

September 8, 1998

MEMORANDUM FOR BRUCE REED
ELENA KAGAN

FROM: Domestic Policy Council Staff

SUBJECT: **Compilation of Preliminary New Ideas**

CHILDREN AND FAMILIES

- 1. Child Care.** While this is not a new idea, we must maintain our support for our child care initiative in order to have credibility on the rest of a new "families first" agenda.
- 2. Paid Parental Leave.** Funding for paid-parental leave for the purpose of looking after a newborn baby, or a newly-adopted child for up to 12 weeks (although we may reduce the length of time, depending on costs). A leave initiative may be targeted to families whose incomes are below a certain level.
- 3. Home visitation.** Funding for programs that counsel and support new parents. These programs are often conducted by trained professionals, such as nurses and counselors, and they can dramatically decrease levels of abuse, which in turn decreases rates of delinquency and crime amongst children and youth.
- 4. Child Welfare.** Additional funding for and improvements to the independent living program to assist youth in foster care "aging out" of the child welfare system with life skills training and vocational and educational needs.
- 5. Child Tax Credit.** Double the Child Tax Credit, from \$500 per child to \$1000, for parents of children aged 0 to three.
- 6. Home Office Tax Deduction.** Expand the allowable expenses for those who work out of their home.
- 7. Flex-Time.** Offer tax incentives for companies that offer flexible work hours for their employees, compressed work weeks, part-time work with benefits, job sharing, career sequencing, and extended parental leave.
- 8. After-School Programs.** Support after-school programs in both school-based and non-school-based settings, with a priority to those programs that are tailored to work hours.

CIVIL RIGHTS

- 1. Enhance the CRS program at Justice.** The Community Relations Service at Justice has been a significant force in cooling racial tensions in communities all over the country. Since the 1980s, their budget has been decimated. This initiative could (1) enhance CRS's ability to provide mediation services to resolve

community civil rights concerns as an alternative to litigation; and (2) provide CRS conflict resolution training and technical assistance to communities. The CRS is very popular with the AG and she often talks of wanting it strengthened.

2. Inter-Agency Task force on Discrimination. This initiative would create an inter-agency task force (headed by the Civil Rights Division at Justice) to expand research on the extent of racial discrimination in the country. The research would focus on developing uniform testing protocols in housing, employment, and access to capital and then using these tools to assess the nature and extent of discrimination in these areas. This effort could be linked to agency compliance and/or enforcement work.

3. Improve Civil Rights Information Sharing. This proposal would provide funds to establish and maintain a system that links the data bases of agencies with civil rights enforcement responsibilities -- thus allowing, for example, OCR at Education to have better access to work being done by the Education Section at Civil Rights.

4. Becoming an American. A national effort to focus on easing the transition to the U.S. for new immigrants. We could provide grants to community-based organizations that fund English and civics classes for new immigrants. Also, we could encourage the development of programs that provide practical transition-type help to new immigrants -- such as understanding the public education system; understanding the housing system, etc. According to the INS, there is a bit of this being done on the community level, but they do not fund any of it. Also, some of the education bits are done by the Dept. of Ed. (adult education and/or literacy), but not in a coordinated way. HHS funds some transition work for refugees. This general idea was first talked about by the Jordan Commission.

5. Sweat-Shop Initiative. Expand enforcement against labor abuses in "sweatshops" and on farms that employ migrant farm laborers. Many of the wage & hour laws in place to protect low-wage workers are not adequately enforced by the Department of Labor, in part because of dramatic reduction in funding for these efforts during the 1980s. These workplaces often serve as places of gateway employment for new immigrants, and thus the abuses disproportionately affect Latinos and Asians.

6. Equal Pay. A program that could be run by the EEOC and DOL to increase outreach to businesses to educate them about the legal requirements for paying equal wages, provide technical assistance, improve training for EEOC employees and resources for increases in enforcement capabilities.

COMMUNITY EMPOWERMENT

1. Access To Capital For All Americans.

- CDFI Tax Credit.** In 1996, we proposed a tax credit for investors in CDFIs. We could re-propose this \$100 million non-refundable tax credit. The maximum amount of credit allocable to a particular investment would be 25 percent of the amount invested.

- Voluntary CRA.** Launch a bully pulpit effort to encourage non-bank financial institutions to develop and implement principles for community investment.

- Micro-Enterprise.** Provide authorization and funding for CDFI Fund to provide technical assistance to micro enterprise organizations and micro-entrepreneurs (PRIME Act, Kennedy-Domenici).
- Secondary Market.** Develop coordinated administration initiative to take first steps towards secondary market for community development loans, including data collection, education, standardization, regulatory review, and the creation of a loan loss reserve fund to back pools of community development loans pooled and sold by the private sector.
- Fair Lending.** Continue to push the Fed to permit collection of data on race and income of small business borrowers; consider legislation if this fails.
- Capital Access Programs.** Push to give the CDFI Fund authorization to launch small business capital enhancement program to back state-run loan loss reserve funds that permit banks to make more difficult small business loans.

2. Sustainable Development.

- Environmental Activity Bonds.** In response to the growing needs of urban areas, an environmental bond would help cities meet the environmental goals set by the Clinton Administration. EPA has identified three areas which would be candidates eligible to receive funding: brownfields, drinking water, urban river/waterfront cleanup, and the creation of parks and other public spaces. Drinking water (as cities need to improve infrastructure to meet the requirements of the Safe Drinking Water Act) and brownfields are two areas that cities continue to seek assistance for financing. Our preference is to be more inclusive and allow municipalities increased flexibility to identify their priorities. However, there should be attention paid to how this financing would intersect with other Administration initiatives like the Clean Water Action Plan, Drinking Water Revolving Loan Fund, and TEA-21.
- Urban River Corridors and Wetlands Restoration Projects.** EPA proposes urban river corridor and wetlands restoration efforts tailored to improve the human health and economic opportunities in urban communities. To date, EPA has made small grants to a number of cities and municipalities for these types of projects. With additional grants to local communities, the Agency could provide the necessary funding for projects to improve community water resources. These projects would provide employment opportunities for residents, benefit the economic welfare and technical competence of local residents, and empower the community to build for a better future. Restored areas can serve to attract and sustain business as well as provide outlets for recreation.
- Community Preference and Visualization Tools.** Building the social capital necessary to change transportation and land-use policies to create more livable communities also requires tools that the average citizen can use to understand the implications of major policy choices. EPA proposed to act as a catalyst in the development and use of such innovative decision making tools. The types of tools would include: 1) Community Preference Surveys, which show communities pictures of different neighborhood types, and help the community reach a consensus about the types of development that are desirable; 2) simulation tools, which would get a community "development ready" or help a community experiment with alternatives that have been proposed; and 3) new

software, accessible to the public as well as urban planners, to view and evaluate alternative urban designs for any community.

- Asthma Initiatives.** Through better implementation and new investments, EPA believes the Federal government can take action that will show immediate and long term results to reduce asthma rates among children.

- Air Quality Credits.** EPA proposes to provide incentives to transportation planning by developing protocols for potential air quality credits toward state attainment plans for locally-initiated strategies and projects that create less auto-dependent communities. Similarly, the Agency proposes to create the next generation of the Clean Air Brownfields Partnership Pilot by continuing and expanding its ongoing efforts to link air quality goals and brownfields/infill redevelopment. After 2000, EPA proposes to partner with cities that have a significant brownfield site in the decision-making phase of redevelopment, work with the city, state, and developer to come up with a project design that maximizes air quality benefits, and allow credit for these activities under the State Implementation Plan.

3. Job Creation in Distressed Communities.

- Local Infra structural Improvement and Economic Revitalization Fund.** Emil forwarded this idea to establish a Federal grant program to fund local Infra structural improvements. This would spark revitalization of declining or stagnant low-income areas by providing funds to upgrade local infrastructure. These Federal dollars could leverage State, local, and private funds for such Infra structural efforts.

- Community Revitalization Tax Credit.** LISC proposes a Community Revitalization Tax Credit (CRTC) --similar to the Low-Income Housing Tax Credit --to help stimulate private-sector investment in commercial property in under served neighborhoods.

- Community Development Corporation Tax Credit.** In 1993, we put in place a demonstration tax credit for investors in 20 CDCs. According to this report for Bruce Katz' shop at Brookings, this program has been effective. We could propose expanding this CDC tax credit to more areas. The author of this report also proposes some changes to make the tax credit more effective.

- Expand and Rationalize Employer-Side Tax Incentives.** This includes EZs, Welfare to Work, WOTC, DC Jobs Credit.

- Working Ventures Fund.** Fund one or more national non-profits to fund, evaluate, share best practices, develop networks, and link non-profits to their business community, in the job training and placement field, as LISC and Enterprise do in the housing

- Community Empowerment Fund.** a) Include targeting for welfare to work projects; b) allow links to venture capital focused on minority-owned or small business in distressed areas; c) eliminate mandatory pledge of CDBG dollars for CEF loans.

- Metro Jobs/Community Development Corporation (CDC) Links.** Would target job-poor but CDC-served central-city neighborhoods to create or strengthen a welfare-to-work infrastructure that is place-based but people-focused and regional in orientation (where the jobs are). Would build on HUD's Bridges to Work and complement DOL and HHS efforts, focusing on concentrations of assisted housing run by CBOs.

4. Low Income Savings.

- Asset Development for Section 8 Voucher Recipients.** Currently, an individual still sees the size of their subsidy reduced for each extra dollar he/she earns. This new idea from Liebman and Orszag would roll-over any savings --or a part of the savings --from an individual earning more money into an Individual Development Account (IDA). That is, if the size of a person's Section 8 voucher is reduced by about 30 cents for each extra dollar he/she earns, we could put this savings --up to 30 cents --in an IDA. We could also the capabilities created by EFT '99 to electronically transfer money to efficiently establish IDAs for more Americans.

- Brownfields Meets Community Development.** Under this proposal, we would push banks to invest in brownfields as part of their CRA commitments.

5. Affordable Housing.

- Elderly Housing Initiative.** 1) Housing modernization grants to existing elderly housing projects for modernization, physical redesign, and/or conversion to assisted living; 2) Expanded and more flexible service coordinator grants to meet needs of increasingly frail population in public and assisted housing; 3) authority for PHAs to use vouchers for the housing component of assisted living costs.

- Regional Affordable Housing Initiative.** Targeting regions with severe jobs-housing imbalance and established partnerships for regional collaboration, HUD would provide grants and loan guarantees to support planning, regulatory streamlining across jurisdictions, and development.

- Vouchers.** An expanded request will focus on incrementals, welfare to work, and homeless.

6. Promoting Homeownership In Distressed Communities.

- Low-Income Homeownership Tax Credit.** Self-Help --a community group in North Carolina --proposes a tax credit for investors who provide second mortgages to low-income families. This could significantly reduce the barriers to homeownership among low-income families, who do not really benefit from the home mortgage interest deduction.

- Increase Allocation of Mortgage Revenue Bonds.** Each state receives a supply of tax-exempt mortgage revenue bonds. These bonds help low-income families become homeowners and help develop affordable rental housing. There are currently 53 co-sponsors of legislation in the Senate and 316 co-sponsors of legislation in the House to increase the allocation of mortgage revenue bonds by slightly more than 50 percent and then index it to the rate of inflation.

•**Expand Use of Mortgage Credit Certificates.** Mortgage Credit Certificates (MCCs) are credits against federal income tax equal to between 10 and 50 percent of mortgage interest (to a limit of \$2,000 per homeowner) issued by state governments. MCCs count *against* state's ability to issue mortgage revenue bonds. We could propose to expand the MCC program to allow the limit to be \$4,000 for homeowners in EZs or ECs. We could also propose allowing states to not have to count MCCs against their mortgage revenue bond base.

•**First-Time Homebuyer Tax Credit.** The 1997 tax law put in place a \$5,000 tax credit for first-time homebuyers in the District of Columbia. To boost homeownership in Empowerment Zones, we could propose allowing any first-time homebuyer in an EZ to take advantage of this tax provision.

•**Historic Homeownership Assistance Tax Credit.** The National Trust for Historic Preservation proposes a 20-percent tax credit to homeowners who rehabilitate or purchase a newly rehabilitated historic home and occupy it as a principal residence.

•**Homeownership Vouchers.** Already authorized, would apply rental subsidies to mortgage-related expenses for first-time homebuyers who were Section 8 tenants.

EDUCATION

1. **Class Size Reduction.** Reintroduce President's proposal to reduce class size in grades 1-3 to an average of 18. Needs to be funded on the mandatory side. If necessary, we could combine this with a teacher quality/recruitment initiative, so that funds in the early years of the program are devoted to (1) incentives for people to enter teaching and/or (2) teacher training and professional development.

2. **School Modernization.** We've tried this on the mandatory side and we've tried this on the tax side. Assuming we don't get it this year, we've got to try again next year.

