PRESIDENT WILLIAM J. CLINTON
VIDEOTAPED REMARKS FOR
LULAC NATIONAL CONVENTION
ANAHEIM, CALIFORNIA
June 16, 1997

Good evening. I am delighted to have this opportunity to talk to you this evening as you gather to discuss ways to guide the Latino community into the 21st Century. We must be committed to the pursuit of opportunity for all Americans, responsibility from all Americans, in a community of all Americans. Strength and leadership must come from within, and your volunteer efforts and constant dedication to the Latino community -- especially our youth -- are a vital part in meeting this challenge.

In the past four and a half years, we have come a long way in improving the lives of all Hispanics. Hispanic unemployment is down one-third and over 220,000 new Hispanic-owned businesses have been created in the first three years of my Administration. The Hispanic community continues to become an integral part of America's boardrooms, schoolrooms, and the halls of government, and I've made it a priority to see that its presence continues to grow and strengthen everyday.

As you well know, Hispanic drop-out rates are too high, and together, we must ensure that our children stay in school. Your local community councils are a pipeline of opportunity for Latinos and your educational programs and services are models of true accomplishments. There is no greater gift than giving young minds the tools of empowerment through education. Of all the things that LULAC gives the community, this is possibly the greatest contribution you provide. Your Educational Service Centers have assisted over 300,000 Latinos and have awarded over $8 million in scholarships. You have helped them achieve their dreams, their aspirations, and just as important, you have put them in a position where they can become active participants in the future direction of the Latino community.

In April, I joined Presidents Ford, Carter, and Bush, Colin Powell, and Mrs. Nancy Reagan and called upon all Americans to engage in citizen service. By providing countless hours of hard work, LULAC members exemplify the spirit of volunteerism. You implement leadership initiatives, voter registration projects, and civil rights and women's commissions across the country, and yet you haven't stopped there. You have adopted a plan to increase your membership to over 1 million by the year 2000. LULAC, your efforts are energizing and unifying the Latino community, for this I thank you.

This is a tremendous responsibility, and I commend each of you gathered in Anaheim today as well as the thousands of LULAC volunteers throughout the country who have dedicated their time to securing a brighter future for our country. Thank you and God bless you all.

THE WHITE HOUSE

WASHINGTON

Denver

June 20, 1997

Dear Mr. Chairman:

I want to thank you for your ongoing efforts to enact legislation to balance the budget. I greatly appreciate the spirit of bipartisanship that has characterized the efforts of Members of both Parties. It is only through our joint efforts that we can complete this great task which is critical to the well-being of our country.

The bipartisan budget agreement includes a number of key policy agreements. As the reconciliation bills have moved through the committees of jurisdiction, there have been cases in which the proposed legislation has departed from the bipartisan budget agreement. We are working together to insure that the reconciliation bills are consistent with the bipartisan budget agreement and have made significant progress in the last several days. I am told that good progress is being made on many issues, and I am confident that by the time the reconciliation bills reach my desk, we will enact historic legislation that lives up to the agreement.

One of the issues where it has proven difficult to reach consensus is the eligibility of legal immigrants for government assistance. As part of our bipartisan budget agreement, we agreed that we would "restore SSI and Medicaid eligibility for all disabled legal immigrants who are or become disabled and who entered the US prior to August 23, 1996." I want to stress that I regard this issue to be of paramount importance. To achieve our common goal of a signable bill that balances the budget, it is essential that the legislation that is presented to me include these provisions. I will be unable to sign legislation that does not.

At the same time, I recognize that the committees of jurisdiction faced difficult trade-offs in many areas. Perhaps none were as difficult as encountered here. If budgetary resources permit, my clear preference would be to assist both disabled and elderly legal immigrants. While I must insist on the provisions that are part of the budget agreement, I hope we can reach a bipartisan consensus to address the issue of benefits for the elderly. I have instructed members of my administration to work with you to see if, perhaps in a conference setting, the budgetary resources can be found to address this issue.

In the meantime, I urge Members of both Parties to continue to work with me to enact legislation that is consistent with the bipartisan budget agreement. I ask Members on both sides of the aisle to help us move the process forward, to advance the legislation to the floor of the House, and keep us on track to a balanced budget by the year 2002.

Sincerely,

Bill Clinton

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

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 23, 1997

The Honorable Trent Lott
Majority Leader
United States Senate
Washington, DC 20510

Dear Mr. Leader:

As the Senate begins consideration of S. 947, the spending-related portion of this year's budget reconciliation legislation, I am writing to transmit the Administration's views. We will transmit separately the Administration's views on the tax reconciliation bill.

While many provisions of the bill are consistent with the Bipartisan Budget Agreement, in some key areas others are not. We understand there are ongoing efforts to resolve as many issues as possible through a bipartisan Leadership amendment. Such an amendment would advance the bipartisan process which began last month with the Budget Agreement. The Administration intends to continue working closely with the Leadership on remedial amendments.

Key areas where the bill is inconsistent with the Budget Agreement include the failure to: "restore SSI [Supplemental Security Income] and Medicaid eligibility for all disabled legal immigrants who are or become disabled and who entered the U.S. prior to August 23, 1996"; assist low-income Medicare beneficiaries in paying premiums; provide Medicaid benefits for certain disabled children and the full 70 percent Federal match for Medicaid in the District of Columbia; properly implement the Medicare home health reallocation; provide for State SSI administrative fees; and achieve the agreed-upon levels of savings from spectrum auctions and related provisions.

In addition, we have significant concerns about a number of issues which the Budget Agreement did not specifically address: the lack of quality standards and protections against balance billing in private fee-for-service plans in Medicare Choice and in Medical Savings Accounts (MSAs); the added burden of new copayments for certain Medicare Part B and Medicaid beneficiaries; the higher eligibility age for Medicare recipients and the income-relating of the Medicare deductible; the failure to include all of the Administration's prudent purchasing reforms; the lack of a Federal Disproportionate Share Hospital (DSH) targeting standard; the failure to put the proper parties in charge of administering the welfare-to-work program; the proposal to privatize eligibility determinations in Texas; and the lack of adequate maintenance-of-effort requirements for Food Stamps.

The Bipartisan Budget Agreement is good for America, its people, and its future, and we are fully committed to working with Congress to see all of its provisions enacted into law by the August recess.

Items Contrary to the Bipartisan Budget Agreement

Continued SSI and Medicaid Benefits for Legal Immigrants – While the Senate reported provision giving benefits to new applicants for a limited time is preferable to the House provision, it fails to provide sufficient assistance for the most vulnerable individuals. The Budget Agreement explicitly states: "Restore SSI and Medicaid eligibility for all disabled legal immigrants who are or become disabled and who enter the U.S. prior to August 23, 1996." As the President stated in a June 20, 1997 letter, he views this issue as of paramount importance. As the letter states: "To achieve our common goal of a signable bill that balances the budget, it is essential that the legislation that is presented to me include these provisions. I will be unable to sign legislation that does not." The reported bill fails to reflect the Agreement. As a result, in 2002 it would protect an estimated 55,000 fewer immigrants than the Budget Agreement calls for.

In addition, the President's strong preference is to cover both elderly and disabled immigrants. We will work with you to identify the necessary resources to do so.

Assistance for Low-Income Medicare Beneficiaries – Recognizing that premiums represent a significant burden on low-income beneficiaries, the Budget Agreement allocated $1.5 billion to ease the impact on this population of increasing Medicare premiums related to the home health reallocation. The reported bill does not include this provision.

Medicaid Benefits for Certain Disabled Children – The Budget Agreement clearly includes the proposal to restore Medicaid for current disabled children losing SSI because of the new, more strict definition of childhood eligibility. The reported bill failed to include this proposal. We strongly urge the Senate to include this provision and retain Medicaid benefits for about 30,000 children who could lose their health care coverage in FY 1998.

DC Medicaid – We are pleased that the reported bill includes a higher matching payment for the Medicaid program in the District of Columbia, but we are concerned that the increase is not sufficient. The matching rate proposed in the reported bill sunsets at the end of FY 2000 and is 10 percentage points lower than the matching rate of 70 percent in the FY 1998 President's budget. A 60 percent matching rate would still leave the District paying more to the Medicaid program than any other local government.

Home Health Reallocation -- The home health reallocation in the Budget Agreement is not properly reflected in the reported bill. During the negotiations, we discussed at great length the shift of home health expenditures to Part B, and all sides clearly understood that it would be immediate. The Committee's phase-in would cost two years of solvency on the Part A trust fund -- two years that we can ill afford to lose. We urge the Senate to incorporate the same provision included in the House Commerce Committee reported title.

State SSI Administrative Fees -- The reported bill fails to reflect the provision of the Budget Agreement which calls for increasing the administrative fees that the Federal Government charges States for administering their supplemental SSI payments – the proceeds of which would be available, subject to appropriations, for Social Security Administration (SSA) administrative expenses.

