

PHOTOCOPY
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THE WHITE HOUSE

WASHINGTON

February 25, 2000

THE PRESIDENT HAS SEEN
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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

00 FEB 25 PM 3:23

SUBJECT: DPC Weekly Report

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

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

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

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

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

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

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

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THE PRESIDENT HAS SEEN
12-30-99

THE WHITE HOUSE

WASHINGTON

December 17, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

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1. Crime – Update on Gun Negotiations. We have begun to engage various parties in the settlement talks and want to keep you updated. This week we met with representatives of most of the cities and counties that have filed suit against the gun manufacturers. Our message to this sprawling group was the importance of solidarity, and they were roundly supportive of our involvement. We also discussed strategy with the Attorneys General of New York and Connecticut, Eliot Spitzer and Richard Blumenthal, who have led the slow-moving talks to this point and who will be working with us as we push things forward. (We are meeting with Stan Chesley on Monday). Our plan is as follows: we are working now to hone a common “wish list” of remedies that we, the cities, the states and others on our side can bring into the settlement talks; on January 6, Robert Delfay, the lead industry negotiator, will come to the White House for a preliminary visit; on January 21, we will meet the manufacturers at the annual Shot Show in Las Vegas for a round of substantive talks; and sometime in the middle of January we may also meet informally with manufacturers to lay the groundwork for the Las Vegas round. None of this information is yet public. On a separate track, we met this week with John Podesta and Administration staff to lay out our legislative and regulatory agenda on gun control and enforcement. We have a series of announcements in queue, beginning this weekend with a new budget initiative for ATF on ballistics, that will serve both to fortify our negotiating position and to frame public debate on our terms as talks with the industry get underway.

2. Education – Civil Rights Investigation of Chicago Social Promotion Policy. You asked recently about a federal civil rights investigation of the Chicago Public Schools social promotion policy. In October, the Education Department’s Office of Civil Rights (OCR) received a complaint from an advocacy group alleging that Chicago’s policy discriminates on the basis of race and sex and violates Title VI and Title IX. The complaint alleges that Chicago uses the Iowa Test of Basic Skills (ITBS) as the sole criterion for promoting students to the 4th, 7th and 9th grades; that this has a disparate impact on African American, Latino, and male students; and that CPS is using the test in a manner that the test's makers deem inappropriate. OCR is now gathering information on the allegations, but has determined already that the Title IX claim has no factual basis. Chicago maintains that it takes into account factors other than ITBS scores, such as grades and attendance. The plaintiffs contend that those other factors never mitigate poor scores. While we cannot influence the course of this investigation we are monitoring it closely. The social promotion policy in your Education Accountability Act requires multiple measures, not scores from a single test, for promotion decisions.

What they are doing in Chicago is good -- they need to keep high numbers of low learners going to summer school!

What they are doing in Chicago is good -- they need to keep high numbers of low learners going to summer school!

X
Good

3. Health Care – Partial Birth Abortion and Organ Trafficking. Kate Britton recently wrote to you about partial birth abortion, and you asked two questions about her letter. First, you asked about fetal tissue trafficking. Britton cites an article in the *Wanderer* claiming that women are coerced into having abortions so that fetal tissues and organs can be sold to NIH-funded laboratories. This is simply not accurate. Selling body parts or human tissue is illegal, and NIH would not sanction or fund the types of activities described in the article. Second, you asked about Britton's claim that "the vast majority of partial-birth abortions are performed in the 5th and 6th months of normal pregnancies and are completely elective, that is, not associated with maternal or fetal risk." According to a survey by the Alan Guttmacher Institute, the majority of these procedures are indeed performed in the 5th and 6th months of pregnancy, but we do not have good data on the associated risk level. Your position on this procedure is clear: you would sign a ban of late-term abortions if there were an appropriate exception to protect the health and life of the woman. You have consistently opposed the cases Britton objects to – procedures that are "completely elective." We will help draft an appropriate response.

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4. Health Care – Update on Gene Patenting. Following your Millennium Meeting on genetics, the NIH met with the Patent and Trademark Office to discuss growing public concerns about PTO's liberal approval of patents for gene sequences. From the NIH's point of view, such patents severely limit research and development on the genetic underpinnings and treatments of disease. (As you know, there is also considerable debate whether intellectual property monopolies over genetic material should ever, as an ethical matter, be granted). As it happens, PTO is now developing new guidelines for the genetic patent approval process. Under the current draft guidelines, PTO would not grant patents for short genetic sequences that have no known function, but would approve patents for sequences when: 1) a specific function for the sequence has been determined, such as its role in disease development or its use as a diagnostic; or 2) general information about the sequence's location or potential function has been identified. The NIH, while pleased that PTO would refuse patents for sequences with no known function, is troubled that sequences for which merely general information is known could be patented. Indeed, many in the consumer and scientific advocacy communities would prefer to permit patents only for those sequences that are linked to a new diagnostic use or treatment intervention. The final guidelines are subject to an OMB review, and we will work closely with OMB and others to build in more protections against premature application of patents.

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*Important issue
NIH is right about this*

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about this*

THE WHITE HOUSE

WASHINGTON

December 10, 1999

THE PRESIDENT HAS SEEN
12-14-99

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

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File **1. Health Care – Patient Abuse in Group Homes for the Mentally Retarded.** You asked if we could take any actions to address the appalling state of many group homes for the mentally retarded in the District of Columbia. The Washington Post recently reported that since 1993 at least 116 people have died in these homes; 34 of the deaths were linked to delayed treatment, neglect, and falsified reporting. HCFA is charged with ensuring that homes receiving Medicaid reimbursement meet certain health and quality standards. In response to the Post report, Nancy Ann Min DeParle ordered HCFA staff to survey all 133 intermediate care facilities that fall under their jurisdiction. These surveys will be conducted by personnel from outside the District. In addition, HCFA is meeting with the HHS Inspector General and the Department of Justice to discuss whether the abuse and neglect uncovered in these homes warrants the transfer of patients or criminal or civil prosecution. We will keep you apprised of further developments.

2. Health Care – Mental Health Report and Parity Issue. This Monday, Mrs. Gore, Secretary Shalala, and Surgeon General Satcher will release the First Surgeon General's Report on Mental Health. This long-awaited report provides a broad review of numerous mental health issues, and will further help dispel myths and stigma associated with mental illness. That said, it is also likely to raise again the issue of whether we want full mental health parity in private health plans. We avoided this question when we announced that FEHBP plans would implement full parity. Extending parity to private plans would raise premiums a projected 1 to 3 percent. Because of the premium increases already likely to result from the Patients Bill of Rights (3 to 4 percent), we would advise maintaining a low profile on the parity issue.

File **3. Health Care – Signing of the Work Incentives Improvement Act.** Next Friday, you are scheduled to sign into law the Work Incentives Improvement Act of 1999. Senators Jeffords and Kennedy, as well as a fairly large contingent of members of Congress and advocates, are likely to attend. As of this writing, we are hoping to hold the signing at the FDR Memorial, which would be a first choice of many within the disability community.

4. Food Safety – Legal Challenge to Meat Inspections. On Friday, a federal district court in Texas granted a preliminary injunction against the Department of Agriculture, barring USDA inspectors from shutting down a Supreme Beef Processors plant in Dallas. The plant had failed three consecutive tests for salmonella, prompting USDA to withdraw its inspectors November 30 and effectively halt operations. SBP brought suit, challenging the very legitimacy

of USDA's science-based inspection system. The new system – called the Hazard Analysis and Critical Control Point system – is the centerpiece of the Administration's advances in meat, poultry, and seafood inspections. As a result of the injunction, SBP's products continue to receive the USDA seal of approval, notwithstanding the Department's belief that these products should not be entering commerce at all. We are assuring consumer groups and the media that we are committed to defending this suit and moving forward on food safety issues.

5. Education – Standards Coming Under Strain. In the past several weeks there have been a number of press accounts about the inability of students across the country to meet rigorous state standards set for academic performance. The anniversary of the National Education Goals last week provided additional grist for these stories. As you told the National Education Summit in September, we are now reaching the hard part of standards-based reform – the stage where real and painful consequences begin to be felt. In the face of this pressure, Virginia, Massachusetts, New York, Arizona and other states are considering lowering their standards. Los Angeles also recently announced that it is retreating on its policy to end social promotion. We will continue to seek opportunities to get your message out about the importance of not backing down from high standards and accountability.

6. Crime – Texas Gun Prosecutions. This week, a front page story in the Houston Chronicle revealed that during Governor George W. Bush's tenure, the Texas Department of Public Safety neither investigated nor prosecuted several hundred known felons who had failed background checks in connection with their application for a permit to carry concealed handguns. The background checks were not conducted until *after* the felons completed the required training program, and it is believed that many of them trained with their own guns. The felons, including murderers, sex offenders and other violent criminals, not only falsified background check forms, but also broke state and federal laws prohibiting them from possessing firearms. Governor Bush, who endorses "enforcement of existing laws" as the best way to reduce gun violence, has directed the state police to follow up on the cases.

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THE WHITE HOUSE

WASHINGTON

December 2, 1999

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(for reply (pg 2))

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

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1. Crime – Possible HUD Involvement in Gun Litigation. As you may recall, for some time now a coalition of public housing authorities, working with HUD, has been contemplating a class action lawsuit against firearms manufacturers to recoup the costs of gun violence borne by their residents. Working with Justice, Treasury and White House Counsel, we are now preparing a strategy to make the threat of this lawsuit public, so that we can spur along the settlement talks between the manufacturers and an array of plaintiff cities and states. This disclosure will be controversial – a clear sign of the federal government’s willingness to litigate against the industry, it will fuel the debate over “the era of big lawsuits” – but it will enable us to push the manufacturers directly for meaningful remedies and to shape the ultimate outcome of the negotiations. We will provide you a more detailed briefing as we set this strategy in motion. An aggressive effort to pursue a settlement with the gun industry also will give us an opportunity to highlight Congress’s failure to enact gun legislation.

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2. Health Care – New CHIP Enrollment Numbers. The latest figures (still preliminary and not yet public) show that nearly 2 million children are now enrolled in CHIP – twice the number we reported last summer. There are a number of reasons for this dramatic improvement, including implementation of state programs, back-to-school outreach efforts, and better reporting. We do not yet know, however, how many additional children have been enrolled in Medicaid, and given last year’s decline in Medicaid-covered children, we still have much work to do. We are now reviewing a number of options for more aggressive school-based enrollment. For the FY 2001 budget development process, we also are looking at variants of the Vice President’s policy proposal to cover the parents of children enrolled in Medicaid or CHIP.

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3. Health Care – ARKids Update. As you know, HHS is reviewing whether we may legally authorize parents to enroll their Medicaid-eligible children in ARKids. We expect a determination shortly. The Congressional delegation is split, with Democrats raising concerns about the Governor’s request and Republicans generally supporting it. The Democrats’ position has been influenced by recent reports indicating that parents of Medicaid-eligible children enrolled in ARKids had not been informed by the state of their option to receive more generous Medicaid coverage. Amy Rossi, while concerned that the state refuses to drop its assets test requirement, remains generally supportive of the choice concept.

✓ **4. Health Care – Developments on Genetic Research.** On Wednesday, the National Human Genome Project announced that it had decoded the first complete molecular script for a single human chromosome. This development and others have heightened interest in both the promise and the perils of advances in this area. We are now developing a package of actions you could take to guard against the perils. First, we are preparing a joint proclamation with the British government that genetic research findings should, to the extent possible, be in the public domain and freely available to researchers. Second, we are working with the Patent and Trademark Office to develop new intellectual property standards for the patenting and licensing of genetic material, so that patents are not issued prematurely or without full consideration of the implications for health care research and development. Finally, we are re-opening our review of the viability of an executive order prohibiting the use of genetic information by Federal employers in hiring and promotion decisions. We had earlier considered such a ban on genetic discrimination, but a number of agencies, including State, CIA, Defense, and Peace Corps, sought exemptions. We will seek now to address their concerns and move forward on this.

Good
✓ **5. Health Care – Patient Safety Event.** Next week, you are scheduled to unveil an executive order directing federal agencies to develop an action plan to ensure patient safety through the prevention of medical errors. You will also announce new investments in research programs to improve health care quality; highlight new authority for the Agency for Health Care Policy and Research to explore issues related to medical errors; and direct HCFA to integrate patient safety initiatives into Medicare.

Looks good - can we endorse?
✓ **6. Education – Lieberman Education Bill.** Senator Lieberman and five other Democrats (Landrieu, Kohl, Bayh, Lincoln, and Wyden) have announced their intention to introduce a New Democratic ESEA reauthorization bill next session. Their proposal consolidates ESEA funding into four targeted and formula-driven grant programs for compensatory education, professional development, limited-English proficient (LEP) students, and innovative strategies. The bill includes a public school choice title encompassing charter schools and other choice strategies; it does not contain private school vouchers. The bill also contains an accountability title that would penalize states that fail to improve student achievement and fix failing schools.

Harvey - strong support - no coalition with the Chair of CBO
✓ **7. Welfare – Substance Abuse Treatment Grants.** We thought you would be pleased to know of a little-noticed budget victory on substance abuse: with significant support from the Congressional Black Caucus, our budget negotiators more than doubled funding for SAMHSA's Targeted Capacity Expansion Grants. These grants help communities address emerging substance abuse issues and unmet treatment needs, including HIV/AIDS, women moving from welfare to work, and substance abuse among Native Americans. The FY 1999 level for this program was \$55 million, and the final budget agreement provided \$114 million.