3. **School Discipline/Safety.** We are working on an overhaul of the Safe and Drug Free Schools Program, that will: (1) focus the program on comprehensive, proven approaches to improve school discipline and safety; (2) better target the funds to schools/communities with the greatest needs; and, (3) improve data collection and reporting, including school report cards on safety/discipline issues. Because the program currently spreads (small amounts of) funds around to almost all school, and because of its initial emphasis on keeping schools drug-free, the politics of this program will probably require that any shift in emphasis on greater targeting will require additional resources.

4. **Teacher Supply and Quality.** Here are three initial ideas for improving teacher quality. The first two came out of our initial discussions on the President's race report. We can decide down the road whether to keep them focused on high poverty schools, or make them more universal. We can also break out particular pieces of them into separate initiatives if we want to:

• **Make sure there are qualified teachers in high poverty schools.** First, encourage and support state and local efforts to improve the preparation, certification, recruitment, selection, induction,

retention, evaluation, reward and dismissal of teachers overall. Support necessary R&D on critical components of an upgraded system, such as assessing teacher competence in the classroom. Second, work to end the practice of disproportionately placing and keeping unqualified teachers in high poverty schools. Require states to require prospective teacher to pass basic skills/subject matter tests (and help them develop more demanding assessments) in order to be licensed. Prohibit school districts receiving Title 1 funds from staffing Title 1 funded classes (what about schoolwides???) with unqualified teachers, and bar those without an effective system for teacher evaluation (including removal of incompetent teachers) from receiving Federal (or just Title 1) funds. Require K-4 teachers in Title 1 schools to successfully complete training in teaching reading, and fund the training. Third, help attract and retain the best teachers for high poverty schools. Fund induction and continuing professional development programs in high poverty schools. Provide incentives for Board-certified teachers to teach in high poverty schools.

- **Recruit More Minority Teachers.** Many believe that a major factor influencing children's success in education is role models. Enhance current recruitment programs with effective incentives to attract more minorities to the teaching profession. Minority teachers, administrators, and school personnel serve as role models for minority students and can provide an important link between schools and parents.

- **Establish subject-specific teacher/administrator training institutes/academies/centers in every state.** There are crying needs to train existing teachers in key subject areas, such as reading, technology use, math/science and other academic subject. We should establish subject specific training centers in each state (or perhaps in geographic regions within states). The idea is to create a place, probably at a university, that has the subject-matter capacity and can work with school systems to develop and implement a strategy for ensuring that every teacher who needs it gets high quality, intensive and ongoing training in the subject and how to teach it. This could either substitute for or complement the current teacher training program (Eisenhower Professional Development Program), which provides funds to states and school districts on a formula basis, with broad discretion on how the funds can be used for professional development. We could also establish training centers for principals and other school leaders.

- **Continuing the Troops to Teachers (TTT) program** (due to phase out in Oct 1999). TTT provides stipends to encourage retired military personnel to teach and school districts to hire and train them. TTT attracts more minorities and men into the teaching profession than are traditionally represented, they have background in understaffed subjects such as math and science, and are more willing to teach in inner-city classrooms.

5. Recruiting and Training Principals. Most states and communities lack good strategies for recruiting and preparing individuals with the knowledge and skills to provide the kind of leadership and management schools need right now. We could propose a competitive demonstration program to provide focus, leadership and effective models for the field. This would not be a big-ticket item.

6. Urban/Rural Initiative. This could take two forms. One would be some version of Education Opportunity Zones--a competitive grants program that rewards performance and requires accountability. A second would be to create local performance partnerships, in which local communities agree to create schools that are safe, have high standards and qualified teachers, after-school programs, tutors and other forms of extra help for kids,

technology, etc. The districts would be responsible for creating schools with these opportunities, and would be accountable for improving achievement across the board (perhaps as measured against national standards). In return, the districts would (1) be able to combine funds from relevant ED and other programs, so they can figure out the best way to provide the learning opportunities; (2) get extra funding over and above the funding from the existing categorical programs; and (3) gain or lose additional funding based on performance (with some floor established to minimize the risk for districts).

7. Choice Demonstration Program. Establish a demonstration program to challenge states and school districts/cities to expand the range of high quality schools students and families can choose among, thereby enabling students in low performing schools to move to better ones. A variety of approaches should be encouraged, including:

- **Community College Enrollment.** High school students should be permitted to enroll in community colleges, for high school level or college level courses. This step could provide inner city students with access to more qualified teachers, because most community colleges have faculty with subject matter expertise (whereas urban high schools often have teachers teaching out of field). It could also help boost minority enrollment in college. [see if this can build on existing tech-prep programs, or other articulation agreements.]

- **Contract School System.** Transform urban school systems from bureaucracies which operate large numbers of schools into systems in which the local governing body contracts out the operation of each school--to teachers, nonprofits, school management firms, etc. In effect every school becomes a charter school, with a distinct mission, control over its own staffing and budget, and accountable for results. The local school board is responsible for selecting the schools, identifying new types of schools that might be needed and soliciting proposals to operate the school, monitoring the performance of each school and holding it accountable. Under this approach, all schools would eventually be schools of choice.[see Paul Hill's work for background on this]

- **Schools located at large employers.** Encourage large employers to provide facilities on site for schools for children of their own employees, while the school district provides the teachers, curriculum, instructional materials, etc. Dade County's Satellite Learning Centers provide the model for this approach. Dade's experience shows that these schools can (1) be more diverse than other schools, because work sites are more diverse than residential neighborhoods (2) save the school districts the cost of new facilities (3) save employers costs associated with employee turnover and (4) increase parental involvement in the schools.

- **Expanding choice through smaller, schools-within-schools.** Transform large, impersonal schools into smaller schools-within-schools that would dramatically expand choices within public education for families without requiring students to leave their neighborhoods. Many parents want more choice in education but don't want to send their children to school far from home. This proposal would address that need and enable many more students to get the personalized learning attention that so many families want; it also may reduce discipline and violence problems. A grants program could support networks of schools or school districts to plan and implement this concept and provide information and counseling to help students and their families make good choices. This proposal could be linked or combined with the "contract" schools concept by creating a competitive process to award contracts to manage each school-within-a-school to teachers, non-profits, charter schools, etc.

8. English Language Acquisition. As part of the planned overhaul of the Bilingual Education Program, we should consider a number of initiatives:

- **Make every LEP child competent in English within 3 years of obtaining services.** English language competency is the key to success in schooling and the economy. ESL and similar services should be made universally available to all students who need them. Federal funding can provide matching grants to States to do this. The requirement--including funding and accountability--for serving LEP kids and helping them become competent in English within 3 years should be built into the Title 1 program. Other programs, such as after-school and technology, should also be designed so that in schools with significant numbers of LEP kids, they are also focused on helping kids learn English within 3 years.
- **Support English Plus.** In addition to ensuring that all LEP students learn English, we should promote foreign language learning, starting in the early grades, for student's whose native language is English. The objective is to dramatically increase the number of students who leave school fluent in two or more languages, regardless of their native language.
- **Support demonstrations of, and if effective greatly expand "Newcomer High Schools" for recently arrived immigrant students.** Many school districts are facing an increasing number of secondary immigrant students who have low level English or native language skills, and in many cases, have had limited formal education in their native countries. In order to prevent these students from dropping out (and these children are a significant factor in the 40% Hispanic drop-out rate), these students must learn English, take the required content courses and catch up to their U.S. peers. Some district have developed Newcomer programs --either a separate school or a school-within-a-school. These programs typically educate students for a limited period of time (most for less than two years) before enrolling them in their home schools. Three such schools are 4-year high schools. The programs reach beyond the students themselves, providing classes to orient parents to the U.S. and 63% offer adult ESL classes. There are currently 75 such programs in 18 States and the Center for Applied Linguistics has sponsored an evaluation of their effectiveness.

9. Quality pre-school education. We can propose an initiative to make quality pre-school universally available, or at least universally available for poor kids. There should be two key components to this. One is to provide a number of funding streams to pay for it. Head Start should be the base, though we should also look at ways in which Title 1 could play a larger role. Second, we should provide incentives to both preschools and school districts that receive federal funds, to work together to help ensure that the preschools programs are focused on helping kids get ready for school, by requiring the schools to reach out to preschools and let them know what they expect kids to know and be able to do when they come to kindergarten, and by giving the preschools the help they need to provide an appropriate curriculum.

10. Federal Matching Funds for AP courses and for AP and SAT/ACT Preparation. The President has made universal access to two years of higher education a priority, and has created ways to alleviate the financial hurdles. A logical next step in improving the quality of access is to make all students more competitive by closing the gaps in advanced course availability as well as SAT and ACT test scores. The Federal government could establish funding matching mechanisms to encourage states to improve access to AP courses and preparation for AP tests in low-income schools; in areas where AP courses are not available, funds could be used for partnerships with community colleges that offer similar courses. Similarly, matched funds could be

used to do one of a number of things for SAT/ACT preparation: pay for low-income youth to attend prep courses (e.g., Kaplan; Princeton Review); fund poor school districts to set up their own test prep programs; as in America Reads, waive the federal match for Work Study students who help prepare disadvantaged students for the tests.

11. "High Hopes" for Adults. While the President has made enormous progress in making available resources for higher education for people of all ages, the primary focus of Administration informational campaigns and initiatives like High Hopes have been to encourage young people to go to college. A new initiative could combine two efforts. First, the Administration could launch an informational campaign encouraging adults to go back to school and inform them of new resources available to help, including Lifetime Learning and Hope Scholarship Tax Credits, Individual Training Accounts under the new Workforce Investment Act, and Pell Grants (which apparently few realize can be used for part-time students). Second, a new "High Hopes" grants program targeted at adults, partly focused on encouraging minorities and women to go back to school, could support local partnerships of business, community colleges, labor unions, one-stop centers and others to provide the information and counseling needed to encourage and assist adults to enroll in courses and programs that will help them succeed in their local job market.

12. Encourage High Schools to Offer/Require Service Learning. We should consider expanding the service learning initiative (Learn and Serve) to encourage more school districts to incorporate service into their education programs. The service learning program could be expanded to provide a stronger infrastructure, e.g., service coordinators for high schools, in order to make the service experience both more rewarding and educational for students.

HEALTH

1. Long-Term Care and Medicare Reforms for Elderly, Disabled and Their Families

- **Providing new long-term care tax credit.** Along with the lack of coverage of prescription drugs, the poor coverage of long-term care represents a major cost burden for the elderly and their families. Long-term care costs account for nearly half of all out-of-pocket health expenditures for Medicare beneficiaries. This proposal would give people with two or more limitations in activities of daily living (ADL) or their care givers a tax credit of \$500 (or more, if affordable) to help pay for formal or informal long-term care. This initiative would be coupled with other long-term care policies (e.g., offering private long-term care insurance offering to Federal employees). (Cost: About \$4 billion over 5 years, offset by closing some tax loopholes, and would help about 3.4 million people).
- **Offering private long-term care insurance to Federal employees.** Since expanding Federal programs alone cannot address the next century's long-term care needs, the Federal government --as the nation's largest employer --could illustrate that a model employer should promote high-quality private long-term care insurance policies to its employees. Under this proposal, OPM would offer its employees the choice of buying differing types of high quality policies and use its market leverage to extract better prices for these policies. There would be no Federal contribution for this coverage. (Cost: Small administrative costs; OPM estimates about 300,000 participants).