Spectrum -- While the Senate reported provisions are a substantial improvement over counterpart House legislation, we continue to have serious concerns. The reported language would not achieve the full $26.3 billion in savings and policies described in the Budget Agreement. In addition, the bill does not include two of the proposals included in the Budget Agreement – auction of "vanity" toll free telephone numbers and the spectrum penalty fee. Additionally, the bill does not provide a firm date for terminating analog broadcasting, thus causing significant savings reductions.

We also have the following additional concerns with the reported spectrum language: the lack of authority for the Federal Communications Commission (FCC) to use economic mechanisms, other than auctions, where appropriate (i.e., user fees to create incentives for efficient spectrum management); a very expansive definition of public safety that would create loopholes permitting too many entities to be exempted from auctions; language that would protect spectrum for use by the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration, which is contrary to the Administration's policy on managing spectrum across the government through a process managed by the National Telecommunications and Information Administration; and the lack of authority for the FCC to revoke and reauction licenses when an entity declares bankruptcy, which is essential to preserving licenses awarded in previous auctions.

Additional Concerns

Although the Budget Agreement did not specifically address the following items, the Administration has significant concerns about them. The Administration urges the Senate to address these concerns during Floor action.

Medicare

Private Fee for Service in Medicare Choice. While the Administration supports the introduction of new plan options for Medicare beneficiaries, we believe that any new options must be accompanied by appropriate beneficiary protections. We believe that inclusion of private fee-for-service plans in Medicare Choice without balance billing or quality assurance protections is bad policy. Beneficiaries should not be exposed to billing in excess of current law protections. Also, we are concerned that this option will attract primarily healthy and wealthy beneficiaries and leave sicker and poorer beneficiaries in the more expensive, traditional Medicare program.

Medical Savings Accounts. We believe that any demonstration of this concept should be limited in order to minimize potential damage and costs to the Medicare program. We commend the Finance Committee for limiting the demonstration to 100,000 participants, but still believe that a geographically limited demonstration would be much preferable. We are also pleased that the cost-sharing and deductibles for MSAs that have been reported are similar to the provisions that were enacted under the Health Insurance Portability and Accountability Act (HIPAA). We also strongly believe that the current law limits on balance billing should be applied to this demonstration to protect beneficiaries from being subjected to any additional charges providers choose to assess. We believe this demonstration should be limited geographically for a trial period which would enable us to design the demonstration to answer key policy questions.

Home Health Copayments. We note that the bill would impose a Part B home health copayment of $5 per visit, capped at an amount equal to the annual hospital deductible. Medicare beneficiaries who use home health services tend to be in poorer health than other Medicare beneficiaries. Two-thirds are women, and one-third live alone. Forty-three percent have incomes under $10,000 per year. We are concerned that a copayment could limit beneficiary access to the benefit. Imposing a home health copay is not necessary to balance the budget, and any further consideration of this policy should be part of a bipartisan process to address the long-term financing challenges facing Medicare.

Medicare Eligibility Age. Raising the eligibility age for Medicare is not necessary to balance the budget, and any further consideration of this policy should be part of a bipartisan process to address the long-term financing challenges facing Medicare. Moreover, this proposal does not contain provisions to address the fact that early retirees between the ages of 65-67 may not be able to obtain affordable insurance in the private market.

Prudent Purchasing. We applaud the bill's inclusion of our inherent reasonableness and competitive bidding proposals. However, we urge the Senate to take advantage of all the prudent purchasing proposals. The Medicare program is governed by a strict set of provider payment rules that have the effect of limiting the ability of the Federal government to secure the most competitive terms available to other payers in the marketplace. We have advanced a set of proposals to allow Medicare, the nation's largest health insurer, to also take advantage of lower rates providers offer to other payers.

Income-related Deductible. The reported bill includes a proposal to income-relate the Medicare Part B deductible. While the Administration is not opposed to income relating Medicare in principle, we have a number of concerns about this proposal. First, as the President mentioned yesterday, we believe this provision is outside the confines of the underlying budget agreement. Second, we are concerned that the proposal has design flaws. It would be extremely difficult to administer. Moreover, it may not achieve its intended purpose of reducing unnecessary utilization of services because the vast majority of beneficiaries have supplemental "Medigap" policies that pay for Part B deductible costs. While we do have serious concerns about this proposal, we remain interested in discussing it, or proposals like it, in the broader context of reforms to address the long-term financing and structural challenges facing the program.

Medicare Commission. The reported bill would establish a Medicare commission. Establishing a bipartisan process that is mutually agreeable is essential to successfully address the challenges facing Medicare. We look forward to working with you on the development of the best possible bipartisan process to address the long-term financing challenges facing Medicare while simultaneously ensuring the sound restructuring of the program to provide high-quality care for our nation's senior citizens.

Medicare Choice Payments. We would prefer to limit the growth in Medicare Choice payments to Fee-for-Service Medicare, rather than having two separate growth targets. To do so may lead to an erosion of the value of the Medicare choice benefit package and expose beneficiaries to increased premiums.

Medicaid

Disproportionate Share Hospital Savings. We have concerns about the details of the allocation of the disproportionate share hospital (DSH) payment reductions among States. The bill may have unintended distributional effects among States. We recommend that the Congress revisit the FY 1998 President's budget proposal, which achieves savings by taking an equal percentage reduction off of states' total DSH spending, up to an "upper limit." Although the reported bill includes a provision to require States to develop DSH targeting plans, we are concerned that the bill does not include a federal DSH targeting standard. Without federal standards, providers with high-volume Medicaid and low-income utilization may not be sufficiently protected from reductions in the DSH program.

Medicaid Cost Sharing. The bill would allow States to require limited cost sharing for optional benefits. We are concerned that this proposal may compromise beneficiary access to quality care. Low-income Medicaid beneficiaries may forgo needed services if they cannot afford the copayments. We urge the Senate to revisit the FY 1998 President's budget proposal, which would allow nominal copayments only for HMO enrollees. This proposal would grant States some flexibility and would allow HMOs to treat Medicaid enrollees in a manner similar to non-Medicaid enrollees, without compromising access to care.

Criminal Penalties for Asset Divestiture. The reported bill would amend Section 217 of the HIPAA of 1996 to provide sanctions against those who assist people in disposing of assets in order to qualify for Medicaid. We would prefer to repeal Section 217 because we believe that the Medicaid laws in effect before the enactment of the Health Insurance and Portability and Accountability Act are sufficient to protect the Medicaid program against inappropriate asset divestiture.

Return to Work. We are pleased that the reported bill includes a provision allowing States to permit workers with disabilities to buy into Medicaid. We recommend the President's Budget proposal which would not limit eligibility for this program to people whose earnings are below 250 percent of poverty. We believe that this limit in the reported bill would not allow States sufficient flexibility to remove disincentives to work for people with disabilities.

Medicaid Payments to Puerto Rico and the Territories. We are pleased that the reported bill includes adjustments for the Medicaid programs in Puerto Rico and the territories, but we would prefer the language included in the FY 1998 President's Budget.

Children's Health

We are encouraged that the Senate reported bill includes notable improvements over the provisions reported by the House Commerce Committee. Specifically, we commend the decision not to allow use of the $16 billion investment in areas other than insurance coverage. In addition, we are pleased to note the improved definition of benefits relative to the House Commerce Committee provisions.

While the Senate-reported bill represents a positive step forward, we are particularly concerned about the benefits definition and the lack of low income protections. It is our hope that the intent of this legislation was to ensure that children receive a benefit package that is at least commensurate with the standard Blue Cross/Blue Shield FEHBP benefit. However, the actual statutory language is much more limiting and would permit much less significant coverage. In addition, while the HHS Secretary would have discretion to define whether or not the benefit package meets the statutory requirement, she would not have the ability to ensure that low income children do not have to shoulder unrealistically high cost sharing that could lead to reduced access to needed health care. We also want to ensure that this investment is properly targeted to cover children who do not currently have health insurance. Finally, as the Administration has stated many times, we do not support limiting access to medically necessary benefits, including abortion services. We look forward to working with the Congress to resolve these important issues.

Welfare to Work

Local Program Administration -- The challenge of welfare reform -- moving welfare recipients into permanent, unsubsidized employment -- will be greatest in our Nation's large urban centers, especially those with the highest number of adults in poverty. Mayors and other local elected officials, working with private industry councils, have been entrusted by Congress with the responsibility for administration of other Federal job training funds. The Administration strongly believes that a substantial amount of all Welfare to Work funds should be managed by these entities, which have the experience to address most effectively the challenge of moving long-term welfare recipients into lasting unsubsidized employment that reduces or eliminates dependency.

