000 to 25,000.

- **Disaster assistance programs** would suffer a reduction in loan level and workforce. Depending on the size of loans, the number of disaster loans could reduce to 10,000, compared to 25,000 estimated for FY1999.

THE REPUBLICAN TAX AND BUDGET PLAN COULD DEVASTATE FUNDING FOR EDUCATION AND OTHER KEY PRIORITIES

September 7, 1999

The GOP Tax and Budget Plan Would Force Drastic Cuts in Priorities Like Education, Health, Safety and the Environment. The Republican tax bill, and the associated interest costs, would spend the entire $1 trillion non-Social Security surplus over the next 10 years. This, together with funding defense at the level requested by the President, would leave the Republicans with an impossible choice: either make nearly 50 percent cuts in essential government functions, everything from education to air traffic control to the Federal Bureau of Investigation, or divert hundreds of billions of dollars of the Social Security surpluses from promised debt reduction.

The Republican Tax and Budget Plan Could Devastate Funding for Key Education Programs for Everything from Head Start to Lifelong Learning and Dramatically Cut Programs in Each State. In the tenth year of the Republican tax and budget plan, the nation could be forced to:

- **Deny 5.9 million children in high-poverty communities academic support under the Title I program.** Title I of the Elementary and Secondary Education Act currently provides much-needed academic support to 12 million children in high-poverty communities, and the President has proposed important reforms to make sure they master the basics and reach high standards. The Republican plan goes in the opposite direction and could reduce the number of children served by this program to pre-1992 levels.
- **Deny 520,000 children the assistance they need to learn to read.** The Reading Excellence program currently provides funding that will help one million children learn to read independently and well by the end of the 3rd grade. Under the Republican budget and tax plans, 480,000 fewer children could get the help they need to learn to read.
- **Deny smaller classes to more than a million young children in the early grades.** The Republican plans could deprive more than one million students of the opportunity to learn in smaller classes in the early grades. Last year, a bipartisan agreement was reached to make a down payment on the President's plan to hire 100,000 teachers to reduce class size in the early grades to a nationwide average of 18, and earlier this month the U.S. Education Department awarded funds to help local school districts hire 30,000 teachers before school starts this fall. While the President wants to finish the job and hire 100,000 teachers, the Republican tax and budget plans could force cuts from current levels by nearly half. In July, a narrow majority in the House even voted for a bill the President has pledged to veto, which would remove the guarantee that any class size reductions will be achieved at all.
- **Deny early childhood and preschool services to 430,000 kids.** Head Start currently provides early childhood and preschool services to 835,000 students. The Republican plan could deny 430,000 children access to this essential support.
- **Deny 215,000 students the after-school and summer school programs they need.** The 21st Century Community Learning Centers Program currently provides funding to help provide after-school and summer school programs to about 400,000 students in safe and enriching academic environments. While the President wants to nearly quadruple this number to 1.5 million, the Republican budget and tax plans would reduce it by 215,000 students.
- **Slash funding for children with disabilities.** Special Education could be cut by $3.4 billion by the tenth year of the tax cut, severely limiting the federal contribution to programs that help children with disabilities.
- **Deny local school districts vital support to build and modernize 5400 public schools across the nation.** The President's targeted tax cut would cover the interest on state and local efforts to build and modernize 6,000 public schools across the nation. The Republican tax cut provides marginal help to address the needs of only one-tenth that many schools. The President's proposal to rebuild our public schools could be fully funded using about 1% of the Republican tax cut approved by the House.