- **Providing new tax credit for work-related impairment expenses for people with disabilities.** Almost 75 percent of people with significant disabilities are unemployed; many of those within the population cite the cost of employment support services and devices, as well as the potential to lose Medicaid or Medicare coverage, as the primary barriers to seeking and keeping employment. This proposal, strongly advocated by your Task Force on Employment of Adults with Disabilities, would give a 50 percent tax credit, up to \$5,000, for impairment-related work expenses. It could be a stand alone proposal in the budget or packaged as a long-term care initiative if we decide to defer announcing the long-term care tax credit. (Cost: About \$500 million over 5 years, offset by closing tax loopholes, and would help about 300,000 people).
- **Offering new family care giver “one-stop-shop” support program.** About 50 million people provide some type of long-term care to family and friends. Families who have a relative who develops long-term care needs often do not know how to provide such care and where to turn for help. This proposal would give grants from the Administration on Aging to states to provide for a “one-stop-shop” access point to assist families who care for elderly relatives with 2 or more ADL limitations and/or severe cognitive impairment. This assistance would include providing information, counseling, training and arranging for respite services for care givers. (Cost: About \$500 -750 million over 5 years).
- **Adding prescription drug coverage to Medicare (new policy).** The lack of coverage for prescription drugs in Medicare is widely believed to be its most glaring shortcoming. Recognizing the medical community’s reliance on prescriptions for the provision of much of the care provided to Americans, virtually every private health plan for the under-65 population has a drug benefit. Medicare’s lack of coverage is largely responsible for the fact that drug costs are the highest out-of-pocket cost for three out of four elderly. This burden will only become more acute in the next century as the vast majority of advances in health care interventions will be pharmacologically-based. Responding to this fact, Republicans and Democrats on the Medicare Commission, as well as almost every health care policy expert, are consistently stating that reforming Medicare without addressing the prescription drug coverage issue would be a mistake. We are developing a wide variety of options, including a means-tested option, a managed care benefit only approach, and a traditional benefit for all beneficiaries. If desirable, a proposal could be included in the budget or coordinated with the March release of the Medicare Commission’s recommendations. (Cost: Varies significantly depending on proposal, but could be \$1 -20 billion a year; assumed offset would be Medicare savings, which might more easily be achieved in context of a broader reform proposal).
- **Establishing a new cancer clinical trials demonstration (FY 1999 budget; not passed).** Less than three percent of cancer patients participate in clinical trials. Moreover, Americans over the age of 65 make up half of all cancer patients, and are 10 times more likely to get cancer than younger Americans. This proposed three-year demonstration, extremely popular with the cancer patient community, would cover the patient care costs associated with certain high-quality clinical trials. (Cost: \$750 million over 3 years).
- **Redesigning and increasing enrollment in Medicare’s premium assistance program for vulnerable seniors (extension of July executive action and new policy).** Over 3 million low-income Medicare beneficiaries are eligible but do not receive Medicaid coverage of their Medicare premiums and cost sharing. Many more may not get enough assistance through the new, BBA provision that is supposed to help higher income beneficiaries. We are developing a range of proposals that build on the

President's actions in this area to better utilize Social Security Offices to educate beneficiaries about this program, to reduce administrative complexity for states and to give them incentives to engage in more aggressive outreach efforts. (Costs vary depending on policies; probably about \$500 million to \$2 billion over 5 years).

2. Health Insurance Coverage Expansions and Reforms

- **Providing new coverage options for people ages 55 to 65 (FY 1999 budget; not passed).** Americans ages 55 to 65 have a greater risk of becoming sick; have a weakened connection to work-based health insurance, and face high premiums in the individual insurance market. This three-part initiative would: (1) allow Americans ages 62 to 65 to buy into Medicare, through a premium designed so that this policy is self-financed; (2) offer a similar Medicare buy-in to displaced workers ages 55 and over who have involuntarily lost their jobs and health care coverage; and (3) give retirees 55 and over whose retiree health benefits have been ended access to their former employers' health insurance. A proposal such as this would be minimally necessary for any serious consideration of proposals to raise Medicare's eligibility age. (Cost: About \$1.5 billion over 5 years, which would assist about 300,000 people).

- **Expanding health insurance options for people with disabilities --Jeffords/Kennedy bill (new policy, but the concept was endorsed by you in this past summer during your ADA anniversary commemoration).** People with disabilities who want to return to work not only lose their cash benefits (SSI and SSDI) but also lose their Medicaid and Medicare coverage. You succeeded in incorporating a provision in BBA that provides an option to states to allow workers to buy into the Medicaid program. Unfortunately, because of limitations that the Republicans insisted on incorporating (like an income cap on eligible populations), no state has yet taken up this option. Working with Senators' Jeffords and Kennedy, we are proposed to: (1) expand the BBA Medicaid buy-in option by lifting strict income and resource limits and allowing states to cover less disabled people as well (such as working people with HIV AIDS); (2) provide grants to states as incentives to take these options; and (3) extend Medicare coverage for people leaving SSDI for work. So far, the disability groups, the NGA and a growing bipartisan Congressional coalition are supportive. (Cost: about \$1.3 billion over 5 years, offset by Medicare and SSA fraud savings that were in the FY 1999 budget).

- **Offering health coverage for the temporarily unemployed (FY 1997 and 1998 budgets; not passed).** Because most health insurance is employment based, job changes put families at risk of losing their health care coverage. In fact, 58 percent of the two million Americans who lose their health insurance each month cite a change in employment as the primary reason for losing coverage. This break in coverage not only leaves the worker and his or her family extremely vulnerable to catastrophic health care costs, it puts them at risk of losing the portability protection provided by the Kassebaum-Kennedy law. The proposal would provide temporary premium assistance for up to six months for workers between jobs who previously had health insurance through their employer, are in between jobs, and may not be able to pay the full cost of coverage on their own. (Costs depend on whether it is done as a demo (about \$2.5 billion over 5 years, which would help about 600,000 people) or nationwide (about \$10 billion over 5 years, which would cover about 1.4 million persons).

- **Providing coverage to parents of children on CHIP (new policy).** Since children who are uninsured usually have parents who are uninsured, an easy way to target uninsured adults is to extend

eligibility for Medicaid or CHIP to parents of children covered by these programs. This has been done successfully in some states, through Medicaid 1115 waivers, and would be a logical next step to covering low-income adults. (Cost: Depends on the proposal and assumed take-up rates by the states).

- **Establishing a new state option to expand coverage through Medicaid eligibility simplification (new policy).** In the wake of welfare reform, Medicaid eligibility rules have become even more complex since states must cover people who would have been eligible for AFDC under the old rules. Additionally, Medicaid law allows states to cover parents but not adults without children --even if they are very poor. This proposal would allow states to opt for a pure poverty standard for Medicaid eligibility for all people (like we do for children) rather than the old categorical eligibility categories. Not only would such an approach simplify the Medicaid program for families and states; it would provide an opportunity for significant coverage expansion. While any change in Medicaid almost always raises concerns amongst some advocates, this proposal would be supported by the Governors and advocates such as the Center for Budget and Policy Priorities. (Cost: Depends on the proposal and projected coverage expansion take-up rates).

- **Establishing new and effective children's health insurance outreach initiatives (FY 1999 budget; not passed and new policy).** The success of the Children's Health Insurance Program (CHIP) and Welfare reform may well depend on our success at targeting and signing up the over 4 million children who are eligible, but not enrolled in CHIP or Medicaid. Last year's budget included several policies to promote outreach, including allowing states to temporarily enrolling uninsured children in Medicaid through child care referral centers, schools, etc; and allowing States to access extra Federal funds for children's outreach campaigns. An additional proposal is to pay for a nationwide toll-free number that connects families with state eligibility workers. NGA is sponsoring this line for one year only; such a line is essential for the nationwide media campaign that we are planning to launch in January with the NGA and America's Promise (Colin Powell's group). (Cost: Between \$400 and \$1 billion over 5 years.)

- **Establishing new voluntary purchasing cooperatives (FY 1997, 1998, and 1999 budgets; not passed).** Workers in small firms are most likely to be uninsured; over a quarter of workers in firms with fewer than 10 employees lack health insurance —almost twice the nationwide average. This results in large part because administrative costs are higher and that small businesses pay more for the same benefits as larger firms. This proposal would provide seed money for states to establish voluntary purchasing cooperatives. These cooperatives would allow small employers to pool their purchasing power to try to negotiate better rates for their employees. (Cost: about \$100 million over 5 years).

- **Strengthening OPM's hand in negotiating with FEHBP plans to better constrain costs (new policy).** Last year, premiums in FEHBP rose by 8 percent; this year, they are projected to grow at a slightly higher rate. In part, this reflects trends out of FEHBP's control, such as continued rapid increases in drug costs and an aging employee population. However, it also results because OPM has fewer tools at its disposal than private sector employers. This proposal would increase the bargaining power of OPM as well as implement other provisions that could reduce health premium costs to both the Federal government and Federal employees. Although these types of proposals have been controversial since they affect plans that want to participate in FEHBP, there may be an opening this year because of two consecutive years of high premium growth. (Could be savings, depending on the proposal).

3. Public Health/Underserved Populations

• **Combating Resistance to Anti-biotics (Super Bug).** Recent reports have indicated that resistance to anti-biotics is becoming a major public health crisis. Some viruses, such as pneumonia and many hospital-based infections, are starting to beat even the strongest anti-biotics, causing prolonged illnesses and even death. For example, pneumonia, which impacts over 500,000 Americans per year, is becoming resistant to the strongest antibiotics. CDC believes that this critical public health problem is on track to affect more and more viruses. In the past we have generally addressed this by developing new antibiotics, but it is becoming increasingly difficult to keep developing antibiotics that do not become ineffective. However, this problem could be dramatically reduced if we knew more about which viruses are likely to become resistant and why and if drugs were prescribed and used more appropriately. For example, there are over 50 million inappropriate outpatient antibiotic prescriptions written annually. The budget could fund a major public health campaign that would: educate consumers and health providers to help assure appropriate use of anti-biotics; and improve surveillance and research efforts to understand which antibiotics are at risk for becoming ineffective and why. (Cost: up to \$50 million).

• **Improving Access to Health Care in Underserved Rural Areas.** The 25 million Americans that live in rural areas frequently do not have access to adequate health care services. For example, the physician-to-patient ratio is more than 80 percent lower in rural communities and more rural Americans are uninsured and lack access to health care services. The budget could include an initiative that would help maintain and improve access to health care in rural communities by: giving grants to help develop creative emergency services to enable rural health facilities to remain operational and responsive to the needs of their populations; providing assistance to states to help take advantage of a Balanced Budget Act provision that provides higher Medicare payments to hospitals that revamp services to meet the specific needs of their communities; and increasing the number of health professionals in rural communities by providing loan repayments or scholarships to train rural Americans who are likely to stay in the communities to become nurse practitioners. (Cost: Unclear. Approximately \$100 million).

• **Improving Access to Emergency Room Care for Veterans.** As part of the President's request to bring Federal health programs into compliance with the patients' bill of rights, the issue of whether the VA provides veterans adequate access to emergency room services has been widely publicized. The VA currently only reimburses for VA emergency visits at VA hospitals, which is certainly not consistent with the patient protection to assure emergency services when and where the need arises. We expect Senator Daschle to offer a proposal to extend VA access to emergency room services, and it may well be advisable for us to address this issue so we are not perceived as falling short on our commitment to apply the patients' bill of rights where we can. (Cost: VA's current proposal costs \$550 million per year. However, OMB has been working to dramatically reduce the costs of this proposal).

• **Enhancing Drug Approvals, Food Safety, and other FDA priorities.** The FDA has unprecedented new challenges, including: a surge in promising technologies and drugs that need approval; increasingly challenging diseases, such as AIDS and emerging pathogens; important public health issues such as food and blood safety; as well as major new statutory responsibilities from FDA reform. However, funding for this agency has not increased in several years. This has serious implications for the agency, as food inspections, organ banks, and drug companies are rarely inspected and it is more challenging to meet drug approval needs. Since Congress has been unwilling to fund user

fees for FDA, it may be necessary to make it a priority to fund FDA at higher levels (Cost: \$100 to \$300 million).

- **Food Safety.** The President's FY 2000 budget will build on the food Safety Initiative by expanding resources for collecting food safety data (Foodnet, Pulsenet), inspections (especially imports), and research. This continues the President's historic efforts to ensure food safety issues are considered as part of a comprehensive, science-based, policy.

- **Investing in Promising DOD Breast Cancer/Prostate Cancer Programs.** We have continually highlighted DOD's innovative, popular cancer research programs (most recently the President announced grants in the DoD prostate cancer research program in his Father's Day radio address). However, we have received increasing scrutiny as to why your budget never proposes funding for this critical program by advocates who question your commitment to this program and believe that the lack of an Administration proposal makes it much more difficult to lobby for this funding on the Hill. DoD is somewhat resistant to this concept as they believe that even though they have developed a model program in response to a Congressional mandate, cancer research is not within their military mission. (Cost: it is unclear what the Congress will propose for this year's funding (the Senate bill includes \$250 million). If you chose to fund this area, we would need to at least match FY1999 funding and potentially increase this amount.

- **Continuing the President's Successful Race and Health Initiative.** The race and health initiative proposed in the President's FY1999 budget was extremely well received by the minority and public health communities. As part of this initiative designed to eliminate racial health disparities in six critical health areas, we committed to investing \$400 million over five years. Therefore, it is important that the President's FY2000 budget include no less than the \$80 million we promised for each year, and we may want to consider additional funding for this issue. (Cost: \$80 million).

- **Investing in Promising Biomedical Research.** Your FY 1999 budget includes historic increases in the NIH. However, the Congress will no doubt fund NIH at higher levels, regardless of how much you propose in this area. Therefore, you could either continue to fund this research at historic levels or since Congress will likely anyway, you may want to propose less to make room for other priorities. (Cost: over \$300 million to \$1 billion).