The committee reported bill, however, would provide for local administration of formula grant funds only through the Temporary Assistance for Needy Families (TANF) agency. The bill's competitive grant structure would not ensure that an appropriate portion of funds outside rural areas will be administered by cities with high concentrations of adults in poverty. The Administration is concerned that the reported bill provides that the competitive grant portion would be only 25 percent of the total funds available, still further limiting resources for cities with the greatest need. The Administration urges the Senate to follow the approach taken by the House Ways & Means Committee which would increase the share of competitively awarded funds to 50 percent and set aside a substantial portion of these funds for cities with the highest poverty populations.

Performance Bonus. The Administration is pleased that the Finance Committee included a performance bonus concept. We are concerned, however, that the performance fund simply augments the existing TANF performance fund without establishing any new expectations on grantees for additional performance using these welfare-to-work funds, or rewards for placing the hardest-to-serve in lasting, unsubsidized jobs that promote self-sufficiency. In addition, the Administration agrees with the House that the way to administer welfare-to-work grant funds so as to have the greatest likelihood of success is through the Department of Labor, the mayors, and the private industry council system.

Federal Administering Agency. The reported bill would place the program under the authority of the Secretary of Health and Human Services. While consistency with Federal TANF strategies is essential, Welfare to Work program activities should be closely aligned with the workforce development system overseen by the Secretary of Labor. The Administration therefore believes that the Secretary of Labor should administer this program in consultation with the Secretaries of HHS and HUD (as in the House bill).

Non-displacement. We understand the Senate adopted non-displacement provisions during committee action. However, we strongly urge the Senate to adopt, at a minimum, the provisions included in the House Education and the Workforce Committee-reported bill, which apply both to activities under the new Welfare-to-Work grants and TANF.

Distribution of Funds by Year. It does not appear that the bill's allocation of $3 billion in budget authority over fiscal years 1998-2000 would, when combined with the program structure, result in an outlay pattern consistent with an estimate of zero outlays in FY 2002, as provided in the budget agreement. The Department of Labor is available to work with staff to craft provisions that satisfy this agreement.

We are pleased that the reported bill includes provisions that would address priorities, including: the provision of formula grant funds to States based on poverty, unemployment, and adult welfare recipients; a sub-state allocation of the formula grant to ensure targeting on areas of greatest need; appropriate flexibility for grantees to use the funds for a broad array of activities that offer promise of resulting in permanent placement in unsubsidized jobs; funds awarded on a competitive basis; a substantial set-aside for evaluation; and a performance fund to reward States that are successful in placing long-term welfare recipients. We look forward to working with the Congress during conference to refine these provisions.

Minimum Wage and Workfare

The reported bill appropriately refrains from modifying current law with respect to the application of the minimum wage and other worker protections for working welfare recipients under TANF. The Administration believes strongly that everyone who can work must work, and everyone who works should earn at least the minimum wage and receive the protections of existing employment laws -- whether or not they are coming off welfare.

Privatization of Health and Welfare Programs

The reported bill would allow the eligibility and enrollment determination functions of Federal and State health and human services benefits programs in the State of Texas -- including Medicaid, WIC, and Food Stamps -- to be privatized. The Administration believes that changes to current law would not be in the best interest of program beneficiaries and strongly opposes this provision. While certain program functions, such as computer systems, can currently be contracted out to private entities, the certification of eligibility for benefits and related operations (such as obtaining and verifying information about income and other eligibility factors) should remain public functions.

Food Stamps

While we support much of the Committee's approach to implementing the Agreement we are concerned that the proposal would create an estimated 100,000 fewer work opportunities over five years than proposed by the Administration's bill, which includes a specific target of 70,000 new slots each year. We are pleased that the Senate adopted a performance-based structure to reward States that provide employment and training (E&T) opportunities for individuals facing the 3-month food stamp time limit. This is highly preferable to the less accountable provisions in the House bill. The Senate's proposal should also be strengthened by conditioning receipt of the new 100 percent Federal E&T funds provided in the agreement upon a State maintaining 100 percent of their 1996 E&T spending. CBO estimates that the Senate's proposed 75 percent maintenance-of-effort requirement would result in States decreasing their E&T spending by $89 million over 5 years. We urge the Senate to adopt provisions similar to the House maintenance-of-effort provisions.

Student Loans

We are pleased that the reported bill includes $1.763 billion in outlay savings, including $1 billion in Federal reserves recalled from guaranty agencies, $160 million from eliminating a fee paid to institutions in the Direct Loan program, and $603 million in reduced Federal student loan administrative costs. All these savings are being achieved without increasing costs or reducing benefits to students and their families.

However, the Administration opposes a new provision, unrelated to the Budget Agreement, requiring administrative cost allowances (ACAs) to guaranty agencies in the Federal Family Education Loan (FFEL) Program at a rate of .85% of new loan volume, to be paid from mandatory funding authorized under Section 458 of the Higher Education Act of 1965 (HEA) in FY 1998-2002. This provision would represent a new federal entitlement. It would also limit inappropriately the funds available to the Secretary to manage the FFEL Program effectively. Any allowance to these agencies should bear some relationship to the costs these agencies incur and not be based on an arbitrary formula. This is an issue for the upcoming HEA Reauthorization.

The Bipartisan Budget Agreement reflects compromise on many important and controversial issues, and challenges the leaders on both sides of the aisle to achieve consensus under difficult circumstances. It is critical that we do so on a bipartisan basis.

I look forward to working with you to implement this historic agreement.

Sincerely,

Franklin D. Raines
Director

IDENTICAL LETTER SENT TO HONORABLE THOMAS A. DASCHLE, HONORABLE PETE V. DOMENICI, HONORABLE FRANK LAUTENBERG

Addendum: Additional Comments

Housing

We are concerned that the bill's provisions regarding FHA multifamily housing restructuring would not transform this housing in the most effective and efficient fashion. By ruling out the possibility of providing portable tenant-based assistance, the bill would limit the ability of tenants to seek out the best available housing and prevent projects from developing a more diverse mix of income levels. By establishing a preference for delegating restructuring tasks to housing finance agencies, the bill places an unnecessary constraint on HUD's ability to design the most effective partnerships. Finally, by failing to address tax issues explicitly, the bill does not resolve impediments that could discourage owners from participating in a restructuring process.

The administration is also concerned about Section 2203 of the Senate reconciliation bill which repeals federal preferences for the Section 8 tenant-based and project-based programs. The Administration has supported these repeals only if they are combined with income targeting that would replace the federal preferences. That targeting would ensure: 1) that the tenant-based program continues to serve predominantly extremely low income families with incomes below 30 percent of the area median income and 2) that all developments in the project-based program are accessible to a reasonable number of extremely low income families.

Unemployment Insurance Integrity

The reported bill fails to support the provision of the Budget Agreement that achieves $763 million in mandatory savings over five years through an increase in discretionary spending for Unemployment Insurance program integrity activities of $89 million in 1998 and $467 million over five years. We urge the Senate to include in the bill provisions to authorize and guarantee the discretionary activities and the resulting savings. The Admininstration separately transmitted draft legislative language on June 6th to implement this provision of the Budget Agreement.

Vocational Education and TANF

The Administration is concerned with the reported bill's provision on vocational education in TANF. The agreement did not address making changes in the TANF work requirements regarding vocational education and educational services for teen parents.

Smith-Hughes

The reported bill does not include a provision that would repeal the Smith-Hughes Act of 1917, although the bill finds the agreed-upon $29 million savings from other sources. In light of the $1.2 billion annual appropriations under the Carl D. Perkins Vocational and Applied Technology Education Act, there is no justification for mandatory spending of $7 million per year under the Smith-Hughes Act. We urge the Senate to adopt the provision included in the House Education and Workforce Committee reported title, which is consistent with the Budget Agreement.

Refugee and Asylee Eligibility

The Agreement would extend the exemption period from five to seven years for refugees, asylees, and those who are not deported because they would likely face persecution back home. The Administration supports the reported language, which implements this policy and also extends the exemption to Cuban and Haitian entrants.

Other Immigrant Provisions

We urge the adoption of a provision that would provide the same exemption period for Amerasian immigrants as provided to refugees. Amerasian immigrants share many of the problems and barriers confronted by refugees and have the same level of need as refugees. The Administration is pleased that the Committee bill exempts permanent resident aliens who are members of an Indian tribe from SSI program restrictions. We urge the Senate to extend this exemption to include the five year ban on eligibility for those who enter the country after August 22, 1996. Neither of these provisions will change the spending estimates associated with the Committee bill.

THE WHITE HOUSE

WASHINGTON

Denver

June 20, 1997

Dear Mr. Chairman:

I want to thank you for your ongoing efforts to enact legislation to balance the budget. I greatly appreciate the spirit of bipartisanship that has characterized the efforts of Members of both Parties. It is only through our joint efforts that we can complete this great task which is critical to the well-being of our country.

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In the meantime, I urge Members of both Parties to continue to work with me to enact legislation that is consistent with the bipartisan budget agreement. I ask Members on both sides of the aisle to help us move the process forward, to advance the legislation to the floor of the House, and keep us on track to a balanced budget by the year 2002.