✓ **8. Child Support – South Carolina.** You recently asked us to look into concerns raised by Gov. Hodges of South Carolina regarding his state's child support program. Under the 1988 Family Support Act, states must put in place a statewide child support computer system to make collections more efficient. Because South Carolina and a handful of other states have had difficulty completing these systems, last year we proposed and Congress enacted a provision to adjust the penalties for noncompliance: rather than lose 100 percent of federal child support payments, as originally mandated, states missing the deadline would lose only 4 percent of funds

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the first year, with penalties rising in subsequent years. States choosing this alternative scheme would also need to develop a compliance plan.

South Carolina chose to appeal its original penalty rather than accept the alternative penalty, and the matter is now under review at HHS. Unfortunately, HHS has little discretionary authority to provide relief to the state. As Secretary Shalala has told the Governor, the law does not allow for the "good faith" exception he is seeking. We believe South Carolina's best option is the alternative scheme. By mounting an appeal it is unlikely to win, the state risks triggering the 100 percent penalty and could lose \$21.5 million this year. Secretary Shalala has offered to help the state develop a corrective compliance plan so it can qualify for the alternative penalty.

9. Children and Families -- Foster Care Independence Act of 1999. On November 19, the Senate passed the Foster Care Independence Act of 1999. An identical bill was also passed by the House the week before, clearing the legislation for your signature. As you know, the bill is largely consistent with your FY 2000 budget request to provide additional support to older children in the foster care system. The Act doubles funding for the Independent Living program to \$140 million per year (and renames it in Senator Chafee's honor), allowing educational, vocational and job training services for more of the 20,000 youth who age out of foster care each year. The Act also provides Medicaid for these youth until they are 21, and provides additional funds for adoption incentive grants, enabling states to receive the full amount of the bonuses they earned for increasing the number of adoptions from the public foster care system. We are scheduling a date when both you and the First Lady can participate in a bill signing ceremony.

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THE WHITE HOUSE

WASHINGTON

November 12, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Education – Teachers and Class Size Agreement. We wanted to provide details on the teacher quality provisions of Wednesday's agreement to dedicate \$1.3 billion for class size reduction. Under the deal, teachers hired through the program must be certified in their state or have completed an alternative route to certification, must have a baccalaureate degree, and must know the subjects they are teaching and demonstrate the skills to teach them. Districts may spend up to 25 percent of the funds (up from 15 percent last year) on training existing teachers, testing new teachers, or providing high-quality professional development. Districts with high levels of uncertified elementary school teachers also may seek a state waiver in some circumstances to use additional funds to help those teachers meet certification standards in time for the 2001-02 school year. The deal preserves existing provisions to target spending on high-poverty communities.

2. Health Care – Medicare Provider Reimbursement. As you know, we reached tentative agreement with Congress Wednesday on provider "give-back" legislation. The agreement includes about \$11 billion over five years for hospitals, nursing homes, home health agencies, community health centers and other providers. Two key improvements are worth noting: an out-of-pocket limit on hospital outpatient cost-sharing, equal to the current inpatient limit of \$780; and, for beneficiaries needing immunosuppressive drugs after an organ transplant, an extension of coverage for six months beyond the current three-year provision. The agreement is contingent upon our approval of final statutory and administrative language.

3. Health Care – Jeffords-Kennedy Update. The funding impasse over this bill continues. Some Republicans, fearing that they may be blamed if the bill fails, are attacking the Administration for not providing additional offsets. In fact, we have proposed numerous offsets that Republicans have rejected. We have been constrained too by a unanimous consent agreement in the Senate prohibiting tax offsets, as well as by a message from Republican leaders that Medicare and Medicaid offsets are unacceptable. There is such frustration with the GOP stance that some members of the disability community, with Sen. Kennedy's blessing, have called for a veto. We will make one last push over the next week to finance and fix this bill.

4. Health Care – Organ Allocation. On Wednesday, we reached agreement with Congress permitting the release of the long-awaited regulation requiring organs to be distributed

They -
expect leaders
to push

on a "sickest first" basis. The regulation, which has been stalled for over two years, could save hundreds of lives a year. It will be implemented 42 days after enactment of the Labor-HHS bill.

5. Education – Kiryas Joel Village. You asked about efforts to help the Hasidic Jewish community of Kiryas Joel, New York establish a special public school district for disabled students. Because this case centers on the Establishment Clause rather than the Individuals With Disabilities in Education Act, it would be difficult for us to assist the village. The New York high court in recent years has struck down a number of state laws authorizing the village to form a special district; with each rebuff, the legislature has passed a new law re-crafted to pass constitutional muster. Under the latest such law, the village has already established a special school. Although another round of appeals is likely, there is bipartisan determination among state political leaders to find a solution satisfactory to the village.

6. Education/Crime – Bankruptcy Bill Amendment. This week, the Senate passed an amendment to the Senate bankruptcy bill that contains objectionable language on both education and drugs. The Hatch amendment, which passed 50-49, would establish vouchers for students in Title I schools who are victims of violent or drug-related crimes. In addition, it would narrow the disparity in penalties for crack and powder cocaine trafficking by sharply raising penalties for the latter. The amendment changes the threshold for mandatory cocaine penalties from 500 grams to 50 grams (5 year penalty) and from 5 kilograms to 500 grams (10 years). Our proposal, by contrast, would both increase powder cocaine penalties and modestly lower crack penalties. It is unclear whether there will be further action on the bankruptcy bill this session.

7. Crime – COPS Funding. As you know, this week we reached with Congress to provide over \$900 million of the Administration's \$1.27 billion request for the 21st Century Policing Initiative. Of the \$900 million provided, \$300 million is an unspent carry-over balance from FY 1999. The agreement will fully fund the first installment of our plan to hire and redeploy up to 50,000 more police officers over the next five years. In addition, the agreement provides \$230 million for law enforcement technology and \$10 million for community prosecutors (our budget requested \$350 million and \$200 million, respectively).

✓ **8. Welfare – Fathers and Welfare-to-Work.** On Wednesday, the House passed the Fathers Count Act by a broad bipartisan margin. The bill, co-sponsored by Reps. Johnson and Cardin, establishes new grants to promote responsible fatherhood, makes Welfare-to-Work eligibility changes that we had proposed to help states and communities better serve low-income fathers and long-term welfare recipients with existing funds, and revises penalties for states that have not yet complied with certain child support requirements. It does not contain additional funding for Welfare-to-Work for FY 2000. While the Senate will not act on the broader fatherhood issues this year, we are pushing for enactment of the Welfare-to-Work eligibility changes and the child support provisions before Congress adjourns.

9. Welfare – Research on People Leaving Welfare. Eight of the 13 states and counties that received HHS funding to study the impact of welfare reform have released interim reports on families who left welfare in late 1996 or early 1997. The employment, earnings, and recidivism findings from these varied sites are generally consistent with other "leavers studies." Between 50 and 65 percent of former welfare recipients were found to be working immediately

THE PRESIDENT HAS SEEN

11-13-99

after leaving welfare. Between 65 and 75 percent were employed at some point during the year after exit, with average earnings in the quarter after exit ranging from \$2,185 to \$3,868 (the equivalent of \$5.65-\$10.00 an hour assuming a 30-hour work week throughout the period). In all sites, earnings for these former recipients steadily rose throughout the year following exit. However, between 5 and 20 percent of leavers were receiving welfare again within three months, with 24 to 35 percent receiving welfare at some point during the year after exit.

Six of the HHS-funded studies also tracked Medicaid and food stamps enrollment of families leaving welfare. Medicaid participation varied greatly, ranging from 25 percent to 76 percent in the first quarter after exit, with a substantially higher percentage of leavers enrolled in Medicaid at some point during the year after exit. Enrollment generally declined over the year and was slightly higher for children than for adults. Food stamps enrollment in the first quarter after exit ranged from 9 percent to 57 percent, again with a much higher percentage receiving food stamps at some point during the year. The low-end outlier was San Mateo County, which may reflect higher welfare grant levels in California, where families are earning more when they leave welfare and are therefore less likely to be eligible for food stamps and Medicaid.

10. Child Support – Medical Support Orders. On Monday, HHS will announce a proposed regulation to make it easier for children to get health insurance coverage through their non-custodial parents. The regulation creates a standard medical support form to enforce child support agreements that require non-custodial parents to provide for their children's health care needs. The regulation will be released with a statement from you stressing the Administration's commitment to child support enforcement and better health insurance coverage for children.

THE WHITE HOUSE

WASHINGTON

November 5, 1999

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99-0008-47200

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Health Care – Unreported Deaths Associated with GeneTherapy Trials. You asked for an update on recent reports that gene therapy researchers failed to report six deaths and two serious illnesses of clinical trial participants to the NIH. The researchers were reportedly reluctant to report any adverse results out of fear that NIH's policy of publicly releasing this information (after removing identifiable patient characteristics to protect privacy) would hurt their company's financial standing. The researchers' failure to report these deaths is a clear violation of the current guidelines regulating research funded by NIH or conducted at institutions receiving NIH funding and can lead to suspension, limitation, or termination of NIH funding for the researchers and their facility. Recognizing these penalties, the investigators are now claiming that they withheld the names of the participants because the population studied is so small that it is impossible to maintain patient confidentiality. NIH does not believe that there is a viable confidentiality issue here (since no individually identifiable information is released). HHS is contemplating additional reporting requirements and enforcement action.

2. Health Care – Medical Records Privacy. Late this week, we met with the AMA and the American Psychiatric Association to review their concerns that the proposed privacy regulation would actually undermine current patient protections, rather than augment them. After reviewing the regulation in detail, representatives of the AMA acknowledged that our regulation provides a level of patient protection that is beyond what exists today. While they still would like to have a signed patient consent form before the release of information for any purpose, they pledged to emphasize their positive response to the privacy regulation as a whole and to work out any lingering concerns through an ongoing process with HHS, not through the media. Comments on the regulation are due in early January and we anticipate that the doctors, and hopefully the specialists, will give us constructive suggestions to strengthen the proposed regulation, which is due to be released next February.

3. Health Care – Jeffords-Kennedy. It appears very likely that the Republican conferees on the Work Incentives Improvement Act will complete work on this legislation in short order. Although we have not been invited to participate in these most recent discussions, we expect that the bill will be strong enough to gain your support. The primary outstanding issue continues to be the offsets for this solid bill, however, we expect that resolution on this legislation could be achieved by the end of next week.

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4. Crime – Guns. On Thursday, the Vice President and congressional Democrats held an event with the domestic violence community calling on the Republican leadership to bring the gun bill to the floor with the Senate-passed provisions. The Vice President released a new Department of Justice report showing that more than 32,000 people with domestic violence convictions or restraining orders have been prevented from purchasing firearms by Brady background checks. Later that day, Rep. Carolyn McCarthy and Senators Schumer and Durbin held a separate news conference calling for a Presidential veto threat on any final budget agreement that does not contain legislation closing the gun show loophole.

✓ **5. Crime – COPS.** On Friday, we met with all 12 major national law enforcement groups, including the Fraternal Order of Police and the National Association of Police Officers. The entire law enforcement coalition joined us in a press conference demanding that Congress go along with your budget request for 50,000 more police officers. John Podesta and Attorney General Janet Reno chaired the meeting and swore in our new COPS Director, Tom Frazier, the former police commissioner in Baltimore.

6. Crime – Recent shootings. (1) Honolulu. Because Hawaii has some of the toughest gun laws in the nation, the NRA has used the shooting in Hawaii to argue that gun laws don't work. Hawaii has licensing and registration laws that require local police to approve every handgun purchase by issuing a purchase permit and a 14-day waiting period. The alleged shooter, Byran Uyesugi, owned 17 legally registered firearms. While gun laws may not have prevented Uyesugi's tragic shooting spree, they have helped keep Honolulu's violent crime rate the lowest of any city its size in the nation. (2) Seattle. Washington State has weaker gun laws that do not include licensing or registration, although the state does have a five-day waiting period for handgun sales. As of this writing, the shooter is still at large and no murder weapon has been found. The ATF is utilizing ballistics technology to trace bullet casings left at the scene of the crime that may help them to determine the suspect's identity.

7. Education – Bush Education Speech. Governor Bush gave his third education speech, focusing on school safety, discipline and character. Once again, he borrowed heavily from our agenda, endorsing increased funding for character education, freedom of religious expression in the schools, and reforms in the Safe and Drug-Free Schools program to hold states and districts accountable for results. He also called for a lifetime gun ban for violent juveniles, which would already be law if House Republicans hadn't blocked the gun bill with his blessing. (Bush called for increased federal prosecution of juveniles who bring guns to school, but legislative provisions to do just that are hostage to the gun bill as well.) To increase discipline, Bush called for a "zero tolerance" policy for disruption and legal protection for teachers, principals and school board members enforcing that policy. Finally, he proposed vouchers for students in schools that are "persistently dangerous."

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official has the appropriate staff support to manage and direct our immigration system full-time. The Attorney General will continue to work with Congress to achieve an agreement.