- **Improving Access to Promising HIV/AIDS Drugs.** Since there has been so much progress in therapies for HIV/AIDS, the AIDS community has been pushing to expand access to these drugs. Their expectations were raised last year when the Vice President asked HCFA to look into the feasibility of a demo to expand Medicaid to patients with HIV at an earlier point in their disease. Depending where we end up on Jeffords-Kennedy, we may want to consider additional options to extend drug therapies for patients with HIV/AIDS. Last year, we proposed significant funding for the AIDS Drugs Assistance Programs (ADAP), but there may be other approaches. Regardless of Kennedy-Jeffords, we may receive a great deal of criticism from the community if we propose no increases for treatment or prevention. (Cost: approximately \$100 million).

- **Improving Health for Medically Underserved Native Americans.** Native Americans have particularly poor health status (as much as five times higher diabetes rates, and three to four times the rate for SIDS). It is widely recognized that the IHS, the main resource for Indian tribes who deliver

health programs to their communities, is not sufficiently funded to address the needs of this population. We could develop a number of initiatives to help improve health for Native Americans, including: focusing on particular health problems such as an elder care, domestic violence, or alcoholism; providing an overall budget increase allowing more resources for all services; or desperately needed improvements in sanitation or other public health infrastructure efforts. This would build on your efforts to elevate the Director of IHS to an Assistant Secretary position and your participation in the conference on "Building Economic Self-Determination in Indian Communities" and would compliment well the President's race and health initiative. (Cost: about \$100 million).

4. Increase the Indian Health Service budget. In order to reach more of the targeted population, we should provide a significant increase to the IHS budget in order to address areas such as substance abuse, elder health care, injury prevention, domestic violence and child abuse, and sanitation facilities.

HOMELESS

1. Homeless Veterans. The National Coalition of Homeless Veterans estimates that there are as many as 275,000 homeless veterans on any given night. According to the Department of Veterans Affairs, an approximately \$60 million increase in funding would constitute the single largest investment into breaking the cycle of homelessness among veterans. This proposal would seek to increase residential alternatives, community-based contracted care, job preparation activities, stand down activities (community-sponsored events that conduct one-stop service delivery programs for homeless veterans), the distribution of clothing, and long-term housing. The VA estimates that this proposal would positively impact approximately 100,000 to 150,000 veterans annually.

2. Allow VA to sell surplus property with 10 percent of proceeds going to homeless veterans. OMB proposes to amend the Property Act of 1949 to create a 5-year pilot project for the VA to sell off property with 10 percent of the proceeds going to local homelessness projects under the McKinney Act (with this 10 percent being earmarked for homeless veterans) and the other 90 percent going to the VA for capital funds (buildings, equipment, infrastructure, but not staff). Currently, the way the law works is that all the proceeds from surplus property goes to homelessness, but this has not provided an incentive to the agencies to sell property because they do not get to keep any of the proceeds. OMB states that since 1989, only one piece of property has been sold under this provision. OMB will be circulating their proposal within a couple of weeks. OMB would propose to permit VA to sell 25 pieces of property, but does not have a cost estimate yet.

3. Homelessness Demonstration Project Modeled after TANF. Funds could be set aside in the FY2000 budget to create a demonstration project so that one state, region, or locality could try to move persons from homelessness to self-sufficiency. The demonstration project should set up performance goals similar to TANF so that there is a measure of how many persons have been made self-sufficient. There could be a performance bonus for the demonstration project if the goal of the project is met.

4. Medicaid Outreach Project for Homelessness. A Medicaid outreach project could be set up, similar to the CHIP outreach project, that would reach out and cover homeless persons. We should develop a cost estimate to determine that, over time, dollars would be saved if persons are treated under Medicaid rather than on an as-needed basis in emergency rooms and clinics. This idea could be expanded to reach out to more than simply the homeless population to include all groups who are Medicaid-eligible.

CONSUMERS

1. Consumer Bill of Rights. A consumer bill of rights could address a number of areas such as enforcement, notice to consumers, and dissemination of information. We could announce this bill of rights as a package, but then pull out separate pieces for separate events like we do in the Patients' Bill of Rights area. We could include a number of different areas such as the following:

- Auto Insurance Fraud.** Auto insurance fraud is a \$13 billion-a-year problem in America. We could propose significant funding for a Justice Department anti-auto insurance fraud. Since an estimated 13 percent of auto-insurance premiums go to pay for fraud, we could claim that this effort will help drive down auto-insurance premiums.

- Slamming/Cramming.** Cramming, in which con artists add bogus charges to consumers' telephone bills, and slamming, the unwanted switching of long-distance telephone service from one carrier to another, are the top two respective complaints reported to the National Fraud Information Center in 1998. In 1997, the FCC received more than 20,000 complaints from customers who were slammed. So far, the FCC has fined slammers, announcing a \$5.7 million fine this year, and announced voluntary guidelines for cramming that local telephone companies say they will follow. We could add money for enforcement to the FCC and/or DOJ. In May, the Senate overwhelmingly passed legislation that would impose new penalties on slammers and would eliminate common slamming methods, such as contest entry forms that, when signed by unsuspecting customers, authorize a switch of their long-distance carriers.

- Telemarketing Fraud.** Telemarketing fraud is among America's worst white-collar crimes, robbing unsuspecting victims of an estimated \$40 billion per year. We could increase the FBI budget to increase investigations of this type of fraud. Recently, the Washington Post reported that volunteers from the American Association of Retired Persons (AARP) work undercover for the FBI, posing as potential victims to catch telemarketers on the prowl. Because telemarketing fraud often is targeted against the elderly, we could combine this piece with the elder abuse in a separate event.

- ATM Proposal.** Weinstein proposes that Treasury publish an annual report on consumer financial issues, including ATM fees. In each report, Treasury would provide a list of insured financial institutions based on geographic divisions and by size. Treasury would report on the following categories: (1) Fees charged to depositors at ATMs at their home branches; (2) Fees charged by institutions to depositors using other banks ATMs; (3) Fees charged by ATM networks; (4) ATM fees charged to non-member depositors by institutions; (5) Minimum deposit requirements for checking and savings accounts; (6) Fees for overdrafts; and (7) Checking account fees. We will need to develop categories which underscore the differences in types of accounts. If we just list checking account fees, the fees that aren't reported would increase.

TOBACCO

1. Tobacco Counter advertising. Fund a \$200 million per year tobacco Counter advertising and education campaign, as proposed in the President's 1999 budget and McCain legislation. This campaign would develop

Counter advertising and purchase enough media time to reach teens at least four times a week. The campaign would also fund an extensive school-and community-based anti-tobacco education campaign.

2. Tobacco Cessation. Each year, 20 million smokers attempt to quit, but only 1 million, or 5 percent, succeed. More than 90 percent smokers who attempt to quit do so on their own, and the vast majority fail within 2 to 3 days. However, research shows that effective cessation methods could raise success rates to 10-20 percent (over 2 million people annually). The Agency for Health Care Policy and Research (AHCPR) endorsed 5 smoking cessation methods that have been proven to be effective in helping people to quit: gum, patch, nasal spray, inhaler, and pill (Zyban). A full course of these treatments costs around \$200-300 (for a three months supply, without counseling). However, less than half of managed care organizations provide coverage of any AHCPR-approved therapies, and those that provide coverage may impose cost-sharing requirements that hinder access to treatment. In fact, a study of managed care in Washington State found that eliminating copayments for smoking cessation services significantly increased participation rates.

3. Continued call for comprehensive legislation to stop children from smoking before they start. Total combined cost of all these initiatives: \$855 million over 5 years. We could make a series of proposals, some part of the budget and some not: (1) Fall --announce new DOD anti-tobacco plan, and new DOL and OPM tobacco-free workplace programs; (2) Winter --propose Medicaid and Veterans coverage of cessation benefits through FY2000 Budget; and (3) Spring --tax coverage of cessation as a medical expense and expanded coverage of cessation benefits in FEHBP.

- **New Department of Defense anti-tobacco plan.** This plan is still being vetted at the agency but will likely include covering over-the-counter nicotine replacement therapies under military health care coverage as part of a comprehensive military-wide anti-tobacco plan. Cost: \$60 million per year.

- **Anti-tobacco workplace initiatives by DOL and OPM.** DOL could expand its drug-free workplace initiative to provide information to employers on steps they can take to reduce tobacco use among employees (cost: \$63,000 per year). OPM could disseminate a model workplace cessation program for all federal agencies (agencies would use existing appropriated funds).

- **Medicaid coverage.** Currently, smoking cessation prescription and non-prescription drugs are optional state benefits under the Medicaid statute. We could propose to require states to cover cessation, as the McCain bill did (CBO estimated cost: \$120 million over 5 years, HCFA estimated \$114 million). Alternatively, we could propose an enhanced federal matching rate for smoking cessation treatments, in order to offer the states an incentive to cover these services. The Hansen-Meehan bill establishes a 90 percent match rate for state costs of smoking cessation services at an estimated cost of about \$110 million over 5 years. Currently, 23 states cover Zyban, 6 states cover non-prescription treatments, and 5 states cover cessation counseling. A study by the Center on Addiction and Substance Abuse at Columbia University found that over 42 percent of Medicaid recipients smoke, as compared to 25 percent of the general population and that nearly 10 percent of all Medicaid hospital days are attributable to smoking.

- **Veterans.** We should re-propose the plan from the President's 1999 budget which created a new discretionary program open to all veterans who began using tobacco products while in the service, regardless of their eligibility for other VA health care services (currently less than 15 percent of veterans receive their health care through the VA system because of statutory limits --veterans must be low

income or have a service-related injury.) The VA would contract with private sector entities to furnish AHCPR-approved services to interested veterans. OMB estimates that this proposal would cost \$87 million for the first year, and \$435 million over 5 years. Thirty-six percent of the 25 million veterans in this country smoke.

- **Tax Treatment.** Currently, the cost of cessation treatment cannot be claimed as a deductible medical expense because the IRS does not recognize smoking or tobacco addiction as a “disease.” The IRS has indicated in written opinions that an official medical authority classification of smoking as a disease would allow cessation to deduct these expenses. Treasury is interested in pursuing this in 1999. This would be done outside of the budget.

- **Federal Employees Health Benefit Program.** We could require enhanced coverage of smoking cessation services. One option is to raise coverage limits to more accurately reflect the cost of AHCPR-approved treatments, and to raise the number of treatments allowed per lifetime to account for the fact that the average smoker requires three to five cessation attempts before they successfully quit (i.e., require coverage of \$300-400 per treatment, with three maximum treatments covered per lifetime). Another option is to waive the deductible and copayment requirement for cessation benefits. Currently FEHBP fee for service plans, which cover 70 percent of beneficiaries, are required to provide only \$100 in smoking cessation benefits. Generally, this coverage does not kick in until after the calendar-year deductible has been met, and most plans restrict benefits to once per lifetime. Many plans only cover prescription drugs. HMO coverage of smoking cessation benefits varies greatly. This would be done outside of the budget, but would have to occur in the spring as part of OPM’s annual letter to contracting plans, establishing the terms for the following year of coverage.

WELFARE

1. Helping the Hardest-to-Employ Get and Keep Jobs.

- **Extend Welfare-to-Work Grants and Strengthen Focus on Fathers.** Funding for the \$3 billion grant program that the President fought for in the Balanced Budget Act ends in FY 1999. These funds are targeted at the hardest-to-place welfare recipients, and non-custodial parents of children on welfare, and at concentrated areas of poverty. 75% of the funds are allocated to states, who in turn pass them to local Private Industry Councils and 25% of the funds are available on a competitive basis. We expect DOL to propose extension of the grant program in their FY 2000 budget proposal. We should consider revising the statutory language to increase the focus on increasing employment of fathers. While there is a significant level of interest in serving this population, there is likely more we could do to increase the quantity and quality of services. This should also increase support from the Ways & Means committee as Shaw is very interested in fatherhood issues. Possible approaches include requiring states and communities to designate a minimum portion of WTW formula funds for fathers, setting aside a portion of competitive grant funds for this purpose, or earmarking funds for needed technical assistance and capacity building on this relatively new area. Other changes worth considering: shifting more funds toward competitive grants, increasing tribal set aside (currently 1%), and streamlining data collection requirements. Assuming level funding, this would cost \$1.5 billion annually.

•**Request Additional Welfare-to-Work Housing Vouchers.** We are unlikely to get the full 50,000 housing vouchers requested for FY 99. This approach continues to have merit, both in helping families move from welfare to work and as a catalyst for changing the way local housing authorities, and HUD, do business. Cost to fully fund 50,000 vouchers is \$283 million. Some, including Deich and Edley, have also suggested allowing housing authorities to convert Section 8 vouchers that are turning over to the more flexible approach of the WTW vouchers.

• **Invest in Increasing English Language and other Literacy Skills.** There is evidence that those with low education levels have a harder time leaving welfare. There is also emerging evidence that English language may be a barrier for some minority welfare recipients, including immigrants. We may want to explore whether there is more the federal government could do to increase access to ESL and other basic education that is combined with work, though this does not necessarily have to be done with TANF funds. We need to first explore what is available, whether there are successful models that can be replicated, and what the demand is.