Sincerely,

Bill Clinton

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

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

June 23, 1997

The Honorable Trent Lott
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United States Senate
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Medicaid Benefits for Certain Disabled Children – The Budget Agreement clearly includes the proposal to restore Medicaid for current disabled children losing SSI because of the new, more strict definition of childhood eligibility. The reported bill failed to include this proposal. We strongly urge the Senate to include this provision and retain Medicaid benefits for about 30,000 children who could lose their health care coverage in FY 1998.

DC Medicaid – We are pleased that the reported bill includes a higher matching payment for the Medicaid program in the District of Columbia, but we are concerned that the increase is not sufficient. The matching rate proposed in the reported bill sunsets at the end of FY 2000 and is 10 percentage points lower than the matching rate of 70 percent in the FY 1998 President's budget. A 60 percent matching rate would still leave the District paying more to the Medicaid program than any other local government.

Home Health Reallocation -- The home health reallocation in the Budget Agreement is not properly reflected in the reported bill. During the negotiations, we discussed at great length the shift of home health expenditures to Part B, and all sides clearly understood that it would be immediate. The Committee's phase-in would cost two years of solvency on the Part A trust fund -- two years that we can ill afford to lose. We urge the Senate to incorporate the same provision included in the House Commerce Committee reported title.

State SSI Administrative Fees -- The reported bill fails to reflect the provision of the Budget Agreement which calls for increasing the administrative fees that the Federal Government charges States for administering their supplemental SSI payments -- the proceeds of which would be available, subject to appropriations, for Social Security Administration (SSA) administrative expenses.

Spectrum -- While the Senate reported provisions are a substantial improvement over counterpart House legislation, we continue to have serious concerns. The reported language would not achieve the full $26.3 billion in savings and policies described in the Budget Agreement. In addition, the bill does not include two of the proposals included in the Budget Agreement -- auction of "vanity" toll free telephone numbers and the spectrum penalty fee. Additionally, the bill does not provide a firm date for terminating analog broadcasting, thus causing significant savings reductions.

We also have the following additional concerns with the reported spectrum language: the lack of authority for the Federal Communications Commission (FCC) to use economic mechanisms, other than auctions, where appropriate (i.e., user fees to create incentives for efficient spectrum management); a very expansive definition of public safety that would create loopholes permitting too many entities to be exempted from auctions; language that would protect spectrum for use by the National Aeronautics and Space Administration and the National Oceanic and Atmospheric Administration, which is contrary to the Administration's policy on managing spectrum across the government through a process managed by the National Telecommunications and Information Administration; and the lack of authority for the FCC to revoke and reauction licenses when an entity declares bankruptcy, which is essential to preserving licenses awarded in previous auctions.

Additional Concerns

Although the Budget Agreement did not specifically address the following items, the Administration has significant concerns about them. The Administration urges the Senate to address these concerns during Floor action.

Medicare

Private Fee for Service in Medicare Choice. While the Administration supports the introduction of new plan options for Medicare beneficiaries, we believe that any new options must be accompanied by appropriate beneficiary protections. We believe that inclusion of private fee-for-service plans in Medicare Choice without balance billing or quality assurance protections is bad policy. Beneficiaries should not be exposed to billing in excess of current law protections. Also, we are concerned that this option will attract primarily healthy and wealthy beneficiaries and leave sicker and poorer beneficiaries in the more expensive, traditional Medicare program.

Medical Savings Accounts. We believe that any demonstration of this concept should be limited in order to minimize potential damage and costs to the Medicare program. We commend the Finance Committee for limiting the demonstration to 100,000 participants, but still believe that a geographically limited demonstration would be much preferable. We are also pleased that the cost-sharing and deductibles for MSAs that have been reported are similar to the provisions that were enacted under the Health Insurance Portability and Accountability Act (HIPAA). We also strongly believe that the current law limits on balance billing should be applied to this demonstration to protect beneficiaries from being subjected to any additional charges providers choose to assess. We believe this demonstration should be limited geographically for a trial period which would enable us to design the demonstration to answer key policy questions.

Home Health Copayments. We note that the bill would impose a Part B home health copayment of $5 per visit, capped at an amount equal to the annual hospital deductible. Medicare beneficiaries who use home health services tend to be in poorer health than other Medicare beneficiaries. Two-thirds are women, and one-third live alone. Forty-three percent have incomes under $10,000 per year. We are concerned that a copayment could limit beneficiary access to the benefit. Imposing a home health copay is not necessary to balance the budget, and any further consideration of this policy should be part of a bipartisan process to address the long-term financing challenges facing Medicare.

Medicare Eligibility Age. Raising the eligibility age for Medicare is not necessary to balance the budget, and any further consideration of this policy should be part of a bipartisan process to address the long-term financing challenges facing Medicare. Moreover, this proposal does not contain provisions to address the fact that early retirees between the ages of 65-67 may not be able to obtain affordable insurance in the private market.

Prudent Purchasing. We applaud the bill's inclusion of our inherent reasonableness and competitive bidding proposals. However, we urge the Senate to take advantage of all the prudent purchasing proposals. The Medicare program is governed by a strict set of provider payment rules that have the effect of limiting the ability of the Federal government to secure the most competitive terms available to other payers in the marketplace. We have advanced a set of proposals to allow Medicare, the nation's largest health insurer, to also take advantage of lower rates providers offer to other payers.

Income-related Deductible. The reported bill includes a proposal to income-relate the Medicare Part B deductible. While the Administration is not opposed to income relating Medicare in principle, we have a number of concerns about this proposal. First, as the President mentioned yesterday, we believe this provision is outside the confines of the underlying budget agreement. Second, we are concerned that the proposal has design flaws. It would be extremely difficult to administer. Moreover, it may not achieve its intended purpose of reducing unnecessary utilization of services because the vast majority of beneficiaries have supplemental "Medigap" policies that pay for Part B deductible costs. While we do have serious concerns about this proposal, we remain interested in discussing it, or proposals like it, in the broader context of reforms to address the long-term financing and structural challenges facing the program.

Medicare Commission. The reported bill would establish a Medicare commission. Establishing a bipartisan process that is mutually agreeable is essential to successfully address the challenges facing Medicare. We look forward to working with you on the development of the best possible bipartisan process to address the long-term financing challenges facing Medicare while simultaneously ensuring the sound restructuring of the program to provide high-quality care for our nation's senior citizens.

Medicare Choice Payments. We would prefer to limit the growth in Medicare Choice payments to Fee-for-Service Medicare, rather than having two separate growth targets. To do so may lead to an erosion of the value of the Medicare choice benefit package and expose beneficiaries to increased premiums.

Medicaid

Disproportionate Share Hospital Savings. We have concerns about the details of the allocation of the disproportionate share hospital (DSH) payment reductions among States. The bill may have unintended distributional effects among States. We recommend that the Congress revisit the FY 1998 President's budget proposal, which achieves savings by taking an equal percentage reduction off of states' total DSH spending, up to an "upper limit." Although the reported bill includes a provision to require States to develop DSH targeting plans, we are concerned that the bill does not include a federal DSH targeting standard. Without federal standards, providers with high-volume Medicaid and low-income utilization may not be sufficiently protected from reductions in the DSH program.

Medicaid Cost Sharing. The bill would allow States to require limited cost sharing for optional benefits. We are concerned that this proposal may compromise beneficiary access to quality care. Low-income Medicaid beneficiaries may forgo needed services if they cannot afford the copayments. We urge the Senate to revisit the FY 1998 President's budget proposal, which would allow nominal copayments only for HMO enrollees. This proposal would grant States some flexibility and would allow HMOs to treat Medicaid enrollees in a manner similar to non-Medicaid enrollees, without compromising access to care.

Criminal Penalties for Asset Divestiture. The reported bill would amend Section 217 of the HIPAA of 1996 to provide sanctions against those who assist people in disposing of assets in order to qualify for Medicaid. We would prefer to repeal Section 217 because we believe that the Medicaid laws in effect before the enactment of the Health Insurance and Portability and Accountability Act are sufficient to protect the Medicaid program against inappropriate asset divestiture.

Return to Work. We are pleased that the reported bill includes a provision allowing States to permit workers with disabilities to buy into Medicaid. We recommend the President's Budget proposal which would not limit eligibility for this program to people whose earnings are below 250 percent of poverty. We believe that this limit in the reported bill would not allow States sufficient flexibility to remove disincentives to work for people with disabilities.

Medicaid Payments to Puerto Rico and the Territories. We are pleased that the reported bill includes adjustments for the Medicaid programs in Puerto Rico and the territories, but we would prefer the language included in the FY 1998 President's Budget.