- **Cut violence and drug prevention programs.** By the tenth year of the Republican tax cut, Safe and Drug Free Schools and Communities funding would be reduced by nearly $334 million. This is less than half of the $696 million that would be invested in violence and drug-prevention under current spending patterns. Republican plans could also slash funding for crisis counseling and increased security in schools experiencing violent incidents, such as the recent tragic shootings in Littleton, Colorado and Conyers, Georgia.
- **Make college less affordable for nearly 4 million low and middle-income students by slashing Pell Grants.** The Pell Grant program, which benefits nearly 4 million students, would have its maximum grant level slashed to $2175, the lowest level since 1987. This would be a sharp cut from the $3850 which would otherwise be reached by FY2009 under current spending patterns, and it would deny low-and middle-income students critical financial aid to make college more affordable.
- **Deny over 500,000 students the opportunity to work their way through college.** The Work-Study program currently helps approximately 930,000 low and middle-income students work their way through college. Over 500,000 students could be denied access to this program under Republican tax and budget plans.
- **Deny over 500,000 disadvantaged students the extra guidance and support they need to prepare for college.** Under the Republican plan, over 500,000 young people would not get the extra support they need to prepare for college through the GEAR-UP and TRIO programs. GEAR-UP is a nationwide initiative to help about 227,000 low-income middle and high school students receive academic and support services to prepare for college. About 118,000 fewer students could receive these service under the Republican plans. The President has proposed doubling funding for this program. TRIO provides counseling and educational support for 725,000 students nationwide, but the Republican plans could deny 400,000 students access to this crucial support.
- **Deny hundreds of thousands of disadvantaged young people the summer jobs and job training they need to succeed.** Under the Republican plan, about 330,000 fewer disadvantaged students would get the education, training, and summer jobs they need. Sixty-two out of 118 Job Corps centers could be forced to close, taking away job training from 21,000 disadvantaged youth, and more than 26,000 thousand students in high-poverty communities would be denied access to education, training, and employment assistance through Youth Opportunity Grants.

For Each State the Republican Tax Proposal Would Cut Key Programs by Roughly Half. See attached table. The 2009 funding levels and per student costs maintains participation at the 1999 level for 2009 adjusting for inflation. The Republican budget and tax proposal result in a roughly 50% cut from those levels. Head Start figures reflect current services although the President has a goal of funding 1 million children on Head Start by 2002. For Class Size Reduction, 2009 funding is based on the level of funding required to implement the President's plan to hire 100,000 teachers by 2005. The Republican 2009 funding level reflects the 1999 level increased to offset inflation, then reduced by roughly 50% consistent with their budget and tax proposals.

State By State Comparisons Include These Key Programs:

- **Work Study**: The Work Study Program provides part-time jobs to undergraduate and graduate students to help them pay education expenses.
- **Class Size Reduction**: The President's Class Size Reduction initiative provides funding to help meet the goal of hiring 100,000 teachers to reduce class size in the early grades, to a national average of 18 students.
- **Head Start**: Head Start provides early childhood and preschool assistance to impoverished children.
- **Title I Grants**: Title I targets financial assistance to high poverty school districts.
- Assistance to Disadvantaged Youth: The Workforce Investment Act, includes a funding stream for programs providing summer jobs and job training assistance to economically disadvantage young people.
- **Pell Grants**: The Pell Grant Program provides grants to undergraduate students with financial need to help them pay for postsecondary education.

THE WHITE HOUSE

WASHINGTON

September 3, 1999

Dear Mr. Speaker:

As the Congress returns this coming week, I urge you to make it your first order of business to send me a juvenile crime bill that includes the Senate-passed gun measures.

The time is long past due to complete work on this bill. Before the Congress went on its recess, I asked the conferees to meet during the break and finish work on the bill. A full month has passed since the conferees first met, and I urge you now to finish the job and act immediately on this vital legislation.

The tragic shooting in Los Angeles just a few short weeks ago is the latest reminder that we must do all we can to keep guns out of the wrong hands. You have the opportunity to send me a balanced and bipartisan juvenile crime bill that helps prevent youth violence and includes the Senate-passed gun provisions to close the gun show loophole, require child safety locks for guns, and bar the importation of large capacity ammunition clips. These provisions will help save lives, and the Congress should make them the law of the land without further delay.