2. Helping New Workers Succeed in the Workforce/Achieve Self-Sufficiency.

There are several ways to ensure people moving from welfare to work can get to their jobs:

• **Request full \$150 million authorized for Access to Jobs for FY 2000 (TEA-21 set guaranteed funding from the Highway Trust Fund at \$60 million for FY 2000).** This would allow DOT to fund more competitive grants. Note these funds can be spent on current and former welfare recipients, as well as families up to 150% of poverty so they help the working poor as well.

• **Donate surplus federal vehicles to welfare to work programs.** These could be given, leased, or sold to current and former welfare recipients for whom public transit is not a viable option, including those living in rural areas. Cars could be allocated through community-based organizations or intermediaries. This could be modeled after the initiative to donate federal computers to schools.

•**Help former welfare recipients access funds to purchase cars.** In some areas, public transit is not a viable option for a family moving from welfare to work. In addition, owning a car is something many poor families aspire to, and something that helps them become part of the economic mainstream. Family Services of America, and other organizations, currently offer revolving loans for low income families to purchase cars. FSA's model currently operates in 20 sites and is scheduled to expand to 60 sites later this Fall, with partial funding from foundations and private financial institutions. They are also seeking federal funding to help with this expansion. Possible sources include: HUD, Treasury, DOL WTW grants, as well as existing federal and state TANF funds. Another option is to expand allowable uses of IDAs to include purchasing a car needed to go to work.

•**Connection between TANF and Unemployment Insurance.** There is growing interest in exploring the relationship between these two systems. Historically, few welfare recipients have qualified for UI, and some have essentially used AFDC as a form of unemployment insurance. As more welfare recipients joining the labor force, we need to consider the most appropriate way to provide income support to them between jobs. Various approaches include: (a) changing rules of the UI system that make it hard for former welfare recipients to qualify for UI once they go to work and in the event they lose a job and (b) creative uses of federal TANF or state MOE funds to provide income support to people in between jobs. Either approach should be accompanied by a strong effort to promote job

retention and rapid re-employment. This could be considered as part of a more comprehensive UI reform initiative that NEC has been considering, but it would not depend on that. NOTE: NGA has a grant to explore this issue and several states are trying innovative approaches. While we do not have to frame the issue in terms of planning for economic downturns, it seems prudent to address this issue earlier rather than later.

•**Optional State Coverage Expansion Through Eligibility Simplification** (new policy). In the wake of welfare reform, Medicaid eligibility rules have become even more complex since states must cover people who would have been eligible for AFDC under the old rules. Additionally, Medicaid law allows states to cover parents but not adults without children --even if they are very poor. This proposal would allow states to opt for a pure poverty standard for Medicaid eligibility for all people (like we do for children) rather than the old categorical eligibility categories. Not only would such an approach simplify the Medicaid program for families and states; it would provide an opportunity for significant coverage expansion. While any change in Medicaid almost always raises concerns amongst some advocates, this proposal would be strongly supported by the Governors and advocates such as the Center for Budget and Policy Priorities. (Cost: Depends on the proposal and projected coverage expansion take-up rates).

•**Transitional Medicaid.** Families can currently receive Transitional Medicaid for up to 12 months after leaving welfare, but only about 20 to 30 percent of eligible families are enrolled. The program has many procedural hurdles that make it more difficult to access than regular Medicaid coverage and the 12 months transitional period is too short for many families. The budget could eliminate some of the current prescriptive reporting requirements now in the law (that, for example, requires families to report earnings in the fourth, seventh, and tenth months of coverage and divides the 12 months of coverage into two 6 month segments with different co-pay and benefit rules) and allow states to provide a full 12 months of coverage without regard to changes in family circumstances, similar to the 12-month option for children that was adopted in the Balanced Budget Act. In addition, the budget could provide states the option of extending transitional Medicaid to 24 or 36. These ideas need to be fully discussed, vetted, and costed out. The current program reauthorization sunsets in 2001.

•**Extend the Work Opportunity Tax Credit and Welfare-to-Work Tax Credits** (WOTC has already expired and WTW will expire in 1999).

DISABILITY POLICY

1. Expanding the Defense Department's "CAP" program. The Defense Department's Computer Accommodations Program ("CAP") purchases equipment for DOD employees with disabilities to allow them to keep working if they become disabled, or for new employees just joining the workforce. By using a central \$2 million fund for such purchases, individual offices do not have to bear the cost within their own budgets, and are less likely to be deterred from hiring a person with a disability. CAP is also able to get better prices on equipment through its bulk purchases and expertise. It has a showroom to help employees try out appropriate adaptive devices (CAP makes the decision on what equipment is purchased, not the employee). It has provided over 9,000 accommodations since its inception in 1990. This program is a good example of how employers and employees are taking advantage of new (and increasingly cheap) technology, such as computers for the blind that talk and listen, and alternative computer keyboards for people with dexterity problems, that allow

people with disabilities to work. Expanding the program has the strong support of the Administration's appointees with disabilities, in particular for Tony Coelho, chair of the President's Committee on Employment of People with Disabilities.

Defense has estimated that it would cost \$8 million a year to expand CAP government-wide, but this is likely overstated since CAP now serves the entire Defense Department for \$2 million a year. A more realistic range is \$2 -5 million a year. While having DOD perform this service for all federal employees is a bit unusual, they have a great deal of expertise at this task and they are ready to take on the added responsibility.

2. Tax Credit for Disability Related Expenses. New tax credit for employers and/or individuals with disabilities with extraordinary disability-related expenses, such as assistive technology or a personal assistant. The proposed credit would allow a credit of 50 percent of the first \$10,000 of disability-related work expenses. [Need Treasury information on scoring.]

3. New BRIDGE grant program. This program would create interdisciplinary consortiums of service providers (employment, transportation, etc.) to better assist people with disabilities in going to work. NEC and DPC will receive revised proposal shortly from the President's Task Force on Employment of People with Disabilities and will evaluate and vet.

4. Information and Communication Technologies for People with Disabilities. NEC has developed draft proposals now being vetted to ensure that new technologies will be designed from the beginning to be accessible to people with disabilities. Ideas include leveraging federal government procurement, investing in R&D, funding industry consortia, training the next generation of engineers, etc. (Tom Kalil is working on this, coordinating with DPC and OMB).

July 30, 1997

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: DOMESTIC POLICY COUNCIL LONG TERM PLANNING

CRITICAL PROCESSES

1. Welfare Reform

- Continue weekly welfare strategy group meetings to coordinate policy and message. Chaired by DPC, with membership from OMB, NEC, CEA, Intergovernmental Affairs, Public Liaison, Cabinet Affairs, Legislative Affairs, HHS, and DOL.
- Continue legal immigrant strategy group chaired by DPC, with membership from OMB, Intergovernmental Affairs, Legislative Affairs, Public Liaison, SSA, HHS, USDA, DOJ.
- Continue welfare to work strategy group meetings to develop strategy to enact into law the Administration's \$3 billion welfare to work proposal. Chaired by DPC, with membership from OMB, Intergovernmental Affairs, HHS, DOL, Treasury, and HUD.

2. Crime and Drug Budget Priorities

- Preserving funding for the COPS program, prevention programs, criminal justice drug treatment and testing, Anti-Drug Media Campaign and other key initiatives.

3. Community Empowerment Agenda

- The DPC with the NEC and OVP will work through the budget process to secure passage of the President's Community Empowerment Agenda of increasing funding for Community Development Financial Institutions, passage of legislation for a round of Empowerment Zones, and passing the "Brownfields" initiative.

4. Federal Interagency Group on Service

- Purpose: to coordinate followup to the Presidents' service summit, co-chaired by DPC and Cabinet Affairs, with membership from all major agencies.

5. Appointees with Disabilities

- To start meetings of administration appointees with disabilities groups. Coordinates with White House through Public Liaison and DPC.

6. Tobacco Settlement

- Secure full appropriations for tobacco rule implementation (\$34 M) and President's food safety initiative (\$43 M). Secure full appropriations for tobacco rule implementation (\$34 M). Secure FY 98 appropriations. Pass tobacco legislation that significantly advances the public health. Frame the issue in a Presidential announcement in August. Develop legislative strategy. In particular, work with Members of Congress to

develop an agenda for farmers.

7. Bioethics

- Continue to strengthen the President's record, consistent with the Morgan State speech. Act on National Bioethics Advisory Commission fall report recommending stronger protections for human subjects of unregulated research (possibly propose legislation). Ensure implementation of commitments on Tuskegee, human radiation experiments, and secret human research.

8. Food Safety

- Secure full appropriations for President's food safety initiative (\$43 M). Secure FY98 appropriations. Follow through on Agency commitments in June report to the President, including publishing regulations for juice and eggs this fall and launching the public-private education campaign in September.

9. Early Childhood Development and Learning

- Working on follow up to White House Conference on Early Childhood Development and Learning, including publishing report and scheduling follow up events.

10. Child Care

- Running policy development process on child care.
- Planning White House Conference on Child Care -- coordinating with all agencies, National Economic Council, Cabinet Affairs, Legislative Affairs, Office of Public Liaison and Intergovernmental Affairs, etc.

11. Adoption

- Continuing to work with HHS on the implementation of Adoption 2002 -- the Administration's plan to double the number of children from the child welfare system who are placed in permanent homes by the year 2002.

12. Title IX

- Implementing the President's Executive Order signed in honor of the 25th anniversary of Title IX to: (1) ban discrimination on the basis of sex, race or national origin in federally conducted education programs; and (2) strengthen enforcement of Title IX.

13. Women's Health

- Continuing to run Medicare Mammography Campaign launched by the First Lady to encourage Medicare beneficiaries to use mammography benefit provided by Medicare. This year, the campaign focuses on minority women. We will launch the next phase of the campaign in October in honor of Breast Cancer Awareness Month.
- Working on developing broader women's health agenda.

LEGISLATIVE PRIORITIES

1. **Passage of Campaign Finance Reform Legislation**
 - In coordination with Rahm Emanuel, Legislative Affairs, and White Counsel's Office, we are seeking a vote in the Senate in September on the bipartisan campaign finance reform legislation introduced by Senators McCain and Feingold.
2. **Juvenile Crime Bill**
 - Need to ensure that priorities in President's Anti-Gang and Youth Violence Strategy are included in House and Senate juvenile crime legislation. House has passed two related bills; full Senate to consider similar legislation in September or October.
3. **Anti-Drug Media Campaign**
 - Only partially funded to date.
4. **Crack Cocaine Sentencing Reform**
 - Recommendation forwarded to and approved by President. Need to work with Congress to pass.
5. **Money Laundering Legislation**
 - Working with Treasury and Justice to support legislation that will allow Treasury to expand and build on GTO (Geographic Targeting Order) initiative.
6. **International Crime**
 - Justice preparing to transmit modified version of international crime bill introduced at end of last year.
7. **Victims Rights Legislation and Constitutional Amendment**
 - Recently introduced legislation and constitutional amendment to guarantee victims rights. Also, Attorney General testified before House Judiciary Committee.
8. **ONDCP Reauthorization**
 - Reauthorization for Drug Office transmitted. Drug Director just testified before Senate Judiciary Committee.
9. **Public Housing Reauthorization**
 - House passed bill; Senate expected to consider this fall.
10. **DC MOU and Legislation**
 - DC MOU and legislation contains considerable crime provisions.

Working with Justice and White House Counsel to ensure that it is consistent with the President's overall crime policy. Expect legislation to be attached to Reconciliation bill; will need to complete subsequent agreement with DC on criminal justice system.

11. Suspension of Deportation for Central Americans

- Attorney General currently reviewing case affecting deportation of certain Central Americans. Transmitted related legislation to Congress. DPC, NSC, and WH Counsel will take the lead to recommend administrative options in the event that Congress fails to enact legislation.