Children's Health

We are encouraged that the Senate reported bill includes notable improvements over the provisions reported by the House Commerce Committee. Specifically, we commend the decision not to allow use of the $16 billion investment in areas other than insurance coverage. In addition, we are pleased to note the improved definition of benefits relative to the House Commerce Committee provisions.

While the Senate-reported bill represents a positive step forward, we are particularly concerned about the benefits definition and the lack of low income protections. It is our hope that the intent of this legislation was to ensure that children receive a benefit package that is at least commensurate with the standard Blue Cross/Blue Shield FEHBP benefit. However, the actual statutory language is much more limiting and would permit much less significant coverage. In addition, while the HHS Secretary would have discretion to define whether or not the benefit package meets the statutory requirement, she would not have the ability to ensure that low income children do not have to shoulder unrealistically high cost sharing that could lead to reduced access to needed health care. We also want to ensure that this investment is properly targeted to cover children who do not currently have health insurance. Finally, as the Administration has stated many times, we do not support limiting access to medically necessary benefits, including abortion services. We look forward to working with the Congress to resolve these important issues.

Welfare to Work

Local Program Administration -- The challenge of welfare reform -- moving welfare recipients into permanent, unsubsidized employment -- will be greatest in our Nation's large urban centers, especially those with the highest number of adults in poverty. Mayors and other local elected officials, working with private industry councils, have been entrusted by Congress with the responsibility for administration of other Federal job training funds. The Administration strongly believes that a substantial amount of all Welfare to Work funds should be managed by these entities, which have the experience to address most effectively the challenge of moving long-term welfare recipients into lasting unsubsidized employment that reduces or eliminates dependency.

The committee reported bill, however, would provide for local administration of formula grant funds only through the Temporary Assistance for Needy Families (TANF) agency. The bill's competitive grant structure would not ensure that an appropriate portion of funds outside rural areas will be administered by cities with high concentrations of adults in poverty. The Administration is concerned that the reported bill provides that the competitive grant portion would be only 25 percent of the total funds available, still further limiting resources for cities with the greatest need. The Administration urges the Senate to follow the approach taken by the House Ways & Means Committee which would increase the share of competitively awarded funds to 50 percent and set aside a substantial portion of these funds for cities with the highest poverty populations.

Performance Bonus. The Administration is pleased that the Finance Committee included a performance bonus concept. We are concerned, however, that the performance fund simply augments the existing TANF performance fund without establishing any new expectations on grantees for additional performance using these welfare-to-work funds, or rewards for placing the hardest-to-serve in lasting, unsubsidized jobs that promote self-sufficiency. In addition, the Administration agrees with the House that the way to administer welfare-to-work grant funds so as to have the greatest likelihood of success is through the Department of Labor, the mayors, and the private industry council system.

Federal Administering Agency. The reported bill would place the program under the authority of the Secretary of Health and Human Services. While consistency with Federal TANF strategies is essential, Welfare to Work program activities should be closely aligned with the workforce development system overseen by the Secretary of Labor. The Administration therefore believes that the Secretary of Labor should administer this program in consultation with the Secretaries of HHS and HUD (as in the House bill).

Non-displacement. We understand the Senate adopted non-displacement provisions during committee action. However, we strongly urge the Senate to adopt, at a minimum, the provisions included in the House Education and the Workforce Committee-reported bill, which apply both to activities under the new Welfare-to-Work grants and TANF.

Distribution of Funds by Year. It does not appear that the bill's allocation of $3 billion in budget authority over fiscal years 1998-2000 would, when combined with the program structure, result in an outlay pattern consistent with an estimate of zero outlays in FY 2002, as provided in the budget agreement. The Department of Labor is available to work with staff to craft provisions that satisfy this agreement.

We are pleased that the reported bill includes provisions that would address priorities, including: the provision of formula grant funds to States based on poverty, unemployment, and adult welfare recipients; a sub-state allocation of the formula grant to ensure targeting on areas of greatest need; appropriate flexibility for grantees to use the funds for a broad array of activities that offer promise of resulting in permanent placement in unsubsidized jobs; funds awarded on a competitive basis; a substantial set-aside for evaluation; and a performance fund to reward States that are successful in placing long-term welfare recipients. We look forward to working with the Congress during conference to refine these provisions.

Minimum Wage and Workfare

The reported bill appropriately refrains from modifying current law with respect to the application of the minimum wage and other worker protections for working welfare recipients under TANF. The Administration believes strongly that everyone who can work must work, and everyone who works should earn at least the minimum wage and receive the protections of existing employment laws -- whether or not they are coming off welfare.

Privatization of Health and Welfare Programs

The reported bill would allow the eligibility and enrollment determination functions of Federal and State health and human services benefits programs in the State of Texas -- including Medicaid, WIC, and Food Stamps -- to be privatized. The Administration believes that changes to current law would not be in the best interest of program beneficiaries and strongly opposes this provision. While certain program functions, such as computer systems, can currently be contracted out to private entities, the certification of eligibility for benefits and related operations (such as obtaining and verifying information about income and other eligibility factors) should remain public functions.

Food Stamps

While we support much of the Committee's approach to implementing the Agreement we are concerned that the proposal would create an estimated 100,000 fewer work opportunities over five years than proposed by the Administration's bill, which includes a specific target of 70,000 new slots each year. We are pleased that the Senate adopted a performance-based structure to reward States that provide employment and training (E&T) opportunities for individuals facing the 3-month food stamp time limit. This is highly preferable to the less accountable provisions in the House bill. The Senate's proposal should also be strengthened by conditioning receipt of the new 100 percent Federal E&T funds provided in the agreement upon a State maintaining 100 percent of their 1996 E&T spending. CBO estimates that the Senate's proposed 75 percent maintenance-of-effort requirement would result in States decreasing their E&T spending by $89 million over 5 years. We urge the Senate to adopt provisions similar to the House maintenance-of-effort provisions.

Student Loans

We are pleased that the reported bill includes $1.763 billion in outlay savings, including $1 billion in Federal reserves recalled from guaranty agencies, $160 million from eliminating a fee paid to institutions in the Direct Loan program, and $603 million in reduced Federal student loan administrative costs. All these savings are being achieved without increasing costs or reducing benefits to students and their families.

However, the Administration opposes a new provision, unrelated to the Budget Agreement, requiring administrative cost allowances (ACAs) to guaranty agencies in the Federal Family Education Loan (FFEL) Program at a rate of .85% of new loan volume, to be paid from mandatory funding authorized under Section 458 of the Higher Education Act of 1965 (HEA) in FY 1998-2002. This provision would represent a new federal entitlement. It would also limit inappropriately the funds available to the Secretary to manage the FFEL Program effectively. Any allowance to these agencies should bear some relationship to the costs these agencies incur and not be based on an arbitrary formula. This is an issue for the upcoming HEA Reauthorization.

The Bipartisan Budget Agreement reflects compromise on many important and controversial issues, and challenges the leaders on both sides of the aisle to achieve consensus under difficult circumstances. It is critical that we do so on a bipartisan basis.

I look forward to working with you to implement this historic agreement.

Sincerely,

Franklin D. Raines
Director

IDENTICAL LETTER SENT TO HONORABLE THOMAS A. DASCHLE, HONORABLE PETE V. DOMENICI, HONORABLE FRANK LAUTENBERG

Addendum: Additional Comments

Housing

We are concerned that the bill's provisions regarding FHA multifamily housing restructuring would not transform this housing in the most effective and efficient fashion. By ruling out the possibility of providing portable tenant-based assistance, the bill would limit the ability of tenants to seek out the best available housing and prevent projects from developing a more diverse mix of income levels. By establishing a preference for delegating restructuring tasks to housing finance agencies, the bill places an unnecessary constraint on HUD's ability to design the most effective partnerships. Finally, by failing to address tax issues explicitly, the bill does not resolve impediments that could discourage owners from participating in a restructuring process.

The administration is also concerned about Section 2203 of the Senate reconciliation bill which repeals federal preferences for the Section 8 tenant-based and project-based programs. The Administration has supported these repeals only if they are combined with income targeting that would replace the federal preferences. That targeting would ensure: 1) that the tenant-based program continues to serve predominantly extremely low income families with incomes below 30 percent of the area median income and 2) that all developments in the project-based program are accessible to a reasonable number of extremely low income families.

Unemployment Insurance Integrity

The reported bill fails to support the provision of the Budget Agreement that achieves $763 million in mandatory savings over five years through an increase in discretionary spending for Unemployment Insurance program integrity activities of $89 million in 1998 and $467 million over five years. We urge the Senate to include in the bill provisions to authorize and guarantee the discretionary activities and the resulting savings. The Admininstration separately transmitted draft legislative language on June 6th to implement this provision of the Budget Agreement.

Vocational Education and TANF

The Administration is concerned with the reported bill's provision on vocational education in TANF. The agreement did not address making changes in the TANF work requirements regarding vocational education and educational services for teen parents.