THE PRESIDENT HAS SEEN

11-8-99

THE WHITE HOUSE

WASHINGTON

October 29, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

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Reed
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pg 2
M. Penn
Podesta

1. Health Care – Assisted Suicide. This week, the House voted 271-156 to pass the Pain Relief Promotion Act of 1999, which creates criminal penalties for the use of a controlled substance in a physician-assisted suicide but protects the provision of palliative care. Seventy-one Democrats joined 200 Republicans in support; 20 Republicans joined the Democrats voting against. It is unclear whether the Senate will take up this issue before adjourning; a companion bill would very likely pass. In response to inquiries, we are reiterating your opposition to physician-assisted suicide, pointing to your 1997 federal funding ban. We authorized Justice to express concerns about the bill's federalism implications and enforcement provisions, but have characterized you as sympathetic to the bill's underlying intent and open to its enactment.

2. Teen Pregnancy – Birth Rates. On Monday, HHS released data showing major declines in teen birth and pregnancy rates for the seventh consecutive year. In 1998, there were 51.1 births per 1,000 teens, an 18 percent drop from the 1991 rate of 62.1, and near the 1986 record low of 50.2. For girls 15 to 17, the 30.4 per 1,000 rate is the lowest in four decades. Teen births have fallen in every state and across racial groups. The sharpest declines were among black teens, whose birth rates have fallen 26 percent since 1991 to the lowest since 1960. The teen pregnancy figures, though not as up-to-date, are also at record low levels. In 1996, there were 98.7 pregnancies for every 1,000 teen girls – down 15 percent from the 1991 high of 116.5.

3. Crime – Gun Litigation. On Wednesday, a Georgia state judge denied a motion to dismiss Atlanta's lawsuit against an array of gun manufacturers. Atlanta is one of 28 cities and counties that have filed suit against the manufacturers, alleging, among other claims, negligence in design and distribution. Slow-moving settlement talks are underway between plaintiffs and many of the manufacturers. We have been consulting with Justice, Treasury, HUD and White House Counsel to determine how we could influence these talks and steer them toward strong remedies. As you may know, HUD has been contemplating a suit by several thousand public housing authorities against the industry. The threat of such a suit – coupled with the assurance that we would much prefer negotiations – could secure us a seat at these talks. At the same time, of course, we are attuned to the risk of appearing too eager to litigate. We were also approached this week by the Attorneys General of New York and Connecticut, Eliot Spitzer and Richard Blumenthal, who are active in the settlement talks. Though they did not invite our direct participation they did want to discuss how the federal government – whether through regulation or legislation – could apply more pressure on the manufacturers. We will keep you updated.

4. **Crime – Reentry of Offenders.** In response to a memo to you from the Attorney General, we are working with the Justice Department to develop an initiative on the reentry of former prisoners into their communities. About 500,000 inmates will leave prison this year – with many returning to urban areas and certain neighborhoods in high concentrations. The reentry initiative would address community safety concerns and help provide support for offenders. The initiative would have two core elements. Through *reentry partnerships*, police and corrections agencies would monitor offenders, and team up with community groups to steer offenders to drug treatment, employment services, housing, and counseling services. *Reentry courts* would adapt the drug court concept of judicial supervision to oversee offenders on conditional release. Offenders would enter into individual accountability plans and face graduated sanctions for failing to meet plan requirements. We are working with Justice to develop this initiative for possible inclusion in the FY 2001 budget.

5. **Crime – COPS Update.** On Thursday, Rep. Weiner held a press conference with members of Congress and law enforcement leaders to announce his COPS reauthorization bill and to call for full funding of COPS in the budget. The bill, which has 105 co-sponsors, is identical to the Biden legislation introduced last week. Also, the Attorney General next Tuesday will address the annual convention of the International Association of Chiefs of Police (IACP), where she will focus on the success of community policing and on funding for COPS. We will continue to search out venues for our COPS budget message.

6. **Crime – Juvenile Justice Conference.** The conferees on the Juvenile Justice bill have not yet met, and there are no meetings scheduled. Congressional Democrats are now staging weekly events to pressure Republicans to enact a bill that includes the Senate-passed gun safety provisions. This week the Democrats held a press conference with 100 students associated with a gun violence victims group. On Monday, they plan to meet with grassroots activists who have come to Washington for a national gun violence prevention conference.

7. **Tobacco – Public Support for Tobacco Tax.** On Thursday, the American Cancer Society, the American Heart Association, and the Campaign for Tobacco Free Kids released a poll of likely voters on options to help balance the budget. Sixty-four percent favored raising the cigarette tax, 13 percent would cut programs and 6 percent would use the Social Security surplus. Even among conservative Republicans, 48 percent preferred the tobacco tax, 31 percent favored program cuts, and 6 percent chose Social Security. Notably, almost twice as many people would vote against a candidate for cutting Medicare, spending the Social Security surplus, or slashing education spending than for supporting a 55 cent cigarette tax increase.

8. **Education – Teacher Quality Report.** The American Council on Education on Monday issued a 10-point action agenda for college and university presidents to improve the quality of teacher education. Citing the need for 2.5 million teachers in the next decade, and the inadequate academic preparation of many teachers, the action agenda called on the presidents to invest more in their teacher education programs and in educational research.

9. **Education – National Education Goals Panel Report.** The National Education Goals Panel released a report this week showing that Connecticut's effort to increase educational

See M. P. memo

*EB Reed
for signature
for approval*

*copied
M. P. Penn
Podesta*

THE PRESIDENT HAS SEEN

11-8-99

investment in impoverished areas, coupled with state accountability measures and assistance programs, has resulted in noteworthy gains on the NAEP test. As you know, income and parental education are key indicators of performance on this test. Researchers found, however, that such factors alone could not account for the magnitude of Connecticut's gains, and that part of the improvement was attributable to educational policy reforms. For instance, Connecticut now provides detailed information on student performance to school districts, teachers, and parents. Local districts are also linking school improvement plans and teacher evaluations to student reading achievement.

THE WHITE HOUSE
WASHINGTON

November 5, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Health Care – Unreported Deaths Associated with GeneTherapy Trials. You asked for an update on recent reports that gene therapy researchers failed to report six deaths and two serious illnesses of clinical trial participants to the NIH. The researchers were reportedly reluctant to report any adverse results out of fear that NIH's policy of publicly releasing this information (after removing identifiable patient characteristics to protect privacy) would hurt their company's financial standing. The researchers' failure to report these deaths is a clear violation of the current guidelines regulating research funded by NIH or conducted at institutions receiving NIH funding and can lead to suspension, limitation, or termination of NIH funding for the researchers and their facility. Recognizing these penalties, the investigators are now claiming that they withheld the names of the participants because the population studied is so small that it is impossible to maintain patient confidentiality. NIH does not believe that there is a viable confidentiality issue here (since no individually identifiable information is released). HHS is contemplating additional reporting requirements and enforcement action.

2. Health Care – Medical Records Privacy. Late this week, we met with the AMA and the American Psychiatric Association to review their concerns that the proposed privacy regulation would actually undermine current patient protections, rather than augment them. After reviewing the regulation in detail, representatives of the AMA acknowledged that our regulation provides a level of patient protection that is beyond what exists today. While they still would like to have a signed patient consent form before the release of information for any purpose, they pledged to emphasize their positive response to the privacy regulation as a whole and to work out any lingering concerns through an ongoing process with HHS, not through the media. Comments on the regulation are due in early January and we anticipate that the doctors, and hopefully the specialists, will give us constructive suggestions to strengthen the proposed regulation, which is due to be released next February.

3. Health Care – Jeffords-Kennedy. It appears very likely that the Republican conferees on the Work Incentives Improvement Act will complete work on this legislation in short order. Although we have not been invited to participate in these most recent discussions, we expect that the bill will be strong enough to gain your support. The primary outstanding issue continues to be the offsets for this solid bill, however, we expect that resolution on this legislation could be achieved by the end of next week.

4. Crime -- Guns. On Thursday, the Vice President and congressional Democrats held an event with the domestic violence community calling on the Republican leadership to bring the gun bill to the floor with the Senate-passed provisions. The Vice President released a new Department of Justice report showing that more than 32,000 people with domestic violence convictions or restraining orders have been prevented from purchasing firearms by Brady background checks. Later that day, Rep. Carolyn McCarthy and Senators Schumer and Durbin held a separate news conference calling for a Presidential veto threat on any final budget agreement that does not contain legislation closing the gun show loophole.

5. Crime -- COPS. On Friday, we met with all 12 major national law enforcement groups, including the Fraternal Order of Police and the National Association of Police Officers. The entire law enforcement coalition joined us in a press conference demanding that Congress go along with your budget request for 50,000 more police officers. John Podesta and Attorney General Janet Reno chaired the meeting and swore in our new COPS Director, Tom Frazier, the former police commissioner in Baltimore.

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official has the appropriate staff support to manage and direct our immigration system full-time. The Attorney General will continue to work with Congress to achieve an agreement.

THE WHITE HOUSE

WASHINGTON

October 22, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Education – Appropriations and ESEA Updates. As the Labor/HHS/Education appropriations negotiations unfold, we are working to secure funding for key education priorities. The current Republican bill purports to provide \$1.2 billion for class size but in fact does not require that a single dollar be spent on hiring new teachers to reduce class size. We are demanding a dedicated \$1.3 billion. On accountability, the current bill does not contain your proposed \$200 million Title I set-aside fund to turn around failing schools; we are asking for the full amount. Finally, the current bill falls well short of our budget proposals for after-school and summer school programs, as well as teacher quality and recruitment, Hispanic education, and mentoring programs like GEAR-UP; on all of these, we are seeking full funding.

On a separate track, the House yesterday passed its ESEA Title I reauthorization bill, 358-67. The bill has several positive features – public school choice, increases in overall funding – but also has flawed provisions on bilingual programs and other issues. As you know, an Arney amendment to allow vouchers was defeated by a large and bipartisan margin. However, a version of the block grants "Straight A's" bill later passed along party lines. In part because the House is addressing ESEA in piecemeal fashion, it has done nothing thus far on failing schools or social promotion. The Senate, meanwhile, will soon begin its work on ESEA. Sen. Jeffords this week released a prospectus of his comprehensive ESEA bill that does not include your accountability or class size initiatives. As the reauthorization continues in both houses, we will push to incorporate your reform agenda into the legislation.

2. Health Care – Medicare Drug Report. On Monday you will announce that you are directing HHS to conduct a study on prescription drug costs and their impact on Medicare beneficiaries. The study will be due in 90 days, enabling you to highlight its preliminary findings in the State of the Union. You should know that the Vice President today blasted the pharmaceutical industry for attacking your prescription drug proposal and for making millions of older Americans pay the highest prices in the world for needed medications.

3. Health Care – Medicare Provider Give-back Update. The key committees of jurisdiction in the House and Senate marked up their give-back proposals this week. Although both bills dedicate about \$1 billion in 2000 and at least \$15 billion over 10 years, both remain unfinanced and neither one dedicates surplus dollars to the Medicare trust fund. As a result, these proposals decrease the projected life of the trust fund by at least one year, to 2014. Both

the Finance and the Ways and Means committees rejected the Medicare modernization amendments that we supported, although those who voted against indicated they would be open to a reconsideration next year in the context of broader reform. Sen. Roth pledged that he would move to hold hearings on broader reform next year, but made no commitment on a markup schedule. Finally, the administrative actions you took this week were well received, and although the Medicare outpatient issue remains open we are working to resolve it. — *fanatic*

4. Health Care – Jeffords-Kennedy. By a 412-9 vote, the House this week passed its version of the Work Incentives Improvement Act. Our strategy in conference will be to strengthen the bill by including the Senate-passed option for states to expand eligibility, and by funding the demonstration project for workers with potentially severe disabilities. Our challenge now is preserving the bill's current offsets and finding additional provisions that we can accept.

5. Health Care – Medical Records Privacy Regulation. Next Friday, you are scheduled to unveil regulations to protect the privacy of medical records – an action you had promised to take if Congress failed to act. The proposed regulations apply to all medical records stored or transmitted electronically. They restrict the non-consensual release of private medical information and limit the amount of information that can be released. They require health plans and providers to inform consumers about how their medical information is being used and give patients access to their own medical files. They also create new criminal and civil penalties for improper use or disclosure of information.

6. Health Care – Labor-HHS Update on Health Priorities. The Labor-HHS appropriations debate has focused largely on education, but we are working to ensure that several health care priorities are not placed at risk. A number of key areas are currently funded below your request. There is, for instance, a shortfall of \$134 million for mental health and substance abuse prevention and treatment; \$75 million for HIV prevention, and for the prevention of emerging infectious diseases like the West Nile-like virus; \$20 million for graduate medical education at children's hospitals; \$25 million for the health care access provision advocated by Secretary Shalala; and \$48 million for the Administration's nursing home quality initiative.

7. Health Care – Enrollment of Native American Children in CHIP. You asked for an update on our efforts to speed enrollment of Native American children in CHIP. We have recently directed HHS to prohibit cost-sharing in CHIP plans for these children, thus removing a unique barrier to their enrollment. HCFA informed state Medicaid directors of this new policy on October 6th, and the decision was welcomed by advocates as well as by Lynn Cutler.

8. Families – Child Care. Secretary Shalala on Tuesday released a report showing that only 10 percent of children eligible for federal child care assistance actually receive it. The state-by-state percentages ranged from 4 percent in Mississippi to 24 percent in West Virginia. Overall, the study finds that 14.7 million children in low-income families were eligible for subsidies but only 1.5 million children in 1998 did. Your child care initiative would invest \$7.5 billion over five years to provide subsidies for an additional 1.15 million children. Sens. Dodd and Jeffords attached an amendment to the Labor/HHS bill adding \$818 million for child care subsidies; the provision, which we support, appears to have been dropped in conference.