12. Teacher Recruitment and Preparation

- Title V of the Higher Education Act (Lead Responsibility)

13. Higher Education Act Reauthorization

- Participate with NEC and ED

14. America Reads Initiative

- Participate with NEC/ED/CNCS

15. Turn around failing schools

- Lead Responsibility

16. Vocational/Adult Education Reauthorization

- participate with OMB/NEC/ED

ADDITIONAL DPC PROCESSES

1. **Community Empowerment**
 - Need to restart DPC/NEC process with OVP regarding new ideas.
2. **Housing**
 - Work with NEC and HUD to develop initiatives in home ownership and other areas such as the Low-Income Housing Tax Credit.
3. **Crime Working Group**
 - Oversee with Rahm Emanuel Justice-Treasury-ONDCP working group on various crime issues and crime events.
4. **Follow-up to Brady Supreme Court Decision**
 - Orchestrating Administration response to Supreme Court decision to strike down part of the Brady Law. Coordinated joint Treasury-Justice meeting with state and local law enforcement. Reviewing legislative options with White House Counsel. Meeting with OIRA to discuss impact on other federal regs.
5. **Youth Crime Gun Interdiction Initiative**
 - Overseeing expansion of crime gun tracing initiative. Also, working with Treasury and OMB to find funds to hire ATF agent teams for investigative follow-up.
6. **COPS Report/Implementation**
 - Working with Justice's COPS office to draft report on success of COPS program. Likely to be released in September for Crime Bill anniversary. Also, working to resolve long-term funding issues to ensure that 100,000 cops goal is on track.
7. **Operation TEST in 25 Cities**
 - Working with Justice to get 25 federal judicial districts to implement drug testing for all arrestees.
8. **Sex Offender Initiatives**
 - Directive to ensure that federal and military sex offenders are entered into national sex offender registry is awaiting issuance. Working with Justice to encourage states to input sex offender data into national registry. Legislation to facilitate exchange of criminal records for non-criminal purposes (i.e., "nanny checks") to be transmitted to Congress.
9. **Implementing Gun Directives**

- Working with Treasury to implement various gun directives. Recently issued new Brady form that required showing proof of residency. Currently working with Treasury to develop signs and written warnings for federal gun dealers to inform firearms purchasers that, in most cases, it is illegal to transfer a handgun to a juvenile.
- 10. Collective Bargaining for Secret Service Uniformed Division**
- Currently working with Treasury, senior White House staff and police groups to resolve request to grant collective bargaining rights to the Secret Service's Uniformed Division.
- 11. Federal Law Enforcement Commission**
- Will need to work with federal law enforcement agencies and national police groups to develop Administration response to NRA-inspired commission on federal law enforcement. This commission was strongly opposed by the Administration and law enforcement community, but passed as part of the recent disaster relief bill.
- 12. Law Enforcement Steering Committee**
- DPC, with OPL, continues to have a working relationship and regular meetings with the Law Enforcement Steering Committee (LESC), which represents most of the national law enforcement organizations.
- 13. Urban Workgroups w/NEC and OVP**
- DPC intends to help reconvene an urban policy working group to look at community and economic empowerment issues and develop new policy proposals. This group will also act as one of the four policy working groups that will parallel the Race Initiative.
- 14. Drivers' license drug testing**
- Directive issued to encourage drug testing teens before issuing driver's licenses. Notice for states to apply for demonstration project funding published in June. Working with ONDCP and Transportation on possible event to announce participating states this fall.
- 15. National Testing Initiative**
- Lead Responsibility
 - State Sign-up
 - City Sign-up
 - Constituency Outreach
 - Test Development
 - Appropriations
 - Other Standards-related Issues

- 16. Development of Interagency Math Strategy**
 - Lead Responsibility, with OSTP/ED/NSF
- 17. Urban Education/Race Initiative**
 - Lead Responsibility
- 18. Hispanic Initiative**
 - Participate with NEC
- 19. Charter Schools**
 - Lead responsibility
- 20. National Board for Professional Teaching Standards**
 - Lead responsibility

THE WHITE HOUSE

cc: Bruce

To all team leaders —

Now that the State of the Union is over, Bruce and I would like to put together a long-term planning memo to give to Eveline. I hesitate to say it, but the model is still the attached NEC memo. For now at least, let's use the same categories: budget proposals, legislation, non-legislation, and things we're not doing but should be. Please get your materials to Laura by Wednesday.

Also — we haven't gotten many ideas for events, initiatives, announcements, etc. to fill the coming weeks. Sketch your minds as soon as possible. Many Thanks.
P.S. Ignore Bruce's writing — it's many months old. Elera

NATIONAL ECONOMIC COUNCIL
Long-Term Planning
 June 6, 1997

EK -
 Should we get
 started on
 a Goals/Objective
 Processes
 memo
 for '98,
 or hope the
 urge goes away
 - BR

As we approach mid-year, it is a good time for us to consider planning and priorities for the NEC. For your consideration in that effort, attached you will find the following documents:

- *The subprocesses related to completion of the bipartisan balanced budget agreement;*
- *Existing legislative priorities where NEC processes are underway;*
- *Non-legislative processes that are taking place or are being framed;*
- *Possible processes that we can consider starting or past processes to consider re-energizing; and*
- *The NEC's "goals and objectives" memorandum to Erskine Bowles of February 28, 1997, which we have used as our roadmap thus far this year.*

Tobacco
 WR
 Family/child
 care
 Urban housing

Summers: Global w., trade, entitlements, income equal, educ. = big issues after budget.
 Spelling: Cities, WR. 3rd Clintonian → cities Tax Reform.
 Shalala: Poverty, nat. safety net, UI as short-term safety net for WR
 Slater: Accomplishments.
 Raines:

CRITICAL BUDGET PROCESSES

(Active through the summer and fall)

1. **Working with Senate Finance Committee and House Ways and Means Democrats on a Unified Education Tax Cut Proposal**

2. **Defining the Boundaries of What is Acceptable on Taxes**

3. **Preparation and Hill Briefings to Defend Against Roll-back on EITC**

4. **America Reads**

- Agreed to America Reads, but lacking an authorization: must ensure that there is a congressional commitment to passing the proposal

5. **School Construction: Agenda to Support Initiative Outside of Budget Agreement**

6. **Long-term Medicare and Social Security**

- Continue and advance discussions on bipartisan process or commission
- Timing and expectation?
- Separate processes for Social Security and Medicare?
- Extent to which these issues should be tied to long-term retirement security issues

7. **Plan for Developing Children's Health Care Initiatives (\$16 billion)**

- Seek unified Democratic plan
- Work with Rep. Thomas
- Issue of joint committees in House?

8. **Details of Medicare**

- MSAs and objectionable policies; details of protections for low-income seniors

9. **How to Best Target Medicaid DSH Savings**

10. **Plan for Developing Welfare-to-Work Initiatives**

- Develop consensus plan on \$2-3 billion welfare-to-work jobs initiative

11. **Strategy to Protect Key Discretionary Priorities Not Specifically Protected in the Agreement**

12. **Other**

LEGISLATIVE PRIORITIES

1. **Pass NEXTEA Reauthorization** (*through September*)
 - Administration seeking a reauthorization bill that -- in addition to investing in infrastructure -- speeds welfare recipients' transition to work, improves safety, and protects the environment (the Congestion Mitigation and Air Quality and Transportation Programs).
 - The House and Senate will mark up shortly, with CMAQ as the major battleground.
2. **Electricity Restructuring** (*through summer*)
 - Develop Administration position by summer to make electricity industry more competitive
3. **Product Liability** (*ongoing*)
 - Policy process needs to determine, internally and then on Capitol Hill, whether there is legislation that can meet the President's concerns and get passed on the Hill, what the timing is, and what alternative contingency plans are.
 - Pressure from Senate to move soon, certainly before August.
4. **Securities Litigation Reform** (*through June*)
 - Policy process needs to determine internally whether we favor some form of preemption of state securities litigation.
5. **Fast Track** (*push beginning in August*)
6. **China/MFN** (*Congress must act by beginning of September*)
 - Ongoing Administration effort to push for win in July
7. **Flex Time and FMLA Expansion** (*negotiations ongoing*)
 - NEC process to continue to consult with interested agencies on legislative strategies
 - Currently negotiating with the Hill to build bipartisan support for Flex Time legislation consistent with the President's principles
 - Defeat Comp Time proposals inconsistent with the President's principles

Domestic Violence

8. Skill Grants

- NEC, Labor Department, and OMB will monitor development in compliance with the President's principles.

9. Financial Services Modernization

- Proposal unveiled in Rubin speech on May 21; testimony and draft legislation released June 3. Legislation unlikely to pass before end of 105th Congress, although Chairman Leach has scheduled a markup for June 10.

10. Fed Nominee Confirmation *(late summer/early fall)*

11. Get Other Financial Services Regulators Nominated and Confirmed

- These include FDIC, SEC, and OTS

12. Higher Education Reauthorization *(get Administration's proposal out by late summer)*

- NEC will work with Education Department beginning in June on their planned themes for the reauthorization.
- Issue of early Pell grant proposal (Rep. Chaka Fattah)
- Senate not likely to pass reauthorization until 1998.

13. District of Columbia

- NEC assisting OMB and others in development of DC proposal, particularly regarding pensions and economic development
- Decision is being made on whether to formally submit legislation, but the legislation is just about finished and will go up soon informally or formally. Still aiming for House passage before July 4.

14. Patent Reform *(ongoing)*

- NEC assisting OMB, Commerce and others to enact legislation that streamlines the Patent and Trademark Office and achieves substantive reform of patent policy.

15. Superfund

16. Africa Trade Initiative

- Working to develop bill with bipartisan support for introduction in summer
- Launch initiative with Presidential event in June and announce multilateral efforts at Denver Summit

17. Caribbean Basin Trade Enhancement Act

- Currently working with NSC, USTR and other agencies to identify most promising legislative approach

18. Ex-Im/OPIC Reauthorization

19. 150 Account

ADDITIONAL NEC PROCESSES

1. New Pension Initiatives

- NEC leading interagency-level working group on this.
- Depending upon impact on budget and budget process, several new initiatives as well as proposals from last year's Retirement Savings and Security Act could be introduced sometime this summer.
- Audit bill and related PBGC amendments including doubling of multiemployer plan guarantee to be transmitted before June 10.

2. Refine U.S. Position on Global Climate Change

- Tarullo and McGinty heading working group
- Develop analysis to support decision on U.S. negotiating position for Kyoto treaty negotiations scheduled to conclude in early December
- Determine whether President should take lead in sketching out the types of emissions constraints the Administration is willing to support.

3. Summit of the Eight

- Prepare for meeting in Denver in June and coordinate development of deliverables

4. PM/Ozone (*scheduled decision in early June*)

- NEC, OIRA, and CEQ working on review of proposed PM/Ozone rule changes.

5. Income Inequality and Hispanic Education

- NEC continuing to investigate with CEA general income inequality issues, focusing specifically on Hispanic incomes, with emphasis on role of education and drop-out rates. Develop policy responses.

6. Personal Bankruptcies and Credit Card Debt

- NEC interagency process beginning to prepare for a possible response to National Bankruptcy Review Commission recommendations that will be released this fall
- Continue to monitor credit card debt.

7. Sweatshops

- NEC and Labor continuing to monitor efforts of the Apparel Industry Partnership
- NEC has begun an interagency working group process to coordinate overall sweatshop initiative, including developing a plan for internationalizing our sweatshop eradication efforts.

8. Education Technology

- NEC's top priority is successful implementation of the E-rate, which will provide up to \$2.25 billion annually in discounts for schools and libraries; and full funding of the President's \$500 million request for the Technology Literacy Challenge Fund.
- NEC is working with DoEd and OVP to identify additional ed tech initiatives, particularly regarding educational content, teacher training, and private initiatives.

9. Income-Contingent Repayment of Student Loans

- NEC working with DoEd to explore making ICR generally available to public

10. Promoting Savings

11. Military Base Reuse

- NEC working with Defense, the Chief of Staff, and others to monitor the current process and gain support for significant additional reform, particularly the cumbersome process for getting land, buildings and personal property transferred to communities for redevelopment.

12. INTELSAT Restructuring

- NEC working with others to develop and negotiate a plan for restructuring of this treaty organization that enhances competition in satellite telecommunications.
- Absent such a plan, take steps to protect our market from the potential distortion of an anticompetitive restructuring.

13. Aerospace "Offsets"

- NEC interagency working group is analyzing labor concerns about foreign "offsets" (outsourcing) in aerospace and putting in place an institutional mechanism to improve the dialogue among labor, management and government on this issue.

14. FAA Reform

- Assisting OVP, Transportation and others to restructure the financing and management of the FAA, including implementation of the recommendations of the

Gore Commission and the ongoing National Civil Aviation Review Commission.

15.

Science and Technology Initiatives

- NEC is working with OVP and OSTP to identify or implement Administration science and technology initiatives, such as the Next Generation Internet, new models for public/private collaboration, establishment of prizes for specific technological advances, and the promotion of new applications for information and communications technologies.

16. APEC Leaders Meeting in November

- NEC is leading an interagency process to identify priority deliverables for the Leaders Meeting and a plan for their adoption.

17. NAFTA Report

- NEC is coordinating interagency effort to develop Presidential report
- Will develop rollout plan in mid-June

NEW PROCESSES AND OLD PROCESSES TO CONSIDER RENEWING

1. Community Empowerment

- Need to restart NEC/DPC process with OVP regarding new ideas and continuing efforts on Brownfields and EZ/ECs.