As millions of our Nations's children return to school, we have a responsibility to do everything we can, as quickly as we can, to keep them safe. The American people are waiting: don't let another day pass.

Sincerely,

Bill Clinton

The Honorable J. Dennis Hastert
Speaker of the
House of Representatives
Washington, D.C. 20515

Mrs. Delaney
1107 Mirga Circle

Zip Code

THE WHITE HOUSE

WASHINGTON

DISTRIBUTE TO:

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JACK LEW
JOSH GOTBAUM
MARIA ECHAVESTE

FROM: MICKEY IBARRA

DATE: JUNE 16, 1999

The attached remarks by Mayor Webb of Denver were delivered June 15 to the U.S. Conference of Mayors meeting. He outlines where he intends to lead in the three ____areas: 1) Smart Growth and the regional Cooperation, 2) Presenting the competitive assets of the cities, and 3) Investing in our working families.

Remarks by Denver Mayor Wellington E. Webb – FOR DISTRIBUTION
Inaugural Address as President of the U.S. Conference of Mayors
The 67th Annual Conference of Mayors – New Orleans
June 15, 1999

A NEW PARTNERSHIP WITH AMERICA'S COMMUNITIES
"EMPOWERING OUR CITIES"

Let me first congratulate Mayor Corradini for an outstanding year of vigorous leadership. Deedee, it has been a pleasure serving as your Vice President. You have been an asset to the U.S. Conference of Mayors and to this nation with your energy and creativity.

I am looking forward to working in the same positive spirit with Vice President Coles, with Chair of the Advisory Board Mayor Morial, with Tom Cochran and the Conference staff, and with every mayor who is part of this organization.

As mayors, we have tried to do our part. We are reclaiming our cities as places of opportunity, as places where people can live, work, enjoy recreational activities, and mingle with friends and family.

The foundation of this strategy is our focus on basic city services, such as picking up the trash, maintaining the streets, enhancing efficiency and customer service, and putting our fiscal houses in order.

On this foundation are four cornerstones:

First, mayors are restoring public safety in our cities with strong law enforcement and prevention. The first responsibility of any city is to protect its citizens. That is true now and that will always be true. We must never forget that. As incoming President of the United States Conference of Mayors, I will continue to place public safety at the top of our agenda. That includes issues relating to school violence, the abuse of drugs and alcohol, and guns.

Second, we are energetically supporting our kids and schools. Whether we are directly overseeing school districts or assisting and pushing our independent districts to meet their responsibilities, our premise is the same - You cannot have a successful city if you have failing schools;

Third, we are expanding and improving our parks and open space, and transforming neglected and contaminated acreage into spaces where residents and visitors can relax and congregate and enjoy their hard-earned leisure time, with our art and cultural and sports amenities which make cities special; and

Fourth, we are developing new strategies for economic development. Working in partnership with our business community, we are revitalizing once dormant downtowns,

and we are working hard to spread this success to our distressed neighborhoods and to create job opportunities, with decent wages, for all of our citizens.

Having established, forcefully and persuasively, that cities matter, not just for urban residents, but for every American, then we can begin to discuss a new partnership between cities and our state and federal governments.

Every new partnership involves a bargain that each side will fulfill a new set of obligations.

Our obligation, as CEO's of our cities, is to stay on course with the foundation and cornerstones I just outlined and to run our cities like private businesses but with a public mission. And we should be called to task when we fail to operate in this manner.

That means that, as mayors, we must continue to distinguish ourselves as reformers and as leaders in the New Economy.

We cannot return to business as usual. We must remain committed to embracing competition and the efficiencies of the marketplace in the expenditure of our public dollars.

And that means that we need to play a bigger role in national economic policy debates that affect our interests – such as trade and telecommunications deregulation.

It is also means that the U.S. Conference of Mayors as an organization must reach out to every individual and organization that brings good ideas and a bold vision on behalf of our cities.