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bill*

9. Youth – National Campaign Update. We asked Jeff Bleich for an update on the efforts of the National Campaign Against Youth Violence; his memo is attached. As you will see, Jeff has made contact with a wide array of private sector and nonprofit groups to develop a nationwide media campaign and an ambitious multi-city effort to highlight "what works" in local communities. He has also persuaded Steve Case of America Online to be the first member of the Board and has made offers to a number of others. His greatest challenge, however, has been raising enough funds to sustain the Campaign's basic operations. ✓

10. Civil Rights – NAACP Tourism Boycott of South Carolina. The NAACP has called for a tourism boycott of South Carolina until the Confederate flag is removed from the state capitol and other sites. As you may know, Julian Bond has sent a letter asking you not to attend Renaissance Weekend this year in Hilton Head. The Administration has never taken a position on the flying of the Confederate flag; we are now revisiting the issue.

11. Tobacco – Florida Class Action Case. On Wednesday, a Florida appeals court ruled that the jury in a class action suit involving 500,000 Florida smokers may award punitive damages in a single lump sum rather than one smoker at a time. This was a reversal of an earlier court decision and a significant setback for tobacco companies. The jury, which in July had found that cigarette makers produced a defective and deadly product, is set to begin the damages phase of the trial November 1st. Tobacco stocks have been down sharply since the ruling. ✓

12. Tobacco – International Framework Convention. As you may recall, last May the WHO adopted a resolution calling for a Framework Convention on Tobacco Control by 2003, and Secretary Shalala conveyed the support of the United States. Though formal negotiations will not begin until next May, we have developed guidelines for the U.S. delegation consistent with the Administration's tobacco policy. Our goal is a convention that places general obligations on signatory states to reduce tobacco use, but leaves precise details to each country's domestic legislation. The convention, like any treaty, will require Senate ratification and we will be consulting regularly with members of Congress and other interested parties.

13. Abortion – Partial Birth Abortion Act of 1999. The Senate passed this bill Thursday 63-34, with Sens. Mack, Gregg and Chafee not voting. Of the three, only Chafee would have opposed, leaving us with a narrowly veto-sustaining bloc against the legislation. Senator Durbin's alternative, which included an exception to preserve the health of the woman, failed 61-38. The Senate also adopted, 51-47, a Harkin resolution affirming Roe v. Wade.

MEMORANDUM

TO: President Clinton
FROM: Jeffrey L. Bleich
DATE: October 14, 1999
RE: National Campaign To Prevent Youth Violence: Two-Month Status Report

Long good

This memo provides a summary of the Campaign's progress to date. Briefly, we are well ahead of schedule in advancing each of the Campaign's three strategic objectives (i.e., launching a large scale media campaign, inaugurating a community-by-community violence reduction campaign, and improving the delivery of non-violence resources nationwide). This progress, however, is in jeopardy because the Campaign has not been able to raise early capital and assemble an initial Board of Directors as quickly as expected. As set forth below, we would be particularly grateful for any assistance that the White House can provide in identifying Board members and providing introductions to these individuals.

I. Substantive Program

The Campaign has made substantial progress in advancing its three objectives. The following summarizes some accomplishments that you may wish to announce in connection with the Voices Against Violence youth summit on October 19.

A. Media Campaign

Contracts: The Ad Council Board has agreed to adopt our ad campaign for a three-year advertising effort. We have hired Foote, Cone & Belding, the largest advertising agency in North America, and a San Francisco design firm, Templin/Brink Designs to develop a multiphase program that will include T.V. PSAs, radio spots, movie trailers, in-school internet and Channel One programs, print media, and grass-roots "guerilla" marketing.

Messages: We conducted meetings on October 5 and 6 in New York at the Ad Council to develop our message and enlist cooperation with other like-minded organizations and media. The meetings were attended by several television executives including representatives from NBC, CBS, MTV, the WB, Discovery, Court TV, AT&T BIS, and Time Warner. In addition, the meetings included several youth violence experts and other groups who are creating related PSAs

campaigns in order to clarify our message and ensure coordination. We determined that there is a need for the Campaign to emphasize two key messages. The first message, to youth, will be youth-generated and will amplify existing efforts by young people to discourage violence. It will be patterned after the Students Against Drunk Driving messages that empowered young people to take a stand against drunk driving. The second message, to parents and care-givers, is that violence is learned behavior which can be unlearned. Each of us has the ability to stop teaching violence to our children.

Media Support: We have already received commitments from several media sources to run our PSAs and potentially co-brand our programs. Most significantly, the NFL and Westwood One radio have agreed to run radio spots sight unseen, as soon as they are ready. The NFL and Foote, Cone are on schedule to have our ads on the air the week of November 1, and to run the ads continuously until the end of the football season. Foote, Cone expects to have all print ads ready to go by January 1, and to roll-out our first set of PSAs and trailers by February 2000. All of the attendees at the Ad Council meeting made a commitment to encourage their networks to run the PSAs. In addition, we are now in negotiations to co-brand our messages with several major corporations, including The Gap, Simon Malls, Disney, Levi Strauss, AOL, the NBA, NFL, Major League Baseball, and Mattel.

Related Events: We are developing the following major events to support and enhance our ad campaign:

Athletes for Non-Violence: We have arranged to meet with representatives of all of the professional sports leagues on October 22-23 in Colorado Springs to organize a unified campaign of professional athletes and leagues to help young people understand the importance of being physical in a productive way, and that violence is never okay. This initiative would be carried out through an ad hoc Citizenship Through Sports Alliance representing all of the major sports, several sports agent organizations, and Do Something's "community coaches" program.

Concerts and Events: MTV, WB, Nick, Discovery, SHINE, and Do Something have agreed in principle to help develop and expand upon the the MTV, Fight for Your Rights concept of anti-violence concerts and events to raise funds and youth consciousness. We are in the process of contacting Ken Kragen who organized the recent NetAid event.

Media Non-Violence Day: We are approaching the networks, major cable channels, and major studios to organize a day of media non-violence on April 20 (the anniversary of Columbine) in honor of those youths who

were injured or died from violence. The working title for this program is either "Speak Your Peace" or "Give Peace A Chance."

School Programs: Working with SHINE, The Learning Company and Broderbund (software divisions of Mattel), Zap Me (an on-line school based program), Court TV, Ripple Effects, NARAS, the Bernstein Center, and the Justice and Education Departments, as well as other providers of non-violence and esteem-building curricula in the schools, we will be providing extensive in-school and after school arts programs. These will be developed through the internet, video, and Channel One. These programs are designed to occupy youth during critical after-hours times and to provide up-to-date techniques for preventing violence, building dispute resolution skills, identifying at-risk youth, and drawing on community resources to treat at risk youth. Alan Rambam of SHINE is taking a leading role in developing a network to support this effort.

Military Support: We have contacted Secretary of the Army Caldera, Secretary of the Navy Danzig, and General Colin Powell to develop a message as part of the Armed Forces campaign that emphasizes how real strength comes from discipline, and the world's heros are people who help make and keep peace.

B. City-by-City Campaign

This portion of the campaign is directed toward helping local communities develop effective, multi-disciplinary approaches to violence prevention. Our strategy has four components. First, we are identifying the communities in America that are most at need and working with local youth violence services to identify where gaps in services exist. Second, we are identifying individuals on the ground capable of organizing a sustained interdisciplinary effort in that community to reduce violence. Third, we are recruiting corporate sponsors to make a multi-year commitment to support best practices (such as Big Brothers, Big Sisters) for a number of communities, or adopt a community's multi-disciplinary program. Fourth, we are arranging with corporations and media to underwrite a town hall meeting and nationally covered kick-off event in a different community every two weeks in 2000 to launch these efforts. We have made substantial progress on each of these fronts.

Cities in Need: In conjunction with the National Center for Juvenile Justice we have now completed a community-by-community database of juvenile arrests and victimization. We are analyzing the data this week to determine which are the 40 communities most in need in the U.S. based on absolute numbers of youth violence incidents, rates of youth violence arrests, and trends in that community. Our statisticians expect to have the list completed this week.

People on the Ground: We have reached formal agreements with several national youth services organizations groups that have agreed to identify and provide their best people nationally to pull together effective multidisciplinary programs in their respective community. These groups include Americorp, City Year, Vista, America's Promise, Points of Light, YWCA, The California Wellness Foundation, National Funding Collaborative for Violence Prevention, The National Violence Prevention Practitioners Network, YouthBuild, Do Something, the National Crime Prevention Council, the Boston Violence Prevention Project, the California State Violence Prevention Authority, and other local organizations. We will also be contacting several other organizations such as Boys & Girls Clubs of America, the Boy Scouts and Girl Scouts, Big Brothers Big Sisters, the Red Cross, and the YMCA. We are also in the process of arranging a meeting with the Conference of Mayors and the National League of Cities to develop a network of people who are reliable and will ensure genuine community involvement in this initiative.

Corporate Sponsors: Although we are waiting until we have selected appropriate cities and identified actual needs before approaching sponsors, our preliminary discussions with potential sponsors have been very encouraging. Representatives from Southern California Edison have expressed interest in sponsoring such a program in Southern California and the Gap has offered to help with a similar program in Northern California. We have also received a preliminary expression of interest from BMW in funding a youth violence program in South Carolina.

Kick-off Events: We have had tremendous success in recruiting underwriters to sponsor events around the country. Court TV has offered to host 10 youth-forum town halls on the subject of youth violence — tailoring them to the specific issues in each City to coincide with this effort. We have received preliminary offers from the Gap and the Simon Mall Corp. (developers of the Malls of America) to host these events, which would then be broadcast nationally. Teen People has also agreed to host 6-10 youth-oriented town hall meetings on the subject of youth violence in 2000. Finally, another national cable channel has confidentially committed to hosting four nationally televised events on the issue, featuring town hall meetings of youth experts in various cities.

Although delivering a meaningful contribution to individual communities will require help from numerous affiliates, their enthusiasm for our approach appears genuine, and their early commitments to assist in this are particularly encouraging.

C. Clearinghouse

Finally, as noted in my prior memo, there is a perceived need within the various communities that work on youth violence issues that better communication and access to effective programs is needed. We have enlisted AOL to help us work with various foundations to build upon existing databases and clearinghouses to link these groups effectively.

II. Administrative Efforts

Incorporation: The Campaign was incorporated on September 17 and filed its application for 501(c)(3) status during the week of October 11.

Office Space: The Campaign has established its headquarters at 33 New Montgomery Tower, 20th Floor, San Francisco, California.

Personnel: The Campaign has hired or extended employment officers to the following people:

- (1) Chief Operating Officer, Mark Abbott: Hired. Prior to joining the Campaign, Abbott was the Chief Operating Officer of Major League Soccer.
- (2) Communications Director, Sarah Ingersoll: Offered employment. Ingersoll is currently the point person for OJJDP's youth violence programs. She has been instrumental in working with NCPC, ONDCP, the Ad Council, and Justice in developing public relations campaigns. Ingersoll has expressed interest but is also committed to completing her work at OJJDP.
- (3) Public Relations Director, Camille Massey: Offered employment. Massey is the communications director for the Lawyers Committee for Human Rights in New York. She has expressed preliminary interest in the position.
- (4) Development Director, Peter Sherer: Sherer has extensive experience in fundraising and was recommended by Eli Segal. He has expressed preliminary interest in the position and we are currently checking his references.
- (5) Outreach Coordinator, Lisa Danzig: Danzig has been active in the violence prevention field for the past four years. She is the daughter of the Secretary of the Navy, Richard Danzig, and is well-connected nationally with several affiliates.
- (6) Researcher, Hillary Margolis: Margolis is a Yale graduate who has agreed to work without pay for the Campaign prior to beginning her service in the Peace Corp in 2000.

Fundraising: As noted above, although we have received some financial commitments, we have not yet received any cash contributions. This has prevented the Campaign from: (1) making payments to the Ad Council, Foote Cone & Belding, and Brink/Templin Design to begin media research and production; (2) hiring essential personnel; arranging necessary travel. Our current commitments are as follows:

Department of Justice:	\$100,000	expected 11/99
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NATIONAL CAMPAIGN AGAINST YOUTH VIOLENCE

Kaiser Family Foundation,	\$25,000+	expected 11/99
Neal Neilinger, Deutschebank	\$100,000?	requested 10/99
Steve Case, AOL Foundation	\$100,000+	expected 11/99
Ira Lippmann, Guardsmark	\$100,000	expected 3/00
Maurice Paprin	\$20,000+	

Business Plan and Budget: A draft business plan and budget has been prepared for approval by the Board of Directors once the Board is formed. A copy is attached to this summary. As noted, we expect that the budget for the Campaign for the first 12 months will be approximately \$3 million.

Board of Directors: We have made some progress in establishing the initial 10 member Board of Directors. Because we have not been able to arrange for people who know many of these Board members to contact them and make introductions, we have expanded our initial list. We will hope to announce the Board's formation before the end of this month.