2. Labor Markets and Welfare-to-Work Initiative

- NEC assisting DPC's welfare-to-work effort by focusing on evaluations and studies of what works

3. Housing

- NEC to work with HUD, DPC and others to develop initiatives in homeownership and other areas

4. Disasters

- Work with OMB, Treasury, and FEMA on development and funding of a consistent, effective Administration position on disaster mitigation and financial support, and have a viable program before the next major non-flood disaster.

5. Regulatory Reform

- If restarted by OIRA, NEC will assist

6. Corporate Citizenship

THE WHITE HOUSE

WASHINGTON

August 11, 1997

MEMORANDUM FOR STRATEGY TEAM

FROM ERSKINE BOWLES AND SYLVIA MATHEWS ^{AM &} ST

SUBJECT: Follow-up to Friday's Strategic Meeting

As a follow-up to last Friday's meeting, this memo details the assignments and their deadlines. A template is attached for you to use as you develop the assigned pillars. On Wednesday, a memo with your assigned pillar(s) will be due to Andrew Mayock by 5 p.m. On Thursday and Friday, Erskine will hold meetings to discuss the paper that has been produced and next week will be spent refining that paper. During the week of August 25th, Erskine and Sylvia will use the pillars as the foundation of a memo that we will send to the President on August 29th. When the President returns, we will meet with him to discuss the different choices among pillars and in some cases, within a single pillar.

PILLARS

1. Education - Reed, Sperling
2. Renewing our Cities (including sustainable development), Welfare, Underclass - Sperling, Reed, Klain
3. Environmental Protection - McGinty, Sperling, Gibbons
4. Crime/Drugs/Prisons (including perhaps, the future of young men) - Reed
5. Renewal of Family (issues like child care, balance of time, divorce, adoption, the media, family medical leave) - Verveer, Echaveste, Reed
6. Children - Sperling, Reed, Verveer, Echaveste
7. Racial Reconciliation (including civil rights enforcement, immigration, the judicial system) - Echaveste
8. International Economic Leadership - Tarullo, Summers, Sperling
9. Savings/Entitlement Reform - Sperling, Summers
10. American Leadership Abroad (including peace, defense structure, democracy) - Berger, Steinberg
11. Science/Technology (including reinvigorating the R/D budget, medical sciences, medical ethics) - Gibbons, Podesta, Gips, Sperling
12. Rego/Effectiveness of Government (like eliminating errors in Medicare or EITC) - Stone
13. Gifts to the Future (rebuilding our schools, the Millennium, museums, culture) - Verveer
14. Health Care/Improving Health Status (vaccination efforts, smoking reduction, adding years to the life span, decreasing suffering of elderly and sick, medical science improvement, more insured) - Jennings, Reed

Note: OMB and CEA will be a part of many of these issues.

There were a number of other ideas that came out of our brainstorming session. However, as the group tried to create a manageable number to produce detailed paper on, some items came off the primary list. The topics not included:

- Making Markets Work (negative ramifications of the modern economy, growing power of the corporation, new transactions, improving the framework of competition)
- Culture
- President as Teacher
- New Ethics
- Service

To help in this process, we have also attached documents that list Administration initiatives for the year 2000 and our State of the Union goals. Also, a sample and a blank template are attached so that each pillar can be summarized in a way that can be compared to others. The President will, of course, want back up memoranda describing each area summarized in the template. As you fill in the elements of your pillars, please include policies that are already being pursued. Andrew Mayock will e-mail the template to your office. If you have any questions, his number is 6 - 7492.

Once again, your assignments are due no later than 5 p.m. on Wednesday. The paper will be distributed for meetings that will be held on Thursday and Friday. Andrew will let you know in which meeting times your topic will be discussed.

Attachments: Clinton Administration Initiatives for the Year 2000
1997 State of the Union - Policies Announced
Sample Chart on Education Pillar
Template Pillar Chart (also will be provided electronically)

CLINTON ADMINISTRATION INITIATIVES FOR THE YEAR 2000

The following is a list, categorized by issue, of Clinton Administration goals, pledges, and programs geared for the year 2000. This list is comprehensive, but may not be exhaustive. There are likely to be other pledges we did not find on our first review.

Economy:

- Produce 8 million new homeowners by the year 2000. [Pres. Doc. 858, 6/12/97]
- Decrease welfare rolls by 2 million more people by the year 2000. [Pres. Doc. 136, 2/4/97]
- Move about a million more people from welfare to work by the year 2000. [Pres. Doc. 1698, 9/10/96].
- Eliminate all tariffs on computers, semiconductors, telecommunications equipment, and software products by the year 2000. [Pres. Doc. 2514, 12/16/96]

Education:

- Expand Head Start to one million children by 2002. [Pres. Doc. 13, 2/4/97]
- Hook up every classroom and library to the Internet by the year 2000. [Pres. Doc. 903, 6/19/97]
- Double the number of full-time youth volunteers by the year 2000 by adding another 50,000 participants in AmeriCorps. [Pres. Doc. 607, 4/28/97]
- By the year 2000, every 8-year-old should be able to read on his or her own, every 12-year-old should be able to log on to the Internet, every 18-year-old should be able go on to college, and every adult should be able continue to learn for a lifetime and get the skills necessary to get good jobs. [Pres. Doc. 558, 4/20/97]
- Make 2 years of college just as universal as a high school diploma is today by the year 2000. [Pres. Doc. 558, 4/20/97]
- Increase by ten-fold the number of charter schools we have by the year 2000. [Pres. Doc. 290, 3/6/97]
- Expand work study so that one million students will be able to work their way through college by the year 2000. Have 100,000 of these new work-study students join our America Reads efforts to help make sure all our 8-year-olds can read independently by the year 2000. [Pres. Doc. 230, 2/24/97]
- Erase American illiteracy by the year 2000. [Pres. Doc. 1242, 7/2/93]
- Increase the high school graduation rate to at least 90 percent by the year 2000 [Pres. Doc. Pg. 195, 2/3/94].
- Goals 2000. By the year 2000, the United States should meet the National Education Goals which include: All children in America will start school ready to learn; the high school graduation rate will increase to at least 90 percent; all students will leave grades 4, 8, and 12 having demonstrated competency over challenging subject matter including English, mathematics, science, foreign languages, civics and government, economics, the arts, history, and geography; every adult American will be literate and will possess the knowledge and skills necessary to compete in a global economy and exercise the rights and responsibilities of citizenship; every school in the United States will be free of drugs, violence, and the unauthorized presence of firearms and alcohol and will offer a disciplined environment conducive to learning. [Education Department, Goals 2000 Progress Report, Spring 1995]

Crime and Drugs:

- Put 100,000 more police on the streets of America's communities by the year 2000. [Pres. Doc. 1935, 9/30/96]
- By the year 2000, make every school in America free of drugs and violence. [Pres. Doc. Pg. 195, 2/3/94]
- Ensure that all state prisoners serve at least 85 percent of their sentences by the year 2000. [News & Record (Greensboro, NC), 9/22/96]

Environment:

- Clean up 900 Superfund sites by the year 2000. [Pres. Doc. 846, 6/9/97]
- Clean up two-thirds of the existing toxic waste sites by the year 2000. [Pres. Doc. 2379, 11/12/96]
- Devote \$70 million to a total of 35 States to help them get safe running water for their people by the year 2000. [Pres. Doc. 1258, 7/16/96]
- Cut greenhouse gases to 1990 levels by the year 2000. [Pres. Doc. 865, 4/21/94]
- "I want an America in the year 2000 where no child should have to live near a toxic waste dump, where no parent should have to worry about the safety of a child's glass of water, and no neighborhood should be put in harm's way by pollution from a nearby factory. Today, I am calling for a new national commitment to help protect all communities from toxics by the year 2000." [Pres. Doc. 1567, 8/28/96]

Healthcare:

- Extend health coverage to as many as 5 million children by the year 2000. [Pres. Doc. 531, 4/17/97]
- Makes vaccines affordable for families and improve immunization outreach, with the goal that 90 percent of all two-year-olds should be fully vaccinated by the year 2000. [Pres. Doc.; Pg. 2009, 10/7/96]
- Wipe out polio by the year 2000. [Pres. Doc. 668, 4/17/96]

Immigration:

- Modernize our border crossing so that by the year 2000, 22 pairs of towns will be equipped with remote video systems and new technologies to give them 24-hour service. [Pres. Doc. 479, 4/8/97]
- Reach the goal of having at least 7,000 agents protecting our borders by the year 2000. [Pres. Doc. 200, 2/7/95]

Defense/ Foreign Policy:

- Increases funding for weapons modernization 40 percent by the year 2000. [Pres. Doc. 1643, 9/3/96]
- Develop by the year 2000 a defensive system that protects America from the threat of a long-range missile attack by a rogue state. The President said this system should be deployed by 2003. [Pres. Doc. 910, 5/22/96]
- Agree with Russia to stop plutonium production by the year 2000. [Pres. Doc. 1862, 9/26/94]
- Close Chernobyl by the year 2000. [Pres. Doc. 1097, 4/20/96]

SAMPLE

EDUCATION PILLAR

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
Educational Standards	Ensure that <u>X</u> of states sign on to standards for 4th and 8th grades thereby establishing a goal for students to reach. Ensure that schools and their teachers adequately prepare our children.	<u>X</u> months / years	Results in better educated students in public schools (as long as "failure" group does not develop). Results in measurement of school performance. Mainly helps students in <u>X</u> situation. There are <u>Y</u> students in that situation.	May entail high costs to organize efforts in each state where there are differing power centers / dynamics. Will require work to ensure that it is not used as a tool against minorities.	Has strong bi-partisan element. Sometimes results in alienation of minority community and may cause dissension within that area of the party.
Guarantee Two Years of Higher Education (Chaka Fattah Plan: 21st Century Scholars Act)	Guarantee Pell Grants to sixth-grade students from low income families.	<u>X</u> months / years	Increases college participation rates for this group, and broadly instills expectation of college attendance among lower-income students. 700,000 students available for benefit in first class. Promotes high school completion, job readiness and lower incidence of delinquent behavior.	\$2.5 billion for first group of sixth-grade students. May create a new entitlement and will cost shift in budget priorities from one program to this one. May guarantee help to many non-needy students. Does not provide additional support like mentoring, tutoring and other support services that are critical for success.	Has bi-partisan support.
Additional building blocks to be added here.					

*Note that this example has both an old initiative that we are still developing and a new idea. Please include both in your input.

*This template will be provided to you for incorporation of your own input.

TEMPLATE

PILLAR					
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1997 STATE OF THE UNION -- POLICIES ANNOUNCED
Tuesday, February 4, 1997

Unfinished business:

Balanced budget:

- Balance budget by 2002;

Campaign finance reform:

- Pass McCain-Feingold by 7/4;

Welfare reform:

- Finish reforming welfare -- move 2 million people from welfare to work by 2000.

Education:

Standards:

- Every state should adopt high national standards, and by 1999, every state should test every 4th grader in reading and every 8th grader in math;
- Teacher standards -- enable 100,000 more teachers to seek national certification as master teachers;

Literacy:

- America Reads -- at least 100,000 college students to volunteer as reading tutors;

Early learning:

- HRC conference on Early Learning and the Brain (spring);
- VP family conference on parents' involvement in learning (June);

Public school choice:

- Create 3,000 charter schools by the next century;

School construction:

- Pass \$5 billion to help communities finance \$20 billion in school construction over the next four years;

College opportunity:

- HOPE Scholarships;
- \$10,000 tax deduction;
- Expanded IRA's;
- Largest increase in Pell Grants in 20 years;

Training:

- Pass G.I. Bill for America's Workers;

Education technology:

- Finish connecting every classroom and library to the Internet by the year 2000.

Science and technology:**Hospitals:**

- Connect every hospital to Internet;
- Challenge private sector to connect every children's hospital to Internet;

Internet:

- Build the second generation of the Internet;

Medical research:

- Reinforce commitment to medical science (AIDS vaccine).

Stronger families:**Helping parents succeed at home and at work:**

- Expand Family and Medical Leave;
- Pass flextime;

Health care:

- Extend health coverage to up to 5 million uninsured children;
- Reform Medicare; expand Medicare to cover respite care for Alzheimer's, annual mammograms;
- Guarantee woman can stay in hospital 48 hours after mastectomy;

Responsibility:

- Make it a felony for parent to cross state line to flee from child support;

Protecting children:

- Stand firm in determination to ban advertising/marketing of cigarettes aimed at kids.

Stronger communities:**Crime/drugs:**

- Finish hiring 100,000 police;
- Pass Victims Rights Amendment;
- Pass Juvenile Justice bill;
- Largest anti-drug effort ever;

Urban agenda:

- Empower urban communities through investment and loans (double number of empowerment zones, restore contaminated urban land and buildings, expand community development banks);
- Use empowerment approach to renew DC;

Environment:

- Clean up 500 more toxic waste sites;
- Make polluters pay;
- Designate 10 American Heritage Rivers this year;
- Ban worst toxic chemicals and reduce greenhouse gases;

Service:

- Mobilize millions of Americans to national service;

Culture:

- America 2000 celebration of culture and the arts.