We need to sharpen our image so that it reflects the innovation and creativity of our cities and our local leadership, so that we are recognized as the center of new ideas and practical solutions to problems as diverse as welfare, competitiveness, and growth. And we need to bury forever the old image of mayors with a tin cup and an extended palm asking for handouts to sustain and expand cumbersome bureaucracies. Now we are calling for the resources and the flexibility and the incentives to promote economic empowerment, create wealth, and link our citizens on a regionwide basis to housing and employment opportunities.

So we have changed. And we will continue to do so.

But this new partnership also requires that the federal and state governments change the way they do business as well, as it relates to the cities.

That means investments that are sound. And that means "do no harm".

In many ways, the federal government, and some state governments, have been enormously helpful and inventive.

But, on balance, we must acknowledge that the urban agenda remains a low priority in Congress and in most state legislatures throughout the nation.

Too often, Congress expresses confidence in government that is "closest to the people", yet federal regulations continue to impose unfunded mandates on local government that cost us billions of dollars every year.

And only rarely have we achieved the necessary flexibility to spend the money as we see fit - to serve the needs of our residents - without cumbersome restrictions and expensive regulatory requirements.

Moreover, we continue to be hurt by federal policies that have the effect of pushing people and businesses and resources out of our urban communities and toward development on the fringes of our metropolitan areas.

That is the kind of "dumb growth" that is expensive, inefficient, and harmful to our nation.

This doesn't make sense.

But it does present us, as mayors, with an opportunity.

An opportunity to establish a new and historic agenda in Washington and in state capitols across our nation.

What should this new agenda consist of?

I will be focusing on 3 priorities during my Administration, and, in the coming days, I will be asking several of you to join me in leadership roles in these areas -

They are:

Smart Growth and Regional Cooperation;

Promoting the Competitive Assets of the Cities; and

Investing in our Working Families.

In three weeks, I will be distributing a document that describes each of these initiatives in more detail, but I want to highlight several key elements to this agenda.

Let me say, we applaud those who have embraced in broad terms the language of these priorities, and have acknowledged the challenges that cities face. But the real test for this new urban agenda is in the details and in the implementation.

Here are 9 specific agenda items that we will be putting forth as a challenge for the federal government and the states, and as a scorecard for the Presidential candidates.

Smart Growth

In the area of smart growth, my priorities are based on the principle that we need to "level the playing field" for our centrally located and older cities:

Number One - Reforms in Transportation Policy. Federal and state departments of transportation and metropolitan planning organizations should disclose annually where their investments go. It's the public's money, and they are entitled to know how it's being spent. We require banks to tell us where they lend money; we should hold our transportation bureaucracies to the same standard.

And the federal government must enforce the provisions in TEA-21 that require metropolitan planning organizations to emphasize repair and investment in their patterns of spending. Federal enforcement to date has been toothless.

In addition, the public sector needs to forge new partnerships with the private sector, particularly the capital markets, to fund new transit projects. The federal Department of Transportation has an opportunity to pioneer innovative forms of financing.

Number Two - Metro governance. We are a nation of regional communities and regional economies. But only in transportation are we beginning to recognize the metropolitan nature of markets. We treat housing markets and labor markets as if they stop neatly at local borders when we know - in our daily lives - that this is not the case.

The current system for providing housing vouchers and public housing units does not reflect this new reality. It is administered by 3,400 local bureaucracies which makes it difficult, if not impossible, for our low-income families to exercise their choices in a metropolitan housing market.

And the same is true for employment and training. It is well established that many of our citizens, particularly in our urban areas, are ready and willing to work, but they are not being linked to the jobs that exist, often in the suburban areas. We have metropolitan economies, but our workforce programs are being administered by sub-regional boards that identify local but not regionwide employment opportunities.