The names and status of the Board members is listed below:

Steve Case (AOL), Invited and accepted
 Ira Lipmann (Guardsmark), Invited and accepted
 Deborah Prothrow-Stith (Harvard), Jeff Bleich has invited, awaiting response
 Judith McHale (Discovery), Mark Abbott has invited, awaiting response
 Leigh Steinberg (Steinberg & Moorad), Jeff Bleich has invited, awaiting response
 Ron Burkle (Yucaipa), Marsha Scott will introduce Jeff Bleich
 Bill Moyers (PBS), Jeff Bleich to invite
 Rob Reiner (I Am Your Child), Jeff Bleich to invite
 Gerald Levin (Time Warner), Eli Segal to invite
 Leo Hindery (former AT&T BIS Chair), Mike Smith to invite
 Rosie O'Donnell (Entertainer), Kate Carr to invite
 Bill Cosby (Entertainer/Educator), Margot Strom or Secretary Riley to invite
 Richard Thornburgh (Former AG), Jeff Bleich to invite
 Benjamin Civiletti (Former AG), Jeff Bleich to invite
 Hugh McColl (Bank of America), Rahm Emanuel to invite
 Neal Neilinger (Deutschebank), Mark Abbott has invited, awaiting response
 George Soros (Open Society), Rahm Emanuel to invite
 Jim Burke (Johnson & Johnson), Ron Olson to invite
 Don Keogh (Coca-Cola), Ron Olson to invite
 Brian Mulligan (Universal), Ron Olson to invite
 Jill Bradd (Mattel), Jeff Bleich to invite
 Tom Murphy (Cap Cities), Ron Olson to invite
 Augie Busch IV (Anheuser-Busch), Vilma Martinez to invite
 Eli Segal (Welfare to Work), Jeff Bleich to invite

Internet Site: AOL has agreed to assist us in developing our home-page. As noted, our website will link to various clearinghouses that provide services in the youth violence area. Brink/Templin have begun the design work for the Site.

Marketing: Foote, Cone & Belding has agreed to develop and oversee the Campaign's media efforts. It has assumed responsibility for promoting the campaign and all public relations efforts, including developing campaign messages, program names, and a logo for the organization.

Advisory Panels: We have established six advisory panels to support the work of the Campaign: Media, Social Science, Grassroots, Youth, Industry, and Political.

Media: We assembled an ad hoc board of advisers including several other PSA creators, advertising agencies, television executives, and violence experts which met in New York on October 5 to discuss campaign themes. We may ask Hubert Jessup of Mediascope to chair this effort going forward.

Social Science: John Devine of New York University has agreed to chair the National Academic Advisory Council. He is in the process of inviting 25 internationally renowned scholars to join the council. Harvard University's Kennedy School of Government has agreed to host the first meeting of this group this fall.

Youth Advisory Council: Eric Dawson of Peace Games in Boston has agreed to form the Youth Advisory Council. The Council will be composed of at-risk youth from around the Country who will advise the Board regarding media messages and community programs.

Grassroots Advisory Council: We are considering asking Pam Eakes of Mothers Against Violence in America to chair the Grassroots Advisory Panel.

Political Panel: We have developed a bi-partisan list of individuals to include in our political advisory panel. We will work with the National Conference of Mayors to assemble this panel.

Business and Industry Panel: We are in the process of engaging one or more experts in the area of corporate sponsorships to assist us in developing the Industry panel.

Affiliate Outreach: We have contacted over 200 organizations and established formal affiliations with approximately 150. We are in the process of preparing a database of these partnerships.

III. Conclusion

Although the Campaign is less than two months old, I believe we have made an unusually strong start in our efforts. Our ability to maintain this pace is, at present, limited only by delays in developing our initial Board and to raise the immediate cash necessary to hire staff and fund on-going media efforts. Thank you again for your great support. We are also thankful for the help of Marsha Scott, Bruce Reed, Tom Freedman, Eric Liu, Richard Socarides, and Karen Kullman.

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THE WHITE HOUSE

WASHINGTON

October 15, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

THE PRESIDENT HAS SEEN
10-18-99

SUBJECT: DPC Weekly Report

1. Health Care – Administrative Efforts on Medicare Provider Reimbursement.

We will release a letter from you early next week outlining administrative actions you can take to alleviate provider concerns about reimbursement levels under the 1997 BBA. As of this writing, we have not come to final determination on the Medicare outpatient issue; there are, however, nearly 20 other administrative actions that will provide targeted relief to hospitals, nursing homes, and home health agencies. On Friday, we also announced that HHS would not recoup Medicare DSH payments to hospitals in Pennsylvania, New York, and other states that had erroneously calculated payments based on misleading HCFA guidance. Although this move eliminates retrospective liability, HCFA will have to issue clarifying guidance that bars payments after January 1, 2000. Congress will seek to repeal or modify this aspect of the statute, unless (as we anticipate) it scores a significant amount.

2. Health Care – Legislative Efforts on Medicare Provider Reimbursement.

The Senate and House next week will hold full committee markups of their respective BBA give-back bills. Republicans continue to claim that financing for these provisions will come from the on-budget surplus. It is highly unlikely, however, particularly in the early years, that there will be sufficient resources available. Although House Democrats like these provisions, they reportedly will oppose this legislation unless it includes offsets for all the give-backs.

3. Health Care – Jeffords-Kennedy-Roth-Moynihan Work Incentives Improvement Act.

Next week the House Rules Committee will report out the House version of this bill, but first must resolve differences between the Ways and Means bill and the Commerce Committee bill. The Ways and Means bill has several flaws. It does not include: (1) mandatory funding for infrastructure grants that give states an incentive to adopt the Medicaid buy-in; (2) a mandatory demonstration that allows those not yet too disabled to work to buy into Medicaid; and (3) a guarantee of Medicare coverage. Disability groups believe these provisions are essential and much prefer the Commerce bill, which dedicates mandatory dollars for these provisions and is most comparable to the Senate-passed bill. We are working with the groups and the Commerce Committee to get the strongest possible bill out of the Rules Committee.

4. Education – ESEA Reauthorization.

The House Education and Workforce Committee on Wednesday reported out its Title I reauthorization bill. The bill, which passed by a vote of 42-6 and did not contain vouchers, is flawed but not fatally so. One sticking point

THE PRESIDENT HAS SEEN

10-18-99

pertains to students with limited English proficiency. As the members of the Congressional Hispanic Caucus pointed out this week, the provision that parents must affirmatively "opt-in" to Title I programs for LEP students is burdensome and could keep many students from receiving services. On accountability, Rep. Andrews offered your 2.5 percent set-aside for failing schools, but withdrew his amendment when it appeared he could not secure enough votes. The committee also passed, on party lines, the "Straight A's" block grant bill that allows states to enter into performance agreements with the Secretary of Education in exchange for near-total flexibility in the use of ESEA funding.

Can we
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5. Crime – Youth Violence. On Tuesday you will attend "Voices Against Violence," a Congressional Teen Conference sponsored by Minority Leader Gephardt and featuring over 350 young people. At the conference, you will release the 1999 Annual Report on School Safety. Among the report's findings: (1) while homicides in schools remain rare (less than one percent of all child homicides), the number of multiple-victim homicides in schools has increased; (2) students are less likely to be victimized at school than in previous years; (3) physical fights and incidents of students carrying weapons have declined across sex, grade, and race; and (4) minority students and young students feel less safe at school than others. You will also announce that the Justice Department, in a partnership with MTV and the Education Department, is distributing 200,000 CD-ROMs and youth action guides to community groups nationwide.

6. Crime – Guns. This Sunday the FBI will release the final uniform crime report for 1998. The report shows that serious crime (both violent and property crime) decreased nationwide for the seventh straight year. Notably, every region experienced an overall drop in crime of between 4 to 7 percent. Murder rates fell to the lowest level since 1967. Violent crime rates were down 6 percent from the previous year, and down 18 percent since 1994. Arrests for juvenile violent crimes were down 8 percent, although 12 percent of all murder offenders were under the age of 18. Forcible rapes were at their lowest in a decade. Meanwhile, 7,755 hate crimes were reported: 4,321 based on race, 1,390 on religion, 1,260 on sexual orientation, 754 on ethnicity, and 25 on disability, as well as 5 multiple-bias incidents.

Can we
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7. Crime – Top Cops. At a Rose Garden event next Thursday, you will honor the winners of the National Association of Police Organization's Top Cops awards. This year, 32 officers from 9 states and the District of Columbia will be recognized (two are COPS-funded officers). You will have a chance to call on Congress for full funding of COPS in the Commerce-Justice-State appropriations bill. You also will be able to endorse Senator Biden's COPS reauthorization bill, which he is planning to introduce that day and which closely mirrors our 21st Century COPS proposal. The bill now has 45 co-sponsors.

8. Hate Crimes. As you may recall, your hate crimes legislation and Senator Hatch's less far-reaching version were both included in the Senate C-J-S Appropriations bill, and Senators Kennedy and Hatch sought unsuccessfully to devise a compromise measure. The C-J-S conference is now scheduled to begin Monday evening, and the Republican leadership aims to strip the bill altogether of hate crimes provisions. A coalition of groups is planning a Monday press conference at the Capitol, and you will have an opportunity Tuesday at the Congressional Teen Summit to push for inclusion of your bill.

9. Abortion – Late-Term Abortion. The Senate next week will reportedly take up the Partial Birth Abortion Ban Act of 1999, sponsored by Sen. Santorum and 43 others. The bill is identical to the two you have previously vetoed. It would ban the so-called "partial birth abortion" procedure and does not include an exception to protect a woman's health. Instead, it would allow this type of abortion only in cases where it is needed to save the life of the woman.

10. Service and Philanthropy – Upcoming Events. On Wednesday you will participate in the 5th Anniversary event for AmeriCorps, where Colin Powell, Coretta Scott King and others will join you in honoring several national service heroes. You will unveil an initiative to engage and re-activate AmeriCorps alumni across the nation. (The Corporation for National Service was funded at roughly last year's levels in the VA-HUD Appropriations deal reached last week). On Friday you will speak at the First Lady's White House Conference on Philanthropy, to spotlight ways the federal government can work with charities and non-profits.

THE PRESIDENT HAS SEEN

10-12-99

THE WHITE HOUSE

WASHINGTON

October 8, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Health Care – Children’s Health Insurance Outreach. On Tuesday, you are scheduled to speak at the American Academy of Pediatrics conference before approximately 8,000 pediatricians. You will highlight several of their high-priority issues, including our proposal to provide \$40 million in graduate medical education funding to children’s hospitals (strongly supported by the First Lady) and the importance of children’s health insurance outreach. You will also make several announcements on enrolling children in CHIP and Medicaid: (1) an executive memorandum directing the Departments of Education, Agriculture and HHS to recommend ways to institutionalize school-based enrollment; (2) new guidance to states clarifying that federal CHIP dollars can be used to finance outreach activities in schools; (3) a report from the Interagency Task Force on Children’s Health Outreach (an effort that AmeriCorps is now joining); and (4) a \$9.5 million commitment by public and private entities to search out and publicize best practices on enrollment.

2. Health Care – Medicare Provider Give-back Update. Next week, House and Senate committees of jurisdiction are tentatively scheduled to mark up legislation to moderate the impact of the 1997 BBA on Medicare providers. The leadership appears to be dedicating several billion dollars for a short-term, two-year fix. However, they have not yet determined whether to finance the fix with Medicare offsets, on-budget surplus dollars, or perhaps from a small amount of available off-budget surplus funding. In any event, this proposed fix will cost far less than those advocated by Senator Daschle. As the committees finalize their legislative initiatives, we will complete our review of possible administrative actions. We anticipate releasing our response to Senator Roth’s request on this issue early next week.

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3. Welfare – Hunger Report. Next week, USDA will release a state-by-state report on the prevalence of food insecurity and hunger between 1996 and 1998. The data indicate that hunger among American families, after declining in 1997, has crept back to 1996 levels. In 1998, 10.1 million U.S. households were "food insecure" – that is, did not have enough food to meet basic needs at some point during the year – and 3.5 percent of households had one or more people who were hungry. That compares with 8.7 million households and 3.1 percent in 1997, and 10.4 million households and 4.1 percent in 1996. The data indicate that New Mexico, Mississippi and Texas had the highest food insecurity rates last year, while North Dakota, Massachusetts and South Dakota had the lowest. The state-by-state breakdown will be released by Secretary Glickman at the National Summit on Community Food Security on Friday.

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4. Education – Appropriations Update. The Senate on Thursday passed its education appropriations bill 73-25. The bill, which you have threatened to veto, does not authorize funding for class size reduction, cuts funding for technology, and provides less than your budget for after-school, GEAR-UP, and Reading Excellence. Senators Bingaman, Reed and Kerry offered an amendment to include your Title I set-aside to help failing schools but it was defeated 53-45. The House has not yet brought its education spending bill to the floor.

5. Education – Bush Education Speech. On Tuesday, Governor Bush gave his second major education address. He called for consolidating federal education programs into five broad grants and proposed using the NAEP test as an accountability tool to reward and penalize states for performance. He also proposed school report cards, a \$3 billion fund to help charter schools, and an expansion of educational savings accounts from \$500 to \$5,000 annually (he would allow the proceeds to be spent on public and private schools). We will send a more detailed analysis.