Smith-Hughes

The reported bill does not include a provision that would repeal the Smith-Hughes Act of 1917, although the bill finds the agreed-upon $29 million savings from other sources. In light of the $1.2 billion annual appropriations under the Carl D. Perkins Vocational and Applied Technology Education Act, there is no justification for mandatory spending of $7 million per year under the Smith-Hughes Act. We urge the Senate to adopt the provision included in the House Education and Workforce Committee reported title, which is consistent with the Budget Agreement.

Refugee and Asylee Eligibility

The Agreement would extend the exemption period from five to seven years for refugees, asylees, and those who are not deported because they would likely face persecution back home. The Administration supports the reported language, which implements this policy and also extends the exemption to Cuban and Haitian entrants.

Other Immigrant Provisions

We urge the adoption of a provision that would provide the same exemption period for Amerasian immigrants as provided to refugees. Amerasian immigrants share many of the problems and barriers confronted by refugees and have the same level of need as refugees. The Administration is pleased that the Committee bill exempts permanent resident aliens who are members of an Indian tribe from SSI program restrictions. We urge the Senate to extend this exemption to include the five year ban on eligibility for those who enter the country after August 22, 1996. Neither of these provisions will change the spending estimates associated with the Committee bill.

ROUTING SLIP
DATE: 6 / 24 / 97

FROM: Stephanie Streett
Deputy Assistant to the President and Director of Scheduling

SUBJECT: Address LULAC Convention

Don Baer		Katie McGinty	
Sandy Berger		Mack McLarty	
Erskine Bowles		John Podesta	
Peg Cusack		Bruce Reed	
Rahm Emanuel		Dan Rosenthal	
Maria Echaveste	✓	Charles Ruff	
Jack Gibbons		Peter Selfridge	✓
Laura Graham	✓	Patti Solis-Doyle	
Nancy Hemreich		Craig Smith	✓
John Hilley		Doug Sosnik	
Kitty Higgins		Gene Sperling	
Mickey Ibarra		Todd Stern	
Ron Klain		Ann Stock	
Ann Lewis	✓	Kim Tilley	
Bruce Lindsey		Jodie Torkelson	
Sylvia Mathews		Melanne Verveer	
Mike McCurry	✓	Michael Waldman	✓

FILE: Accept

COMMENTS: 6/27/97 - Satellite

ROUTING SLIP
DATE: 6 / 5 / 97

FROM: Stephanie Streett
Deputy Assistant to the President and Director of Scheduling

SUBJECT: Address LULAC Convention

Don Baer	✓	Katie McGinty	
Sandy Berger		Mack McLarty	
Erskine Bowles		John Podesta	
Peg Cusack		Bruce Reed	
Rahm Emanuel		Dan Rosenthal	
Maria Echaveste	✓	Charles Ruff	
Jack Gibbons		Peter Selfridge	✓
Laura Graham	✓	Patti Solis-Doyle	
Marcia Hale		Craig Smith	✓
Nancy Hernreich		Doug Sosnik	
John Hilley		Gene Sperling	
Kitty Higgins		Todd Stern	
Ron Klain		Ann Stock	
Ann Lewis	✓	Kim Tilley	
Bruce Lindsey		Jodie Torkelson	
Sylvia Mathews		Melanne Verveer	
Mike McCurry	✓	Michael Waldman	✓

FILE: Pending

COMMENTS:

ROUTING SLIP
DATE: 6/2/97

FROM: Stephanie Streett
Deputy Assistant to the President and Director of Scheduling

SUBJECT: Address LULAC Annual Convention

Don Baer	✓	Katie McGinty	___
Sandy Berger	___	Mack McLarty	___
Erskine Bowles	___	John Podesta	___
Peg Cusack	___	Bruce Reed	___
Rahm Emanuel	___	Dan Rosenthal	___
Maria Echaveste	✓	Charles Ruff	___
Jack Gibbons	___	Peter Selfridge	✓
Laura Graham	✓	Patti Solis-Doyle	___
Marcia Hale	___	Craig Smith	✓
Nancy Hernreich	___	Doug Sosnik	___
John Hilley	___	Gene Sperling	___
Kitty Higgins	___	Todd Stern	___
Ron Klain	___	Ann Stock	___
Ann Lewis	✓	Kim Tilley	___
Bruce Lindsey	___	Jodie Torkelson	___
Sylvia Mathews	___	Melanne Verveer	___
Mike McCurry	✓	Michael Waldman	✓

FILE: Pending

COMMENTS: ______________________________

Schedule Proposal

97 MAY 2 A8:47

May 30, 1997

______ACCEPT	______REGRET	______PENDING

TO: Stephanie Streett and Jennifer Palmieri, POTUS Scheduling Office

FROM: Craig T. Smith, Assistant to the President and Director of Political Affairs

Maria Echaveste, Assistant to the President and Director of Public Liaison

REQUEST: POTUS to address the LULAC Annual Convention in Anaheim CA, June 22-28.

PURPOSE: To address about 500-1000 Hispanic federal employees, grassroot activists, corporate and business leaders during their National Training Institute on Monday, June 22.

NOTE: They are very flexible on format, time and place. Since POTUS will be in Los Angeles on Monday, the LULAC elected leadership is amenable to meeting him at the airport or at a Los Angeles hotel, depending on whats best for him.

BACKGROUND: LULAC (League of United Latin American Citizens) is the oldest and largest Hispanic volunteer organization with state and regional chapters nationwide.

The last time POTUS addressed LULAC was 5 years ago in June 1992 at their national convention in San Antonio TX.

DATE AND TIME: Monday, June 22

BRIEFING TIME: 5 minutes

DURATION: Depends on the format(15 minutes to 1 hour)

LOCATION: Anaheim Marriott, Anaheim Convention Center

PARTICIPANTS:	500-1000 Hispanic grassroot activists, federal employees, corporate and business leaders
OUTLINE OF EVENTS:	Greet LULAC leadership and address conference participants.
REMARKS REQUIRED:	Yes
MEDIA COVERAGE:	OPEN
FIRST LADY'S ATTENDANCE:	optional
VICE PRESIDENT'S ATTENDANCE:	na
SECOND LADY'S ATTENDANCE:	na
RECOMMENDED BY:	Craig Smith, Maria Echaveste, Karen Skelton, Cynthia Jasso-Rotunno
CONTACT:	Cynthia Jasso-Rotunno
ORIGIN OF THIS PROPOSAL:	Belen Robles, National LULAC President Brent Wilkes, LULAC Executive Director

AGENDA

Locations: M-Anaheim Marriott, CC-Anaheim Convention Center

Sunday, June 22		**Room**
1 pm to 5 pm	LULAC National Convention & National Training Institute Registration	La Jolla-M
6:30 pm to 9:30 pm	**Opening Reception**, U.S. Congresswoman Loretta Sanchez	North Pool-M
Monday, June 23	**LULAC National Training Institute**	
7 am to noon	LULAC National Convention & National Training Institute Registration	La Jolla-M
8 am to 9 am	National Training Institute Opening Ceremonies	Santa Ana-CC
9 am to 10:15 am	Opening Session—Diversity How it Can Improve the Bottom Line	Santa Ana-CC
	Fred Soto, President, Straight Talk Enterprises	
10:25 am to 11:35 am	Building Teams and Empowering Staff	Santa Ana-CC
11:45 am to 1:45 pm	**LULAC National Training Institute Luncheon**	Room A1-CC
	Aida Alvarez, Administrator, Small Business Administration	
	Martha Farnsworth Riche, Director, Bureau of the Census	
	Anita Perez Ferguson, President, Women's Political Caucus	
2 pm to 5 pm	Registration Continues	La Jolla-M
2 pm to 3:30 pm	What's New in the World of Federal Employees	Santa Ana-CC
	The Status of Affirmative Action	Room A6-CC
	Addressing Disability Issues in the Workplace	Room A7-CC
3:45 pm to 5:15 pm	Ethics	Santa Ana-CC
	Community Volunteerism that Works	Room A6-CC
	Managing Innovation and Technological Change	Room A7-CC
Tuesday, June 24	**LULAC National Training Institute**	
7 am to noon	LULAC National Convention & National Training Institute Registration	La Jolla-M
8 am to 9:45 am	Opening Session—Strategies for Success—How the System Works	Santa Ana-CC
	Gerald Hinch, Deputy Assistant Secretary, Department of Veterans Affairs	
10:00 am to 11:30 am	Marketing Your Professional Skills—Part 1	Room A6-CC
	Managing and Meeting Customer Expectations	Room A2-3-CC
	Developing Executive Leadership Skills - Part 2	Room A4-5-CC
11:45 am to 1:45 pm	**LULAC National Training Institute Luncheon**	A1-CC
	Gloria Gutierrez, Deputy Administrator, U.S. Patent and Trademark Office	
	Gilbert Casellas, Chairman, Equal Employment Opportunity Commission	
2 pm to 5 pm	Registration Continues	La Jolla-M
2 pm to 3:30 pm	Addressing Disability Issues in the Workplace (repeated)	Room A4-5-CC
	Conflict Resolution and Consensus Building	Room A2-3-CC
	The Status of Affirmative Action (repeated)	Room A6-CC
3:45 pm to 5:15 pm	What's New in the World of Federal Employees (repeated)	Room A2-3-CC
	Ethics (repeated)	Room A6-CC
	Legislative Update	Room A4-5-CC
Wednesday, June 25		
7 am to noon	LULAC National Convention Registration	La Jolla-M
8 am to 5:30 pm	Bureau of Prisons Opening Ceremonies	Grand Ballroom Salon E-M
8:15 am to 9:15 am	Reshaping Organizational Culture	Santa Ana-CC
8:25 to 10:30 am	Managing and Meeting Customer Expectations (repeated)	Room A6-CC
	The Art of Negotiation	Room A7-CC
	Community Volunteerism that Works (repeated)	Room A4-5-CC
10 am to noon	Ribbon-Cutting Ceremony and Exhibit Opening	Room B-CC