Number Three - Smart Tax Policy. Federal and state policies need to increase incentives for revitalizing older communities, which would decrease development pressure on rural communities. Federal and state tax incentives could be used to boost homeownership in distressed neighborhoods. Here are 3 options: a targeted, first-time homebuyer tax credit, like the one that exists for the District of Columbia; a targeted homeownership tax credit like the one introduced recently by Senator Jack Reed of Rhode Island; and a historic homeownership tax credit, like the one proposed by Dick Moe, President of the National Trust for Historic Preservation.

And with regard to rural communities, tax incentives should be used to offer owners of land threatened by development with alternatives to sale and subdivision.

Promoting Our Cities' Competitive Assets

Now let me turn to the subject of Promoting our Cities' Competitive Assets. We know that we have assets in our distressed neighborhoods, both in central cities and in many suburbs. These assets include untapped markets, existing institutions, and unused land; the agenda I will be submitting puts forth 3 priorities to help our distressed communities leverage their assets.

Number One: Investments.

We must take the necessary steps to encourage investment in our distressed neighborhoods.

That means Access to Capital, that means Market Information, and that means Equity Investments.

As everybody in this room knows, we need to protect the Community Reinvestment Act. For the past two decades, the CRA has been a critically important tool for central cities and low-income neighborhoods to ensure market capital for housing and urban development. As an organization, the U.S. Conference of Mayors will continue to strongly oppose efforts to dilute the coverage of CRA and diminish the role of the regulators, and, at the same time, we will work to strengthen its impact.

Business and community leaders also need a new Neighborhood Investment Source that provides a positive picture of investment opportunities in distressed area markets. Traditional census tract data paints an inaccurate and excessively negative picture regarding business opportunities in our urban markets.

The federal and state governments should use tax incentives to support the efforts of community development corporations and private investment funds to rebuild urban markets. I applaud the Administrations' Emerging Tax credit proposal. It's a welcome step in this direction.

Number Two: Flexible Funding. This is extremely important to mayors. Federal and state policies should be redesigned to give us the flexibility to meet the needs of our citizens. In particular, I will be proposing a community tax initiative that provides local governments with a specific amount of federal tax incentives that we can structure - as wage credits or housing credits or infrastructure spending - as we see appropriate for our unique circumstances and priorities. In addition, we will be calling upon the federal government to allow local governments to dedicate a portion of our intergovernmental transfers (such as block grants and discretionary awards) for priorities that we set as local leaders.

Number Three: Land Assembly. We will be calling for increased investment in the acquisition, cleanup and reuse of vacant land in older communities. This will build upon the successful efforts by this organization with regard to brownfields.

Investing in Working Families

Finally, I'd like to discuss Investing in Working Families. It is a fundamental principle of this nation that work will pay. That means that the millions of low and moderate-income Americans who get up and work hard every day, pay their bills, care for their children, contribute to their community, and play by the rules should enjoy a decent standard of living. In addition, it means that as we move folks from welfare to work, we need to address not only employment and training issues, but also issues such as child care and transportation.

We'll be focusing on 3 priorities for expanding the opportunities of working families

Number One - Outreach efforts. States have been given enormous latitude in administration of programs that lift working families out of poverty. But many states have failed to exercise this flexibility with any sustained focus or discipline. For example, states administer the Children's Health Insurance Program, which was designed for working poor families who earn too much to quality for Medicaid. But only 11% of the $8.4 billion dollars allocated over the past two years under this program has been spent. That is unacceptable. Federal polices should establish incentives for states to design easy-to-use enrollment forms and creative outreach efforts and work closely with us at the local level. South Carolina, for example, has made simple enrollment forms available in pharmacies, day care centers and schools; and they found 40,000 eligible children.

Number Two - Extend Welfare Reform. Our states have enormous reserves in the TANF program. At the same time, the remaining welfare caseloads are disproportionately located in our cities. The states have the flexibility to use their TANF dollars much more

creatively - to target the concentration of urban poverty, and to assist working families, not just those moving off welfare.

The federal government can encourage such behavior in several ways: finding new ways to reward innovative states, disclosing information on urban caseloads, simplifying TANF regulations, and publicizing new TANF rules that provide more flexibility in spending.