6. Families – Fetal Protection Legislation. You asked what penalties exist for violence against a pregnant woman that results in injury or death of a fetus. Currently, federal law addresses such acts by prosecuting only the crime against the woman. The Unborn Victims of Violence Act, however, would create an additional federal offense for harm to the fetus, and would for the first time treat a fetus of any age as a separate and distinct life under federal law. (This bill, passed by the House last week, follows similar statutes in 19 states). You should know also that House Republicans reportedly plan to attach the Unborn Victims of Violence Act to the Commerce-Justice-State Appropriations bill for a floor vote.

7. Crime – Racial Profiling. In response to the directive you issued in June, the Departments of Justice, Treasury and Interior are submitting field-test plans that spell out how they will collect data on the race, ethnicity, and gender of individuals stopped by federal law enforcement agents. The Justice Department plan encompasses INS and DEA, and will include data collection at several airports, bus stations, and a fixed Border Patrol checkpoint. The Treasury Department proposal includes the Customs Service, which will conduct field tests at five airports. Finally, the Interior Department plan includes stops and police contact by the U.S. Park Police at seven sites, including the Baltimore-Washington Parkway. Under the directive, the agencies now have 60 days to implement their field tests and then a year to collect the data. The agencies have also prepared initial recommendations on how to improve their current policies and training practices; we will work with them during the year-long data collection period to make these recommendations more specific and useful.

THE WHITE HOUSE

WASHINGTON

October 1, 1999

10-5-99

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

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SUBJECT: DPC Weekly Report

1. Health Care -- Number of Uninsured Americans Rising. The Census Bureau on Monday will release its annual estimates of the uninsured population. Overall, there were 900,000 more uninsured in 1998 than in 1997 -- 44.3 million, up from 43.4 million. There was also a slight, though statistically insignificant, increase in the number of uninsured children, from 10.7 to 11.1 million. Some advocates may blame welfare reform for the rise in the uninsured, but notably, the increase occurred entirely among people *above* the poverty line. Moreover, there was a 1.7 million increase in the uninsured among those earning more than \$50,000 -- suggesting that changes in employer-based insurance may in fact be at the root of the problem. We will provide you an in-depth analysis of the trends. (You will also have an opportunity on October 12, before the American Academy of Pediatricians, to highlight our renewed efforts to decrease the number of uninsured children).

2. Health Care -- Patients Bill of Rights. We have dedicated two days of events around the scheduled House vote on the Patients Bill of Rights next week, including a Wednesday event with representatives of over 300 consumer and provider organizations that support Norwood-Dingell. The Republican leadership, it appears, is still unable to muster a majority for alternative approaches, and so will likely weigh down the bill with extraneous provisions or offer an alternative that weakens Norwood-Dingell's enforcement provisions.

3. Health Care -- Daschle Provider Give-back Legislation. On Friday, Senator Daschle, on behalf of over 30 Democratic Senators (including Moynihan), introduced legislation to moderate the impact of the 1997 BBA on Medicare providers. At an estimated cost of more than \$22 billion over 10 years, ~~the package delivers relief to hospitals (particularly teaching and rural facilities), home health providers, nursing homes, and hospice care. Indirectly, it also~~ provides relief to managed care plans, since increases in traditional provider payments result in higher capitated payments to plans. Daschle has not specified his offsets, but has said that none will come from the off-budget Social Security surplus. This legislation will no doubt raise provider expectations that a relatively generous BBA give-back is possible even in the absence of broader Medicare reform, which complicates our overall Medicare and budget strategy.

4. Education -- Senate Appropriations. The Senate Appropriations Committee on Tuesday passed an education spending bill with overall funding levels \$400 million above your request, but also with unacceptable cuts in key education programs. The bill, which you have

threatened to veto, does not authorize funding for class size reduction, and cuts funding for education technology. It provides \$60 million less than your budget proposal for GEAR UP; \$200 million less for after-school programs; \$30 million less for charter schools; and \$26 million less for Reading Excellence. It also does not include your Title I \$200 million set-aside to turn around failing schools. The bill is now before the full Senate, where amendments to improve after-school and class size funding were defeated this week. Senators Kerry and Bingaman plan to offer an amendment with your Title I set-aside; debate on the bill will continue into next week.

5. Education -- House ESEA Mark-Up. Next week the House Education and Workforce Committee will begin work on ESEA legislation. The committee is expected to consider Title I, bilingual education, and the House Republican "Straight A's" proposal (essentially a block grant). It appears the Chairman's mark on Title I will not include vouchers. While it does not include provisions on social promotion or discipline, the bill does contain somewhat encouraging language on teacher quality, public school choice, school report cards, disaggregation of achievement data by demographic groups, and intervention in failing schools.

6. Crime -- Juvenile Justice Update. Although conferees still have not met, Rep. Conyers has prepared a compromise proposal on guns that attempts to address Republican concerns without weakening the Senate-passed gun provisions. It emphasizes, for example, that records retained by NICS may not be used for the creation of a national registry, and that the GAO must oversee their timely destruction. The proposal has the support of Handgun Control. Hyde has not publicly rejected it, and has indicated he will prepare a counter-offer.

7. Families -- Fetal Protection Legislation. By a 254-172 vote, the House Thursday passed the "Unborn Victims of Violence Act of 1999." The bill, as you know, purports to punish violence against women but mainly would treat a fetus of any age as a life under federal law. We issued a veto threat as debate began, and this helped build a comfortably veto-sustaining bloc in opposition. Pro-choice groups have expressed their gratitude for the Administration's stance. Senators Hutchinson and DeWine will reportedly introduce companion legislation in the Senate.

8. Campaign Finance -- McCain-Feingold. You asked for a comparison of the Shays-Meehan bill recently passed by the House and the McCain-Feingold bill to be debated in the Senate later this month. McCain-Feingold has been scaled down to a ban on federal soft money contributions by corporations, labor unions and wealthy individuals. Shays-Meehan contains not only a soft money ban but also an expanded definition of the kinds of "express advocacy" that must be paid for with hard dollars, as well as improved disclosure and enforcement requirements.

In our view, there is a significant difference in the likely impact of the two bills. A soft money ban alone -- without the restrictions or disclosure requirements of Shays-Meehan -- would simply unleash a flood of money for unregulated issue ads whose true sponsorship would not be known. While Shays-Meehan certainly does not represent the outer limit of reform legislation, it is certainly the more meaningful of the two measures.

9. Welfare -- Fatherhood. Next week, Reps. Cardin and Nancy Johnson will introduce a bipartisan bill on fatherhood. It includes eligibility changes from your Welfare-to-Work reauthorization proposal to help more low-income fathers work and pay child support, and to make it easier for communities to use Welfare-to-Work funds for long-term welfare recipients.

It also provides \$150 million over five years for community-based fatherhood grants to promote marriage and successful parenting. It does not, however, include the \$1 billion in new funding you proposed for the Welfare-to-Work program. While we are encouraged by the bill's bipartisan thrust, we should continue pushing for increased investment in Welfare-to-Work.

10. Welfare -- Faith-Based Organizations. You recently made several inquiries on the involvement of faith-based organizations in federal social service activities. You asked first whether you had signed a law limiting the civil liability of charitable activities. The Volunteer Protection Act you signed in 1997 protects volunteers of nonprofits and charities from personal liability for harm they may cause, but does not limit the liability of the organizations themselves. Nor does the Act limit liability for harm caused by equipment or other tangible items donated to charitable organizations (Governor Bush supports such limits). The "Bill Emerson Good Samaritan Food Donation Act of 1996" did give relief from civil liability for donations of certain food products. When this legislation passed, however, both Congress and the Administration acknowledged that they were entering an area traditionally left to the states.

You also asked us to look at Wintley Phipps's U.S. Dream Academy, a nonprofit based in Columbia, MD, which assists young people with a parent or relative in prison and other at-risk youth. Using a new \$100,000 grant from the Department of Labor, the Dream Academy will create an after-school center in Washington, DC where participants can receive tutorial services, mentoring, character-based training, and other services. Because of constraints in the Labor Department funding source, this site will not include a faith-based curriculum, but Phipps aims to include faith-based activity in future programs funded through other means.

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Regarding second chance homes, which you asked about, HHS has not provided any guidance to states in the period since the welfare law was enacted. However, extensive reports designed for state policymakers have been distributed widely by two reputable policy groups.

Finally, you noted that Mayor Daley involves churches in the city's after-school programs. Chicago's Lighthouse after-school program works with four faith-based groups to recruit tutors, but the involvement of these groups is strictly non-sectarian. Though the Lighthouse program does not use federal funds, the Department of Education has made clear that faith-based groups can partner with programs funded through the agency's 21st Century Community Learning Centers program. The Department has in fact produced a new report to help faith-based groups become involved in after-school and other education programs. We are talking with the Vice President's office about their possible interest in releasing this report.

In preparation for the White House Conference on Philanthropy on October 22, we are also working with NEC and Treasury on an options memo that will include possible targeted tax incentives for foundations and charitable giving.

10/5/99

Should we send to VP?

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THE WHITE HOUSE
WASHINGTON

September 24, 1999

MEMORANDUM FOR THE PRESIDENT

THE PRESIDENT HAS SEEN
9-27-99

FROM: Bruce Reed
Eric Liu

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VP
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SUBJECT: DPC Weekly Report

1. Tobacco – Federal Lawsuit. As you know, the Justice Department on Wednesday filed a sweeping civil complaint against the tobacco industry to recover federal health care costs associated with tobacco-related illnesses. The suit seeks recovery under the Medical Care Recovery Act, the Medicare Secondary Payer Act, and, most notably, civil provisions of the Racketeer Influenced and Corrupt Organizations (“RICO”) statute. The Department also seeks a number of injunctions to prevent further wrongful acts, mandate disclosure of relevant industry documents, and require defendants to fund education and cessation programs. As with any federal lawsuit, we are directing all inquiries to the Justice Department. But we can and should keep pushing for the \$20 million requested in your budget to fund the litigation, a request which has met with strong Congressional resistance.

2. Education – Appropriations Action. On Thursday, the House Appropriations Labor, Health and Human Services, and Education subcommittee passed its FY 2000 spending bill. The bill provides no funding for class size reduction and terminates GEAR-UP. It cuts \$148 million from education technology and \$60 million from America Reads, and provides \$300 million less for after-school and \$507 million less for Head Start than your budget. It also does not include the \$200 million you requested for Title I accountability measures. (You should know too that the bill “reapportioned” \$3 billion in unspent TANF funds). We released a sharply critical statement from you, and are coordinating efforts by Congressional Democrats, Secretaries Riley, Shalala and Herman, governors, and others to highlight the potential harm caused by this bill. You will have a chance to condemn the bill, and call on Congress to pass your accountability plan, when you visit a failing school in New Orleans on Monday.

3. Health Care – Patients Bill of Rights Update. Now that a vote has been scheduled for the week of October 4th, the House leadership appears to have settled on a “campaign finance” strategy to weigh down the legislation with amendments and reduce its chances of passage. Norwood and Dingell will likely call for a “just say no to all amendments” counter-strategy. Accordingly, we are asking the AMA to support a clean version of Norwood-Dingell and to oppose provisions they have traditionally supported, such as medical savings accounts. An AMA decision to hew to this approach would provide crucial cover for Republicans who want to support Norwood-Dingell. Meanwhile, Dingell reported Thursday that he and Norwood are close to persuading Rep. Coburn – author of the main Republican alternative – to cosponsor

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their legislation. This clearly would be a coup, since it would bring another significant bloc of Republicans behind Norwood-Dingell.

4. Health Care – Assisted Suicide. Next week, Hyde's anti-assisted suicide legislation is likely to come before the full House for a vote. This legislation has been significantly modified since last year; it no longer includes provisions that many health care providers and consumers felt would have had a chilling effect on the provision of pain relief to the terminally ill. As a result, many provider groups, including the AMA and the National Hospice Association, now support the bill. Senator Wyden and the state of Oregon continue to oppose it strongly. Although Wyden personally opposes assisted suicide, he sees the bill as a federal intrusion on states' rights. Because the Supreme Court has concluded that this issue belongs in the domain of states, and because of the administrative burden this legislation would impose on the Drug Enforcement Agency, the Justice Department also has strong concerns about the bill. A memo seeking your guidance on how best to position ourselves on this issue will follow shortly.

5. Crime – Juvenile Crime Bill Conference. Conferees were expected to hold their second and final meeting Thursday, but postponed until next week amidst continuing talk of possible compromises. Hyde has indicated to the media that he is developing a provision on gun shows that includes a three-day waiting period for persons with questionable arrest records, but early drafts suggest that he also will include troubling new loopholes. He has not released specifics, and members of both parties have reacted coolly. House Democrats this week also offered a series of motions to instruct conferees, which, while non-binding, put Republicans on record in support of favorable provisions. For instance, a Lofgren motion passed 305-117 instructing conferees to pass a loophole-free gun bill that does not weaken current law.

6. Crime – COPS Director. On Friday we announced that Commissioner Thomas Frazier of Baltimore will become the new Director of the COPS program. Frazier has served as Baltimore's Police Commissioner since 1994. Frazier has instituted a number initiatives supported by the Administration, including a Police Corps, a 3-1-1 non-emergency number, and a nationally recognized domestic violence program. Before coming to Baltimore, he served for more than 20 years in the San Jose Police Department, where he was instrumental in the implementation of community policing.