Wednesday, June 25 (continued)		Room
10:40 am to 11:45 am	Legislative Update (repeated)	Room A6-CC
	Reshaping Organizational Culture (repeated)	Room A4-5-CC
	Developing Partnerships with Private, Federal and CBOs	Room A7-CC
Noon to 2:00 pm	**Opening Luncheon**, CA Assembly Speaker Cruz Bustamante (invited)	Room A1-CC
	Jesus Silva-Herzog, Mexican Ambassador to the United States (invited)	
2 pm to 3 pm	National Assembly—Committee Assignments	Santa Ana-CC
2 pm to 5 pm	Registration Continues	La Jolla-M
2 pm to 5 pm	Exhibit Area Open	Room B-CC
3 pm to 4:10 pm	*Grassroots Empowerment—Advocacy Activities for LULAC Councils*	Room A6-CC
	Bite Your Tongue—English Only Laws in a Nation of Immigrants	Room A7-CC
4:20 pm to 5:30 pm	*Starting and Funding Education Programs that Work*	Room A6-CC
	Affirmative Action Under Assault	Room A7-CC
5:30 pm to 6:30 pm	**Reception** sponsored by the Dallas Convention and Visitor's Bureau	
7 pm to 9 pm	**California Celebration** Hosted by California LULAC Councils	Grand Ball Room-M
Thursday, June 26		
7 am to noon	LULAC National Convention Registration	La Jolla-M
8 am to noon	Exhibit Area Open	Room B-CC
8:30 am to 9:30 am	*Organizing LULAC Chapters and Growing Membership*	Ball Room-M
	Rewriting the Higher Education Act to Work for Latinos	Ball Room-M
8:30 am to 4:30 pm	Training for U.S. Department of Agriculture Employees	Ball Room-M
9:40 am to 10:40 am	The Uncovered: Hispanic Issues in the Media	Ball Room-M
	Welfare Reform: Cutting the Safety Net for Immigrants	Ball Room-M
10:50 am to 11:50 am	*Voter Registration & Citizenship Projects*	Ball Room-M
	Immigration Backlash: Community Implications & Strategies for Change.	Ball Room-M
Noon to 2 pm	**Unity Luncheon**, Jesse L. Jackson, Rainbow/Push Coalition	Marriott Hall-M
	Gloria Molina, Los Angeles County Supervisor (invited)	
2 pm to 5 pm	Registration Continues	La Jolla-M
2 pm to 5 pm	Exhibit Area Open	Room B-CC
7 pm	**Disney Youth Poolside Celebration**, Paul Rodriguez (invited)	Disney Hotel
Friday, June 27		
7 am to noon	LULAC National Convention Registration	La Jolla-M
7:00 am to 8:30 am	**LNESC Breakfast**, Pedro Rossello, Governor of Puerto Rico (Invited)	Room C1-CC
	Mario Moreno, Assistant Secretary, US Department of Education	
8 am to noon	Exhibit Area Open	Room B-CC
9 am to 10:20 am	Mexico: Opportunities of a New Understanding	Room C2-CC
10:30 am to 11:50 am	Civil Rights: A New Loophole for Discrimination	Room C3-CC
	Hispanic Women's Issues: Striving Toward Equality	Room C4-CC
Noon to 2 pm	**Women's Luncheon**, Dolores Huerta, United Farm Workers (Invited)	Room C1-CC
	Maria Echeveste, White House Director of Public Liaison	
2 pm to 4 pm	LULAC National Assembly Reconvenes	Room C2-3-CC
2 pm to 5 pm	Registration Continues	La Jolla-M
2 pm to 4 pm	Exhibit Area Open	Room B-CC
5 pm to 7 pm	**Presidential Reception**	Veranda Pool-M
7 pm to 9 pm	**Presidential Awards Banquet**, President Bill Clinton (Invited)	Grand Ball Room-M
9 pm to 1 am	**Presidential Ball**	Grand Ball Room-M
Saturday, June 28		
8 am to 4:30	LULAC General Assembly Convenes	Grand Ball Room-M
1 pm to 3 pm	Election of Officers	Grand Ball Room-M

GENERAL INFORMATION

CONVENTION HOTELS

LULAC has reserved a block of rooms at the following hotels at special convention rates until **May 30, 1997**. Please make reservations as soon as possible as the hotels are filling up quickly.

Main Hotel
Anaheim Marriott—$84.36
700 West Convention Way
Anaheim, California 92802
Reservations—(800) 228-9290
Main number—(714) 750-8000
Guest FAX—(714) 750-9100

Inn at the Park—$80
1855 South Harbor Boulevard
Anaheim, CA 92802
Reservations—(800) 353-2773
Main number—(714) 750-1811
Guest FAX—(714) 971-3626

Quality Hotel Maingate—$79
616 Convention Way
Anaheim, CA 92802
Reservations—(800) 231-6215
Main number—(714) 750-3131
Guest FAX—(714) 750-9027

Hyatt Regency Alicante—$119
(3 blocks from the Convention Center)
100 Plaza Alicante (at Harbor and Chapman)
Anaheim, CA 92803
Reservations—(800) 233-1234
Main Number—(714) 750-1234
Guest FAX—(714) 740-0465

AIR TRANSPORTATION

LULAC has arrangements with the following airlines to offer special discounts for attendees. Contact the airlines or your travel agent and mention the LULAC ID number to receive your discount.

American (800) 433-1790
Star File # **S6667MA**

Continental (800) 468-7022
Discount # **J6K0Z5**

Southwest (800) 433-5368
Identifier Code # **C2657**

REGISTRATION

Print or type the requested information below as you would like it to appear on your name badge:

Name ______________________________

Title ______________________________

Company/Agency ______________________ Council # __________

Address ______________________________

City ______________ State __________ Zip __________

Work Phone ______________ Home Phone ______________

Fax ______________ Email ______________

Check the appropriate box(es). Voting members should check delegate, alternate or their office.

General	LULAC Council*	LULAC Officer†	Youth*
☐ Guest	☐ Member	☐ District Director	☐ Member
☐ N.T.I.	☐ Delegate	☐ State Director	☐ Delegate
☐ Sponsor	☐ Alternate	☐ National Officer	☐ Alternate
☐ Exhibitor		☐ Past National Officer	
☐ Media			

*Must enter Council # in Council line. †Must enter district, state, or position in Title line.

Registration Packages	Pre	Onsite
☐ Youth Members	$100	$125
☐ LULAC Members	195	220
☐ Non-members◆	250	275
☐ N.T.I. Attendees◆	300	325
☐ Corporate Attendees◆	350	375

Pre-registration must be received by 6/1/97. National Training Institute and Corporate packages include registration, seminars, meals, and all events. Youth, member & non-member packages include registration and all seminars, meals and events from Wednesday through Saturday.

Individual Tickets	
☐ Registration	$20
☐ Wednesday Opening Luncheon	40
☐ Wednesday California Celebration	50
☐ Thursday Unity Luncheon	40
☐ Thursday Disney Youth Reception	50
☐ Friday Women's Luncheon	40
☐ Friday Presidential Reception	15
☐ Friday Presidential Banquet	50

You must cancel your pre-registration by 6/1/97 to receive a refund.

Corporate & National Training Institute participants must purchase the full package.
◆Non-member, N.T.I. & Corporate packages include associate LULAC membership for those who are not members of a LULAC Council.

Total __________ Credit Card # ______________________ Expiration Date __________

☐ MasterCard ☐ Visa ☐ American Express Signature ______________________

Payment can be made by cash, check or major credit card. For pre-registration, mail completed registration form along with check or credit card information to the address on the right. Credit card orders accepted by fax. Visit our website at: www.LULAC.org for more information.