Number Three - Invest in Children. It is well-established that early childhood education and care pays for itself many times over. The federal government should pursue a plan for universal early childhood programs.

In the shorter-term, we need to create a less fragmented system of childcare, to eliminate the perverse disincentives that slash childcare assistance for low-income families who move from welfare to work or that deny assistance to the working poor who never went on welfare. The Childcare and Development Block Grant was enacted to do precisely that by consolidating four separate federal programs. Unfortunately, many states have failed to meet this challenge. States need to establish eligibility for childcare based on income alone, rather than making artificial distinctions between welfare and low-income families. They need to eliminate obstacles that often require parents to find a new providers or reapply for child care assistance as they move from welfare to work; and the federal government needs to increase funding for the child care and development block grant so that states have the flexibility and the resources to provide childcare assistance to both welfare recipients and low-income working families;

In addition, the federal government should consider consolidating the Child and Dependent Care Tax Credit and the Child Care Tax Credit to establish a single, more targeted and fully refundable credit that would better serve low-to-moderate income families with pre-school age children.

<u>Extending our Reach with New Partnerships</u>

As we move forward on the initiatives I discussed, let me say something about the way we do business as an organization. It is important that we remain strongly committed to extending our reach by working with other important groups that share our goals.

Today, I am pleased to announce several exciting new partnerships to support these initiatives.

In the area of Smart Growth and Regional Cooperation, we will be working with the Brookings Center on Urban and Metropolitan Policy. This will build upon the good work that is being done through the Joint Center for Sustainable Communities. Established in 1996, under the leadership of Bruce Katz, the Brookings Center has earned a reputation

for creative and innovative and practical solutions to urban challenges. They have helped to reenergize and redefine the national policy debate about cities.

In the area of Competitive Assets of Cities, I am pleased to announce 3 very important partners - the Initiative for a Competitive Inner City, established by Professor Michael Porter of Harvard; the Social Compact, a Chicago-based coalition of business leaders, including Roger Joslin, the chairman of State Farm Fire and Casualty; and the National Urban League, under the outstanding leadership of Hugh Price. All three of these groups have done landmark work in promoting the market potential of our distressed neighborhoods.

And for our Working Families initiative, we will be partnering with the Progressive Policy Institute. Under the leadership of president Will Marshall, the Progressive Policy Institute has fashioned a thoughtful middle ground on a wide range of issue. As mayors, we know that ideological slogans don't solve problems. Good ideas do. The Progressive Policy Institute has produced, I think, some of the best thinking in the country on addressing the urgent challenges of our nation's working families.

In these five organizations, we have business leaders and policy experts, Republicans and Democrats, and representatives of every region in this great nation.

That is how it should be.

Let me say, also, that the timing is right for us to put forth a vigorous agenda on behalf of our cities.

First, we are in the early stages of a presidential campaign, only the second one in 32 years in which the incumbent President is not running.

That gives us an even better chance to help shape the future President's urban policies.

Second, we have a budget surplus for the first time in a generation.

That gives us a stronger foundation to argue for increased investments.

Third, we have, as mayors, the renewed confidence of the American people, who have a well-founded faith in local solutions to local challenges.

That strengthens our resolve to ask for greater flexibility in tailoring resources to the specific needs of our communities.

And, finally, we have, in this country, a greater awareness that, in the New Economy, markets are regional in scope and that therefore the politics of cities and suburbs is no longer a zero sum game.

That is why we are calling for a New Partnership...

- **that levels the playing field for older communities through smart growth policies,**
- **that promotes and leverages existing assets in our distressed neighborhoods,**
- **and that addresses the new challenges of America's working families.**

A New Partnership that encompasses the full scope and potential of the great American City.

I look forward to working with each one of you in this historic effort.

Thank you.