7. Welfare – Housing Vouchers. HUD is ready to award \$283 million in housing vouchers to help 50,000 families move from welfare to work. The vouchers will help families move closer to a new job, reduce a long commute, or secure more stable housing. They will be awarded to 92 communities in 35 states, as well as to two tribes. As you know, we have proposed 100,000 new vouchers in the FY 2000 budget, including 25,000 additional welfare to work vouchers, which neither the House nor Senate appropriations bill has funded. We have asked OMB and HUD to develop possible offsets that could enable the vouchers to be incorporated into a final appropriations bill. In the meantime, we will find an opportunity (a radio address or a VA/HUD veto) to release the 50,000 vouchers in a way that underscores our support for working families as well as the shortcomings of the Republican bills.

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8. **Welfare – Welfare to Work Grants.** Next week, Secretary Herman will announce \$223 million in competitive grants to 64 communities for innovative welfare to work efforts. (Among them is a multi-site grant for the Welfare to Work Partnership's efforts in several states.) In addition, the Department will award a \$20 million grant to a national community-based organization which will help as many as 10,000 welfare recipients become Census enumerators and then move to permanent jobs. Until Congress enacts our proposal to invest an additional \$1 billion in reauthorization, these will be the last grants made from the \$3 billion secured in the Balanced Budget Act. States and communities have up to three years to spend the funds.

9. **Welfare – Individual Development Accounts (IDAs).** Last week, HHS released the first grants under the Assets for Independence Demonstration Program to 40 non-profit community-based organizations. The grants, totaling nearly \$10 million, support demonstration programs under which every dollar a low-income worker saves for post-secondary education, a first home, or a new business is matched by \$8 in federal and local resources. The Republican FY 2000 budget funds IDAs at \$10 million, half the level we proposed.

10. **Media and Violence – Senate Task Force on American Culture.** Several months ago, Senator Brownback proposed the creation of a special Senate committee to investigate the "crisis in American culture." The panel, as conceived, would have had both a Republican majority and subpoena power. Not surprisingly, the open-ended proposal provoked a strong negative reaction – from Hollywood and the music industry, and from Senate Democrats like Dodd and Boxer, who proposed her own probe of firearms violence. Today it was reported that under an agreement brokered by Senators Lott and Dodd, the Brownback committee will be downgraded to a task force, with equal numbers Republicans and Democrats and with no subpoena power. The scope of the task force's work is still being negotiated but will be more limited than originally thought. A final vote on creating the task force could come next week.

11. **Immigration – Citizenship Test.** You requested a review of the citizenship test administered by the INS, as it was critically described in a recent New York Times article. In January 1999, the accounting firm of PriceWaterhouseCoopers (PWC) issued a report on the naturalization process that recommended, among other things, an overhaul of the current citizenship test. PWC recommended that INS establish new standardized tests for English and civics, as well as uniform procedures to ensure that tests are administered fairly and consistently. We are now working with INS to implement the PWC recommendations. We will also continue to draw attention to your proposed \$70 million English Language/Civics Education Initiative, which combines ESL training with life skills instruction.

THE WHITE HOUSE
WASHINGTON

September 17, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

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1. Crime – Texas Shooting Update: ATF has traced two handguns carried by the gunman in the shooting Wednesday at Wedgwood Baptist Church in Fort Worth. According to trace information and news reports, the AMT .380 caliber handgun and Ruger 9-mm semiautomatic handgun were sold to the gunman, Larry Ashbrook, by federally-licensed dealers at a 1992 gun flea market in Grand Prairie, TX. It has been reported that Ashbrook had a 1971 conviction for marijuana possession and no history of treatment for mental illness.

2. Crime – Juvenile Justice Bill Conference: Representatives Hyde and Conyers have been meeting this week but remain unable to reach agreement on key gun provisions. We have seen a draft of a possible Hyde compromise proposal on guns, which contains flawed provisions on gun shows (including a flea market exemption) and large capacity ammunition clips, but acceptable language on child safety locks and juvenile Brady requirements. House Republicans also are insisting on their Ten Commandments provision. The conferees may meet next week.

3. Campaign Finance – Update on Reform Bills: By a vote of 252-177, the House on Wednesday passed the Shays-Meehan bill, which bans federal soft money and expands the definition of “express advocacy.” Senators McCain and Feingold on Thursday then introduced a stripped-down version of their bill that includes only a soft money ban, in the hope that such a bill could secure enough votes to prevent a filibuster. Common Cause and other groups have signaled their willingness to support this strategy. Our judgment, however, is that it is premature to abandon the wider-reaching reform package just passed by the House. To ensure that we preserve some leverage in the event of a House-Senate conference, we recommend that you continue to support Shays-Meehan and the more comprehensive version of McCain-Feingold.

4. Health Care – Patients Bill of Rights Update. Speaker Hastert announced Friday that the House will vote on both Norwood-Dingell and Coburn-Shadegg the week of October 4. The leadership will likely attempt to focus the debate on “right to sue” issues. With this in mind, we are encouraging Representatives Norwood and Dingell to join with groups opposed to Coburn-Shadegg in a more aggressive critique of that bill’s inadequate enforcement provisions. We also are tentatively scheduling an October 12th address to a national conference of pediatricians who strongly support the Administration’s legislation. At this event, you would unveil a new regulation that applies the Patients Bill of Rights to every CHIP plan in the country.

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5. Health Care – Ads by Pharmaceutical Manufacturers Association (PhRMA).

PhRMA has initiated what appears to be a \$30 to \$40 million dollar advertising campaign against your prescription drug benefit proposal. The ads, featuring an elderly character named Flo, charge that the Administration's drug benefit would limit access to necessary drugs, create incentives for private plans to drop coverage, and inhibit investment in research and development. Although independent experts and advocacy organizations have repudiated these charges, there has not yet been a coordinated effort to counter the campaign. A number of aging organizations plan to picket PhRMA headquarters and declare that the group does not represent the best interests of the elderly. Next week, we will also meet with representatives of the drug industry to reiterate our request that they pull the ads. A number of them reportedly believe it was a mistake to criticize your plan directly. We will keep you apprised of developments.

8. Education – ACHIEVE Summit: Lou Gerstner and ACHIEVE are hosting an education summit on September 30th and October 1st in Palisades, NY, like the one you attended in March 1996. They are expecting over thirty Governors, over thirty CEOs, Secretary Riley, Bob Chase, Sandy Feldman and other key education leaders to attend. They have invited you to be the keynote speaker on the afternoon of September 30th, but your schedule makes it very difficult for you to attend. (You already have a major news announcement that morning of Census Bureau figures on income and poverty, and you leave the next morning for a Western swing). We do not yet know whether Governor Bush is going, but the summit will attract substantial press coverage, with 400 reporters expected. That week also marks the tenth anniversary of the Charlottesville summit.

7. Education – ESEA Reauthorization Update: The House Education and Workforce Committee is planning to mark up Title I legislation by the end of this month. On the Senate side, Senator Jeffords is still drafting a comprehensive ESEA bill. Senator Lieberman is also planning to introduce an ESEA bill later this month that will include your class size initiative and accountability measures but will consolidate many ESEA programs and focus the money more heavily on impoverished school districts.

8. Tobacco – Synar Amendment: In 1992, Congress enacted the Synar Amendment to require states to make progress in reducing tobacco sales to minors. This year, for the first time, HHS has made a preliminary finding that seven states (DE, IA, MO, MN, OR, RI, WY) and the District of Columbia have failed to meet their targets, making them subject to a statutory 40 percent cut in their Substance Abuse Prevention and Treatment block grant. Secretary Shalala has called the governors and members of Congress from those states to notify them and to describe the appeals process. She has also indicated the Administration's willingness to work with Congress to pass a more graduated penalty. As you may recall, we made similar changes to state child support enforcement penalties last year. Senator Durbin is drafting a promising alternative that would 1) modulate the penalty depending on how much of the target was met, while 2) raising the required rate of retailer compliance from 80 to 90 percent by 2008. We hope to add a legislative fix to the SAMSHA reauthorization bill now pending in the Senate.

9. Tobacco – Bidis: You asked whether there was anything we could do about "bidis," the small, cheap and often flavored cigarettes that are growing in appeal among the young. Currently, the FTC considers bidis cigarettes, requiring that the Surgeon General's health

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warnings appear on packages and in advertising, but many retailers and importers are unaware of this. We could direct the FTC to notify all tobacco importers of the status of bidis and of the warning requirements. Bidis containing tobacco are also considered cigarettes by the Treasury Department and are taxed as such. Businesses that import them will have to apply for an importer's permit before January 1; this will help us track the volume entering the country. The Food and Drug Administration (FDA) is also examining bidis and evaluating whether they fall under the "drug and device" regulatory standard. The agency is unlikely to act, however, while the Supreme Court is reviewing its jurisdiction over tobacco products.

10. Violence Against Women – House Republican Fetal Protection Legislation: On a party-line vote, the House Judiciary Committee on Tuesday passed H.R. 2436, the "Unborn Victims of Violence Act of 1999," which would make it a new and separate federal offense to kill or injure "a child in utero" by assaulting or injuring a pregnant woman while committing certain federal crimes. (It specifically exempts abortions). The bill, sponsored by Canady, Graham and Chris Smith, is a clever, thinly veiled attempt to treat a fetus of any age as a life under federal law. The Department of Justice advised that the bill was not unconstitutional, but sent a letter to the Committee articulating the Administration's opposition. We are working with House Democrats to devise a strong substitute that would call for tougher penalties for crimes against pregnant women and additional protections from violence against women. There is no similar bill pending in the Senate.

11. Welfare – Out-of-Wedlock Birth Bonus: Last week, HHS awarded the first bonus funds under the 1996 welfare reform law for the five states with the largest decrease in out-of-wedlock births (and an accompanying decline in abortion rates). California, D.C., Michigan, Alabama, and Massachusetts each received \$20 million. Altogether, 12 states experienced a reduction, and the national rate held constant over the four-year period measured by the bonus.

12. Welfare – Initiatives to Address Poverty: In response to a recent Chicago Tribune story, you asked us to gather information about your anti-poverty initiatives and the trips you have made to poor communities. We are working with NEC to update and expand a set of documents prepared as part of your first New Markets tour. These documents highlight the Administration's accomplishments on behalf of poor communities and families, as well as the initiatives we continue to fight for (including EZ/ECs, CDFI, EITC, CHIP, Head Start, minimum wage, New Markets, child care, and Welfare-to-Work). We can release this information in conjunction with new Census data on poverty and income due September 30th. We will make sure the Tribune reporter and others receive this information.

13. Immigration – English Language/Civics Education Initiative: On Thursday, White House and Education Department officials met with education, literacy, immigration and civil rights groups to discuss your English Language/Civics Education Initiative. This initiative, which the Administration's FY 2000 budget funds at \$70 million, would help communities combine ESL programs with civics and life skills instruction, to help ensure that adults with limited English proficiency get the tools they need to enter American life. The groups were very supportive and intend to advocate for funding of this initiative.

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THE WHITE HOUSE
WASHINGTON

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August 13, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Youth Violence – National Campaign: On Tuesday you and the First Lady will participate in a three-part event on youth violence. *First*, you will unveil a new anti-violence PSA campaign, sponsored by the Advertising Council, the Kaiser Family Foundation, and Children Now. The ad features children talking about their fears of violence and closes with a clip of you urging parents to talk to their kids. You will announce that every major network has agreed to air the ad during prime time August 18th. *Second*, you will award \$15 million in Justice Department COPS grants for local law enforcement agencies to form innovative partnerships with schools or community organizations to target crime and violence in or around schools. *Third*, you will announce the selection of Jeff Bleich to be Executive Director of the National Campaign Against Youth Violence. Bleich is one of the nation's leading young attorneys and a nationally acclaimed pro bono advocate who has written on youth violence and the justice system. Eli Segal had wanted him to run the Welfare to Work Partnership; with Eli's help we were able to recruit him for this endeavor. We will send you under separate cover a memo outlining the Campaign's progress and structure. (You should also know that students at Columbine High School will have returned to class on Monday).

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2. Health Care – Patients Bill of Rights Update: The Patient Access Coalition, which consists of about 100 professional health organizations, is delaying its endorsement of the bipartisan Norwood-Dingell-Ganske legislation at the urging of Congressman Coburn. Coburn is claiming that he can deliver the Republican leadership's support for *his* version of the PBOR, which he says largely mirrors Norwood-Dingell-Ganske but would have the advantage of Speaker Hastert's seal of approval. There is an outside shot that Coburn could secure the Speaker's blessing, if only because the leadership is desperate not to embrace a measure so strongly associated with the White House. The immediate effect of Coburn's activity, of course, is to slow momentum toward *any* legislative action. Recognizing this, the Coalition has agreed to delay their endorsement decision by one week only. If by next Friday the Republicans do not release workable statutory language with the Speaker's imprimatur, the Coalition has pledged to

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us that they will endorse Norwood-Dingell-Ganske. We think the likelihood is low that Coburn can stitch together such language.

3. Education – Evolution and Creationism: This past Wednesday, the Kansas Board of Education voted six to four to adopt new standards for science curricula that do not include evolution as an underlying principle of biology and other sciences. The standards do not explicitly endorse creationism, but they no longer direct that students should develop an understanding of evolution or the “big bang” theory before graduating from high school. Since theories of evolution will no longer be included in state assessments, this vote essentially leaves the decision of what to teach on the subjects of evolution and creationism to local school boards.