1997 LULAC National Convention
221 North Kansas, Suite 1200
El Paso, TX 79901
(915) 577-0726, (915) 577-0914 FAX
Email: LULACHQ@aol.com

1997 LULAC NATIONAL CONVENTION & EXPOSITION

June 22—June 28, 1997
Anaheim Marriott & Convention Center
Anaheim, California

EMPOWERING HISPANIC AMERICA
EMBRACING OUR PAST...DEFINING OUR FUTURE

The League of United Latin American Citizens (LULAC) invites you to participate in the 68th annual LULAC National Convention & Exposition to be held in Anaheim, California from June 22 through June 28, 1997. As the premier Hispanic convention, the LULAC National Convention draws over 6,000 people each year including the top leaders from government, business, and the Hispanic community.

Make History: The LULAC Convention is always an exciting, history making convention, because it convenes the national delegates of LULAC to discuss issues, set policies, and elect the organization's national leaders. For this reason the LULAC Convention makes news and is covered by national and local media. It is the only convention in which representatives from Hispanic communities from across the country determine the positions and strategies of a national Hispanic organization.

Reach out to Hispanic America: The LULAC Convention is also well attended by major corporations who recognize the importance of reaching out to national Hispanic leaders and influential community members directly. There are opportunities to sponsor workshops and events, to showcase products in the convention exhibit hall, and to recruit Hispanic professionals at the job fair. In addition, all proceeds go to support the dedicated work of LULAC to improve the quality of life for Hispanic Americans.

National Training Institute: The LULAC Convention hosts the LULAC National Training Institute (NTI) an intensive training program for government and private sector employees to enhance career development, strengthen employee relations, and manage change. The NTI brings heads of agencies, business leaders, management officials, civil rights/equal employment opportunity officers, special emphasis program managers, and personnel specialists together to discuss workplace issues and solutions and relationships with the Hispanic community.

Youth Conference: The LULAC Convention also hosts the LULAC Youth Conference—a three day event for Hispanic youth featuring workshops and panel discussions on education, family values, drug and gang prevention, and other issues important to youth.

About LULAC: Founded in 1929, the League of United Latin American Citizens is the nation's oldest and largest Hispanic organization in the United States. With a national membership of 250,000, there are over 600 LULAC Councils in virtually every state of the nation and in Puerto Rico. LULAC enjoys a rich history of advocacy in civil rights, education, economic development, immigration and equal opportunity.

For More Information: For convention information and registration contact the LULAC National Office at (915) 577-0726 or visit our website at: **www.LULAC.org**. For convention event sponsorship, exhibit information or to obtain advertising space in the convention program, contact Brent Wilkes at the LULAC Washington Office, (202) 408-0060.

Please join LULAC at the 1997 LULAC Convention and Exposition in Anaheim as we work to empower Hispanic America by embracing our past and defining our future.

1997 LULAC National Convention & Exposition

Empowering Hispanic America

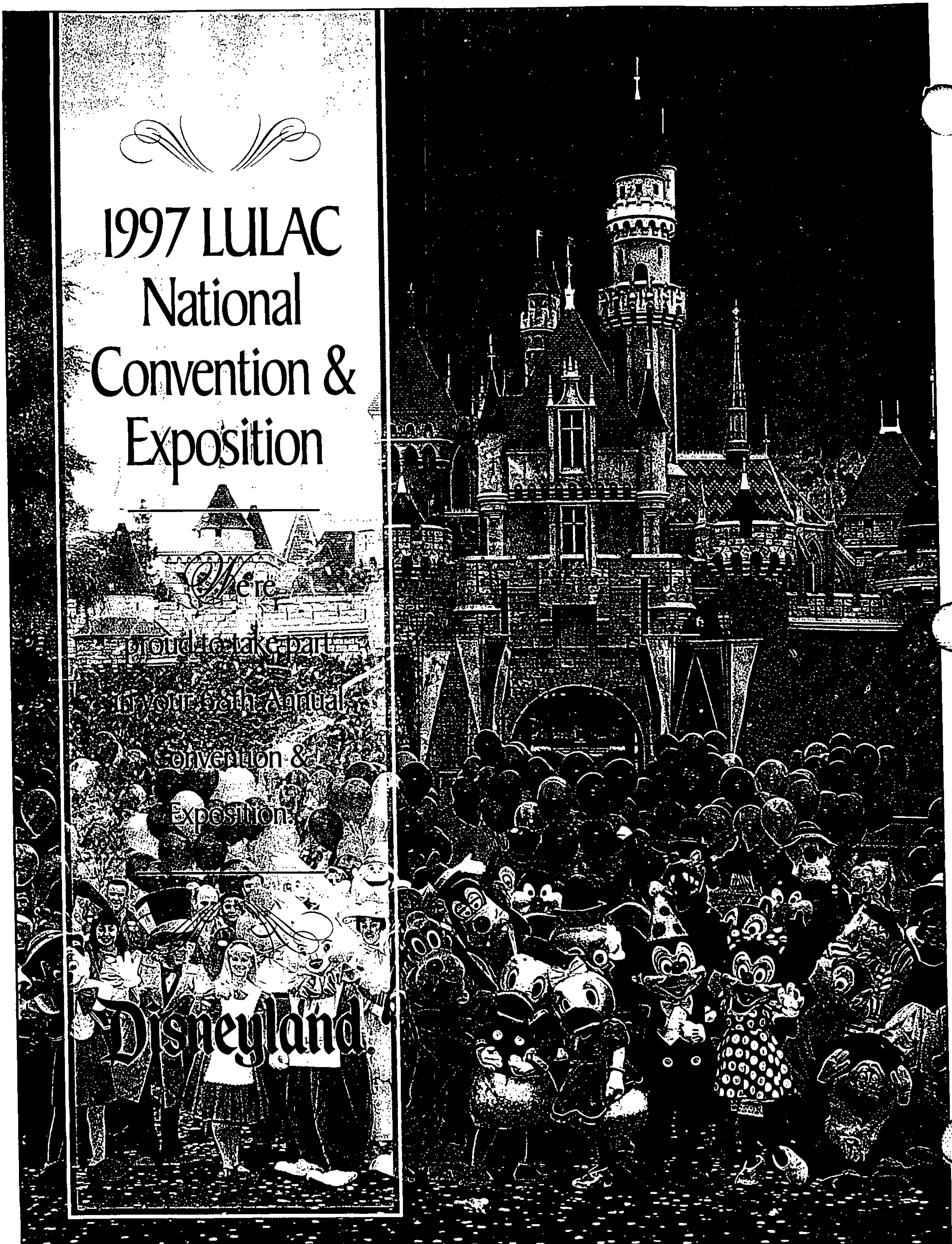
Embracing Our Past Defining Our Future

League of United Latin American Citizens

68th Annual National Convention & Exposition

June 22–28 1997

Anaheim, California


1997 LULAC
National
Convention &
Exposition
We're
proud to take part
in your 68th Annual
Convention &
Exposition.
Disneyland

Aida

Board Members

20 min.

Summit

America Reads

Immigration – patrols, harassment

more Hispanic appointments

→ Volunteer partnership

To Terry Edmonds and Carolyn Curiel:

Minority Buisness Involvement

-- OWNERSHIP AS OF 1996:

620,912 (4%) -- African Americans
862,605 (5%) -- Hispanics
6,400,000 (33%)-- Women

Buisnesses with Strong Diversity

E.V.E. Award Winners (see attached).

The Eve award winners are those companies who have on a voluntray basis vigorously pursued a diverse staff.

AllState insurance company, one of last year's winners, attributes the award upon their "integrated stategy of managing diversity which includes education of all employees, leadership accountability, affirmative action, measurement, work\life initiatives, and community involvement" (see attached press release).

Also attached is a list of companies who have been deemed most active in opening in pursuing Latino diversity as according to Hispanic Magazine.

Seven-Eleven-- has provided 5,000 to any local chamber for every new Hispanic franchise applicant who was recommended by that body. It has sponsored the HISPANIC essay contest for $2500 dollars as well. (More attached)

Phillip-Morris-- Produced "America's Hispanic Heritage: Depp Roots...Continuing Enrichment" Sponsored Art exhibition on Harlem Renaisannce. Financed and published "Hispanic Buisness Owners and Gender Analysis" and "Small Buisness Growth" (more attached).

Con-Edison -- Works with Alianza Dominicana and Urban Buisness association to foster economic development. Corporate Sponsor of the Institute for the Hispanic/Puerto Rican Elderly, Ballet Hispanico, local Hispanic heritage arts, etc. (More attached)

Chrysler -- working actively to send Hispanic students to college. Publishes information for High School students on the nature of universities relative to Hispanic concerns. (More attached)

AT&T -- Marketing scheme elaborqtely developed by Fernando J. Hernandez to help cultivate Multi-cultural markets. (More attached)

Arthur Andersen -- 150 internships with largest public accounting firm. Created Minority Scholarship Program (More attached).