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THE WHITE HOUSE

Lisa

Copy of the new Markets resolution passed at NACo Conference

BBH

Resolution No. 2

Submitted By:

The Honorable Joseph P. Ganim
Mayor of Bridgeport

TAX INCENTIVES TO REVIVE DISTRESSED COMMUNITIES AND PROMOTE SMART GROWTH IN THE 21st CENTURY

1. **WHEREAS**, for the first time in many years the President announced earlier this year that the federal deficit has been eliminated and both the Office of Management and Budget and the Congressional Budget Office are predicting huge surpluses, some $2.6 trillion over the next 10 years; and

2. **WHEREAS**, the President and congressional leaders have stated their intention to set aside a significant amount of the surpluses to extend the solvency of Social Security, and although they disagree over the size and specifics, both have stated their desire to pass a tax relief bill in 1999; and

3. **WHEREAS**, the nation has experienced enormous economic growth over the last eight years, there are distressed neighborhoods in many cities that have not benefited, where unemployment remains exceptionally high, and new job opportunities and business growth have been stifled; and

4. **WHEREAS**, there are many opportunities to provide federal tax incentives to help local areas reclaim brownfields, rehabilitate existing buildings in distressed commercial areas, preserve historic sites, and promote in-field development as an alternative to building new facilities in pristine open spaces such as farmlands and forests located near urbanized areas; and

5. **WHEREAS**, in a recent report prepared by Standard and Poor's DRI, 314 of the nations largest city/county metropolitan areas continue to drive the nation's robust economic growth in that they occupy only one-sixth of the land but contain 80 percent of the population, provide 84 percent of the jobs and 83 percent of the gross domestic product; and

6. **WHEREAS**, these city/county metropolitan areas are badly in need of new tax incentives are to assist them in growing smarter and more efficiently,

7. **NOW, THEREFORE, BE IT RESOLVED** that The U.S. Conference of Mayors urges Congress and the Administration to support the following priorities in the FY 2000 tax bill:

- **New Market Initiatives** including tax incentives to generate venture capital which can be used to spur job growth and economic development in distressed communities.
- **Commercial Revitalization Tax Credits** to provide tax incentives to businesses that expand or locate in distressed communities.
- **Better America Bonds** to provide tax incentive to promote open space preservation, water quality improvements and brownfield redevelopment.
- **School Construction Tax Credits** to promote new construction and the rehabilitation of public schools.
- **More Favorable Depreciation Rules For Commercial Property Owners** to encourage building improvements that promote occupancy and extend the useful life of existing structures.
- **Tax Credits and Other Incentives** to attract private capital in support of local rail and other fixed guideway public transit investment.

Projected Cost: Unknown

COMMUNITY & ECONOMIC DEVELOPMENT STEERING COMMITTEE

RESOLUTION ON EMERGING MARKETS

Issue: Support for New Markets Initiative.

Adopted Policy: NACo supports efforts to open new markets in underserved areas where the economic boom has not reached, and supports promoting private sector investment in untapped markets. Investments should especially be focused on emerging minority businesses in order to address real growth in both the geographic and commercial potentials of underserved markets and the businesses serving those markets.

Backround: During this period of economic expansion, the nation is facing economic growth unprecedented in American history. New markets are emerging with a host of opportunities for business expansion throughout the nation's counties. Unfortunately many sectors of our population have not benefited from the more prosperous economy. Certain sectors have not been targeted in promoting increased marketing and availability for business expansion despite having the necessary population and skilled workforce. Improving access to capital for low-income households minorities and traditionally underserved borrowers by bringing private enterprise into underserved neighborhoods and communities should be encouraged. The Administration has proposed such an initiative, proposing a new markets tax credit, creating America's Private Investment Companies (APICs), and proposing New Markets Venture Capital Firms (NMVC). These initiatives are geared towards those communities in rural and urban settings that are most in need.

Fiscal/Urban/Rural Impacts: None, except possible new tax revenue through job creation and new industries.

Adopted July 20, 1999