Prior to the vote, the chancellors and presidents of Kansas’s six public universities said that the new standards “will set Kansas back a century and give hard-to-find science teachers no choice but to pursue other career fields or assignments outside of Kansas.” Republican Governor Bill Graves characterized the decision as “a terrible, tragic, embarrassing solution to a problem that didn’t exist.” There were, predictably, some questions from the media regarding your reaction. Though we held those questions off by casting this as a curricular issue best handled at the local and state level, it would be useful for future inquiries to know how you would like us to characterize your views on this issue.

4. Welfare – TANF Spending: You asked us to look into the question Governor Thompson raised with you about allowing states with large welfare caseload declines to spend TANF funds on education. Our short answer is that states already have considerable flexibility to use TANF funds for education, and that the risks of re-opening this question may outweigh the rewards. Such changes could, for example, enable funds to be diverted without any assurance that they be spent on low-income families. Using TANF as a funding pool for other priorities would also make it more difficult to meet remaining welfare-related challenges, and could undermine our efforts to secure additional resources for child care, training, and Welfare-to-Work.

Our more detailed answer is as follows. States, under current law, have significant latitude in how they spend TANF funds, so long as they meet these statutory goals: 1) to provide assistance to needy families; 2) to end the dependence of needy parents by promoting job preparation, work, and marriage; 3) to prevent and reduce out-of-wedlock pregnancies; and 4) to encourage the formation and maintenance of two-parent families. States may define “needy” for the first two purposes and may set differing eligibility levels for different benefits and services. Spending on the third and fourth purposes can be for anyone regardless of income.

Through the welfare reform rules you announced in April, and through TANF spending guidance released in May, we have encouraged states to use TANF funds in more creative ways. Among the wide range of activities states may now fund are: child care; transportation; literacy training and ESL; skills grants for low-income workers; job retention and career advancement services; vouchers for families who hit the time limit (using State MOE funds); substance abuse

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and mental health services; teen pregnancy prevention activities, including counseling and after-school activities; services to encourage fathers to work and pay child support; and parenting and employment programs for incarcerated fathers.

States may contract with a variety of organizations, including faith-based groups, to deliver these services. They can also use TANF funds for education programs for poor children – so long as the programs are reasonably calculated to achieve the purposes of TANF.

(Hypothetically, even a school voucher program for poor or at-risk teenagers could be described as an activity that helped reduce dependence, promote work, and reduce out-of-wedlock births – and could, hypothetically, be an allowable expenditure of TANF funds.) We will follow up with Governor Thompson to make sure he is aware of how much flexibility governors already have. We do not believe it wise, however, to advertise this fact too widely because most governors are not doing as much as Thompson to invest in moving people from welfare to work.

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THE WHITE HOUSE
WASHINGTON

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August 6, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Health Care – Patients Bill of Rights: On Thursday, Reps. Norwood, Ganske, and Dingell reached agreement on a strong, bipartisan bill that you could happily sign. The bill covers all Americans in all plans; provides real patient protections which the Senate bill does not (including access to specialists, continuity of care, and access to emergency care where and when the need arises); and provides a meaningful appeals process and the right to sue in state court. (The bill severely limits punitive damage awards to prevent frivolous lawsuits.) Democrats are united behind the bill, and 21 Republicans have already signed on as cosponsors. In a panicked attempt to win back some of those Republicans, Speaker Hastert agreed Friday to bring a compromise Republican version, sponsored by Rep. Coburn, to the floor this fall. The Republican leadership has asked the managed care lobby to advertise heavily over the recess. But unless the industry can change the dynamic, many Republicans are likely to put even more pressure on the leadership to produce a bill this session – especially if no deal is reached on tax cuts and they face the prospect of going home with no major achievements for the year.

2. Health Care – Medicare Update: After months of opposing a universal prescription drug benefit, some key Republicans are trying to develop their own alternative version. Senator Roth and Rep. Thomas (along with Senator Breaux) are attempting to design a catastrophic coverage benefit that is likely to have a deductible and to require higher income beneficiaries to pay more. Senators Snowe and Wyden just introduced a prescription drug benefit bill that would provide larger subsidies for lower income populations and smaller subsidies for higher income beneficiaries to purchase private Medigap-type drug coverage. We are reviewing the policy but believe that it would fall short of providing coverage to all in need of the benefit and would likely be administratively and structurally flawed. This week, we distributed background information on your Medicare plan to every Democratic member for the August recess.

3. Health Care – Medical Records Privacy: Last week, the House passed a Democratic motion to instruct conferees on the financial modernization bill to drop an extremely weak medical privacy protection provision that had sneaked into the House version. The provision would have undermined our current efforts to protect medical records privacy by preempting stronger state medical privacy laws, allowing personal medical data to be used by outside marketers as part of "marketing research," and permitting companies that receive sensitive medical data from insurers to use and sell the data without any Federal restrictions. Several members of Congress are still working on competing approaches to protect the privacy of medical records, but no consensus is in sight. We are pressing HHS to have its privacy regulation, which covers electronic records, ready for you to release later this fall.

4. Education – ESEA Update: On Tuesday, nine Senators led by Judd Gregg introduced a teacher quality bill similar to the one the House passed last month. The bill has a few similarities to our teacher quality plan in ESEA, including a focus on sustained, high-quality professional development and an effort to improve alternative routes to teacher certification. However, like the House bill, the Senate bill does not provide a separate funding stream for class size reduction, does not target the early grades, and makes it easy for districts to opt out of class size reduction altogether. The Senate is unlikely to take up the bill, because Senator Jeffords continues to insist on reauthorizing ESEA in an omnibus bill. Several Democrats have agreed to push for most of our ESEA package, although we are still looking for someone to champion our approach in two areas: (1) ending social promotion and (2) limiting the use of paraprofessionals in the classroom. Senators Kennedy, Feinstein, and Schumer are the best prospects.

5. Immigration – Parity Legislation: This week, we sent Congress legislation on Central American and Haitian parity relief. The bill was introduced with solid bipartisan support by Representatives Gutierrez, Chris Smith, and 26 cosponsors.

6. Livability – Better America Bonds: This week, Senators Baucus and Hatch introduced your Better America Bonds legislation. The proposal was also included in both the House and the Senate Democratic tax proposals.

7. Welfare – Faith-Based Policies: You asked for an analysis of recent faith-based proposals, and for ideas of what more we could do. We are working on a variety of new ideas (tax and non-tax), and will send you more detailed options shortly. In the meantime, you might be interested in the attached summary of how recent proposals compare to current law.

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THE WHITE HOUSE
WASHINGTON

August 6, 1999

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

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THE WHITE HOUSE
WASHINGTON

July 30, 1999

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

1. Crime – Juvenile Crime/Gun Legislation: This week, the Senate and House appointed conferees to the juvenile crime bill. We issued a statement from you urging the Congress to have a strong bill ready when school resumes in September. On Friday, by a vote of 305-84, the House passed a Democratic motion to instruct conferees to include provisions on background checks at gun shows and not weaken current law on background checks. We have heard that the conferees may meet once before the August recess, but timing for the completion of the conference remains uncertain.

2. Crime – Housing Authority Gun Lawsuit: We have been working with Secretary Cuomo on a potential lawsuit by a broad coalition of housing authorities against the gun industry. The suit would be based on the premise that because of its distribution practices, the gun industry should bear some of the costs housing projects incur from gun violence (e.g., security guards and alarms). This approach is similar to lawsuits filed by Chicago and Los Angeles. We will be working with HUD and federal law enforcement agencies to determine what remedies should be pursued in such a suit. The Wall Street Journal reported Wednesday that HUD was considering this action, but the Administration has not publicly confirmed it. Already, House Republicans have scheduled a hearing for next Wednesday to interrogate HUD about its plans. If the housing authorities decide to go forward with a suit, you could announce it the first week of the August recess.

3. Drugs – Anti-Drug Media Campaign: On Monday, you will unveil new advertisements as part of ONDCP's anti-drug media campaign. You will also release an ONDCP analysis showing that the campaign is reaching over 90% of its target audience an average of 4-7 times a week. One of the new ads stars national skateboard champion Andy McDonald, who will introduce you at Monday's event.

4. Health Care – Patients Bill of Rights Update: On Thursday, the Kaiser Family Foundation released a report demonstrating widespread discontent among health care providers about the quality of care provided by managed care plans. Seventy-two percent said that

managed care had decreased the quality of health care for people who are sick, 77 percent said it had decreased the ability of patients to get the tests and treatments they needed, and 86 percent said it had decreased the ability of patients to see medical specialists. Meanwhile, a number of House Republicans have been working with Congressman Norwood on a possible compromise with Congressman Dingell. Divisions within Republican ranks are forcing Speaker Hastert to renege on his commitment to bring a managed care reform bill to the floor next week and delay action until later this fall.

5. Health Care – New CHIP Enrollment Data: On Friday, Kaiser released a new study which reported that states have now enrolled an estimated 1.3 million children in CHIP – 300,000 more than HHS estimated in January. We also are seeing signs that CHIP outreach is paying an added dividend by increasing the number of children states enroll in traditional Medicaid.

6. Welfare – Faith-Based Organizations: You asked for an assessment of Governor Bush's recent proposals to promote charitable giving and faith-based organizations. His centerpiece proposal – to let non-itemizers claim a federal charitable deduction – is an idea we considered in 1996 but rejected because it costs \$8 billion a year. He also proposed allowing charitable contributions from individual retirement accounts (IRAs) without penalty. Treasury is concerned that this idea could invite tax shelters and abuse. Bush's third tax proposal – to let states use TANF funds to finance tax credits for charitable contributions – could be an interesting way to help make sure states use their TANF surpluses, but it would divert money from welfare-to-work efforts unless the credits were highly targeted. Like the Vice President, Bush proposed expanding charitable choice to other social programs (TANF, the Community Services Block Grant, and the Welfare-to-Work grant program already allow federal funding for faith-based groups).

7. AIDS – Vaccine Research Update: The Wall Street Journal reported on Friday that Merck is planning to begin human trials of an AIDS vaccine. Merck says it will test gene-based vaccines to elicit an immune response capable of either preventing HIV infection or keeping it from overwhelming the immune system. We should be pleased that a major pharmaceutical company is launching this effort, but NIH scientists warn that even under the best of circumstances such a product will not be available for widespread use for at least five years.

THE WHITE HOUSE
WASHINGTON

January 7, 2000

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MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Eric Liu

SUBJECT: DPC Weekly Report

✓ **1. Crime – Meetings With Gun Industry.** This week, we had preliminary meetings with two groups from the firearms industry. First, we met on Thursday with leaders of the National Shooting Sports Foundation, who represent the manufacturers, to set the table for formal talks in Las Vegas on January 21. Not surprisingly, they voiced disdain for certain demands made by the cities and states that have brought suit – in particular, the demand that an independent third-party monitor be created to enforce compliance with any settlement. The manufacturers contend that ATF suffices as a monitoring body, but as we will detail elsewhere, that claim is not very well founded in fact. We also met Thursday with representatives of a new organization of gun dealers, the National Coalition of Retail Firearms Dealers. This group is somewhat at odds with NSSF, as a matter both of personalities and policies. The dealers, for instance, are perhaps more willing than manufacturers to agree to gun show restrictions; the manufacturers, on the other hand, might prove more willing than dealers to agree to sanctions against "bad apple" retailers. The entry of the dealers into these discussions complicates the picture, though in ways that may prove advantageous to us. We will meet with the cities and states this coming week to align our positions going into the January 21 round.

✓ **2. Native Americans – Trust Case Ruling.** You asked about the status of the class-action trust fund case that was recently reported in the New York Times. In December, a federal district court ruled that the Interior Department had violated its trust responsibility to Native Americans by failing to keep accounts of income due them from such sources as leases and mineral royalties on trust lands. On Monday, the United States appealed, arguing that the court had overstepped its bounds and that Interior should first have been permitted to determine how to meet its accounting duties before the court intervened. In the meantime, Interior is preparing a plan to sort out the correct account balances, and will announce its plan in March.

3. Education – Standards Report. The Thomas B. Fordham Foundation released a controversial report this week evaluating state education standards. The report cited only Texas, North Carolina, South Carolina, California and Alabama as exemplary and declared that 21 states were "irresponsible" because their standards did not have sufficient rigor, clarity and content. Critics of the report pointed out that several of the states that were cited as "exemplary" have dismal scores on the National Assessment of Educational Progress, and that many of the states cited as "irresponsible" perform well on the NAEP and other standardized tests. The

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report did note considerable progress in making standards more content-based and specific. Overall, the report gave the states an average grade of C-, up from a D+ in 1998.

4. Education – Governors Davis and Pataki Announce Education Plans. In their State of the State addresses this week, Governor Gray Davis and Governor George Pataki both unveiled agendas focused on education and teacher recruitment. Pataki offered a plan that would: cover tuition for students in New York public colleges who agree to teach for four years in public schools with teacher shortages; provide tuition assistance to help uncertified teachers achieve certification; and allow professionals from other fields teach without having to meet current requirements. He also highlighted measures to improve school safety and raise standards. In California, Davis proposed cash bonuses, scholarships and down payments on houses for teachers who agree to teach in weaker schools. He also proposed \$30,000 bonuses for teachers who achieve National Board certification, as well as a range of steps to expand preschool access, wire classrooms, and reward students who score well on state and Advanced Placement exams with college scholarships.

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*Should consider
Montgomery's school
reform in South - maybe
have Gray Davis in the lead*