World leadership:**Undivided democratic Europe:**

- Expand NATO by 1999, strengthen NATO's Partnership for Peace;

Asian Pacific community:

- Together with South Korea, advance peace talks with North Korea;
- Call on Congress to fund our share of agreement under which North Korea must freeze and dismantle nuclear weapons program;
- Pursue deeper dialogue with China (invited China's President to come here);

Global economy/trade:

- Expand exports, especially to Asia and Latin America (need authority to conclude new trade agreements);
- Will visit Latin America in the spring;

New security threats:

- Ratify Chemical Weapons Convention;

Military strength/tools:

- Increase funding for weapons modernization by year 2000, take care of men and women in uniform;
- Pay our debts and dues to international financial institutions like the World Bank, and to a reforming United Nations.

One America:

- ~~No specifics.~~ Race Initiative

1st draft

LONG-TERM STRATEGY MEETING

Pillars

1. Education - Reed, Sperling
2. Renewing our Cities, Welfare, Underclass - Sperling, Reed, Klain
3. Environmental Protection - McGinty, Sperling, Gibbons
4. Crime/Drugs/Prisons - Reed
5. Renewal of Family - Verveer, Echaveste, Reed
6. Children - Sperling, Reed, Verveer, Echaveste
7. Gifts to the Future - Verveer
8. International Economic Leadership - Tarullo, Summers, Sperling
9. Savings/Entitlement Reform - Sperling, Summers
10. Health Care/Improving Health Status - Jennings, Reed
11. American Leadership Abroad - Berger, Steinberg
12. Science/Technology - Gibbons, Podesta, Gips, Sperling
13. Racial Reconciliation - Echaveste
14. Rego/Effectiveness of Government - Stone

move: children/teen pregnancy
to 6?

add 1 big project?

add pers. and
- add Consumer/HMO

add: consensus for
canon for globalization
Free Trade in America
(FTAA 2005)

add: Big Rights/Report
Fall
add: bbs Conf
(DOP)
OK

WNDC

MOVING TO THE
PRINCIPALITY

last yr experience/compaign
of voices/ of concern to
forefront

now - even more exciting -
administration - Presidency

1. Education - Reed, Sperling

takes seriously
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of the can see of Or

Of & families

educational/
with/ environment

Of as people/ individuals -

EDUCATION PILLAR

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Education Standards	Persuade 30-40+ states and 30-40+ major cities to sign up for national tests in 4th grade reading and 8th grade math by 1999.	18 months	Raises expectations and achievement for all students in U.S. elementary and secondary schools, especially low income students.	National tests will cost \$16 million per year to develop and \$100 million per year to administer.	Has strong potential for bipartisan and business support, although has attracted outspoken critics.
	Pilot tests in 1998 and make ready for nationwide use in Spring 1999.	18 months	Helps states and school districts hold schools accountable for performance.	\$620 million requested for Goals 2000 in FY 98 budget.	Will require hard work to maintain support within the minority community.
	Launch National Partnerships for improving reading and math achievement by early 1998.	6 months		In addition to the America Reads initiative, additional investments in reading and math materials, professional development and public information will be needed.	
	Support, through Goals 2000 and the IASA, all States in developing common academic standards for their students.	Ongoing		Prospects for long-term success in most states are good but will require us to build and sustain broad nationwide support, and continue with aggressive, case-by-case efforts to address any local barriers to participation.	
				Must prevent any legislation delaying test development.	

EDUCATION PILLAR					
Talented and Dedicated Teachers	Recruit and prepare 10% of the new teachers needed in high poverty urban and rural schools.	5 years	Bring outstanding new teachers (including minorities) into schools with the greatest need; provide mentorship to new teachers. Provide models and support for improvements in higher education to strengthen teacher preparation.	\$350 million over five years to support proposed Title V of Higher Education Act for teacher recruitment and strengthening teacher preparation.	Has bipartisan elements; recruitment initiative has strong appeal to urban constituency. Strong public support for getting tough on failing teachers and increasing support from teacher organizations.
	Enable 100,000 teachers to seek national certification as master teachers.	9 years	Enable every school to have at least one master teacher who can help lead improvements in the school and support teacher development.	\$105 million over five years in the balanced budget to develop content area assessments and provide access to certification process for 100,000 teachers.	
	Increase the number of states/districts with programs to remove bad teachers.	Host roundtable discussion on effective local efforts in Fall 1997.	Facilitate the removal of incompetent teachers from the classroom and increase public confidence in public schools.	No cost	

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EDUCATION BILLAR

Public School Choice	Create 3,000 high-quality, accountable charter schools (up from 1 in 1992 and 500 today). Increase the number of states with charter legislation to 35.	2001 1998	Provides parents with options; increases accountability. Stimulates and informs improvement of all schools. Intervention strategy for low performing schools. Increases public awareness of choices available within the public school system; decreases calls for vouchers.	\$100 million appropriation for charter schools program in FY 1998 would support up to 1,100 schools. Success depends on challenging state legislatures.	Has strong bipartisan support. Effective counter to Republican voucher proposals and Coverdell Amendment. Some in education organizations and minority community are wary opposed.
Fixing Failing Schools / Urban Education Reform	Aggressively promote school reform by challenging and/or requiring urban districts to adopt our school reform agenda--no social promotions; public school choice; closing failing schools; firing bad teachers; and improving management--and rewarding those that do.	5 years	Low performing schools reconstituted using proven school improvement models. Better use of resources by urban school systems and more choice for parents. Restore public confidence in urban public school systems.	\$320 million competitive grant program for 10-15 districts to end social promotions, fix failing schools, widen public school choice, fire bad teachers, and improve management. Potential for using Obey whole school reform funds in FY 98 Appropriations bill to partially accomplish. Possibly require Title I schools to adopt no-social-promotions and other reform policies.	Potential for bipartisan support if it has a strong emphasis on accountability; urban constituencies especially supportive.

EDUCATION BILLS

After School Learning Centers / Community Schools	Expand schools' capacity to address education needs by creating 500-1000 new after-school programs.	1-2 years	Increases safety and reduces risk -- youth are most at risk of committing violence or being victims between 3 and 6 p.m. Provides students with safe neighborhood learning centers to do homework and obtain tutoring and mentoring. Provides parents with safe, educational programs for children during working hours.	\$50 million requested in FY 1998 budget; House committee appropriated \$50 million but only \$1 million in the Senate.	Some bipartisan support. Public identifies this as key unaddressed education and childcare need.
School-to-Work	All 50 states creating comprehensive school-to-career systems.	Ongoing	Provides more than half a million high school students with opportunities for work-based learning connected to high standards, preparing them for careers and further learning.	State systems encouraged and supported by School-to-Work Opportunities Act of 1994; \$400 million requested for FY 98.	Bipartisan support, including business community; currently under attack by far-right groups.

EDUCATION PILLARS

School Construction	Provide up to 50% interest subsidy for new school construction and renovation.	4 years	Increase the amount of school construction by \$20 billion (25%). Subsidy targeted to urban and high-poverty districts that have the most significant needs. One-third of all schools facing extensive repair or replacement. New schools needed to address overcrowding caused by record enrollments.	\$5 billion grant program -- part of the funds awarded by competition for local school districts and the other part by formula to states. State grants do ensure that rurals and suburban schools will also receive interest subsidies. Record enrollment this fall ensure that overcrowding will continue to be an issue of great concern.	Strongly supported by urban constituencies. Some potential for bipartisan support, although many Republican vocally oppose.

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EDUCATION PILLARS					
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
Educational technology: Existing initiative	1. Connect every classroom to Internet by 2000 2. Train teachers 3. Computers 4. Educational software	By "dawn of the new century"	Improves student performance by making learning more exciting, hands-on Prepares students for workplace of 21st century Increases parental involvement	President's budget has \$2 billion Technology Literacy Challenge Fund over next 5 years Universal Service Fund has up to \$2.25 billion/year for schools and libraries for connectivity Current funding is adequate for goal of connecting every classroom to Internet unless Universal Service Fund tied up in courts Won't reach goals on computers - which is 1 multimedia computer per 5 students -- without substantial match from private sector, state, local government	Very popular. Potential for elite media backlash unless you can demonstrate results

EDUCATION PILLAR

Educational technology: new initiatives	1. Ensure every new teacher knows how to use technology, or one "master" teacher per school 2. High visibility content online 3. R&D on evaluation, educational software	2000	Teacher training critical to success of initiative Need R&D to improve state of the art of software, and conduct evaluation on impact of technology on student performance	Currently, over 30 states require teacher training as part of certification process. Goal of "every new teacher" by 2000 is achievable with modest funding, campaign to get additional states on board. Need to fund additional R&D on evaluation, improving state-of-the-art on educational software. Could start out with roughly \$100 - \$200 million. A large Smithsonian Museum online project could be done for \$5 million/year.	Popular
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EDUCATION BILLYAR

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
America Reads: Parents-as-First- Teachers	Ensure that parents and care givers of children age 0-2 have the latest knowledge about how to promote children's learning and reading potential. This part of America Reads has not received much attention, and is a national follow-up to the Brain conference.	Campaign could begin in FY98 if funds promised in Budget Agreement are secured in appropriations bills.	Result in children who are better prepared to learn when they reach school age. Mainly helps children in low-income communities where books and other stimulants are more scarce and the literacy skills of care givers may be lower.	Can begin with funds already part of budget Agreement. Other programs should be allied with the effort: WIC, Even Start, Reading is Fundamental, Early Head Start. Large payoff if additional investments are made in programs such as Even Start, Early Head Start, and WIC (doubling Even Start would cost only \$100 million a year; WIC expansion would cost much more).	Support in minority causes - can work closely with constituency groups and networks. Bipartisan support (same paranoia among far-right groups concerned that Feds will regulate home-schooling).
Universal access to quality pre-school [note: Our Head Start investment is part of America Reads as described originally]	Through expansion and improvement of Head Start, Child Care block grant, and tax provisions ensure that all families in America have access to at least two years of quality pre-school care.	(FY99 budget proposed).	Results in more children starting school ready-to-learn, reducing the need for remediation. Mainly helps low-and middle-income families who are using low-quality care or are returning to work under welfare reform. [What is the unfunded need in Head Start and /or child care].	Billions of dollars, conflict between quality and capacity. (Funds are needed for training and other program improvements, but these investments do not expand the number if slots available).	Head Start has bipartisan support. Concept attractive to both parties.

EDUCATION BULLETIN					
Reducing Hispanic drop-out rate	The Hispanic high school drop-out rate was over 30 percent in 1994, relative to 14 percent for all Americans. The goal is to reduce the Hispanic rate.	Activities could start this fall. Multi-year effort will be required.	Reducing the dropout rate will allow more Hispanics to enjoy the benefits of the return to education, and improve overall Hispanic economic performance.	Varies depending on extent of effort. Could include major increase in adult education programs, job training programs, programs to boost college retention and access, and requiring states to improve their plans to assist dropouts. But we must understand that the causes of the dropout problem are complex, and the solution will not be easy.	Major effort would be extremely popular with Hispanic caucus. Some elements could prove controversial with other groups.
America Reads: Tutoring for students who are behind, and related efforts	Launch national campaign to ensure that all children can read well and independently by age 8. After school tutor are a primary component; Congress is also pressing for a teacher re-training effort.	Major launch for summer 1998. Negotiation next month over appropriations details are critical.	Helps children in communities with low reading levels, esp. Low income.	Education Dept. Funds for 1998 included in Budget Agreement, although appropriators are balking. Needed increase for National Service is much more difficult to achieve.	Strong positive public reaction. However, support in Congress and from constituency groups is sparse.
Public Education Campaign: Financial Aid for College	Promote college attendance by publicizing the universal availability of Federal financial aid - including the new tax credits.	One year major effort (perhaps starting Jan. 98), followed-up by some continuing new.	Should be targeted to have largest impact where college attendance is low: low-income communities. Also could be aimed at workers who may want or need to upgrade skills.	Modest cost for pamphlets, PSAs, conferences, and bully pulpit activity.	Everyone wants to take credit (they might even want to take part in the information campaign); no one should object.

EDUCATION BILLS

Restore Pell Grant's Buying Power	Increased college cost have reduced the Pell Grant's value, even with the Administration's historic increases. An increase in the maximum award of \$1000 or more (to \$4000+) would restore the grant's buying power.	Higher Education reauthorization proposal or FY99 Budget request for 1999-2000 academic year.	Helps promote college attendance and retention by low-income individuals. (This population will not benefit significantly from the HOPE and Lifetime Learning Credits because they do not have sufficient tax liability).	Would cost \$3-4 billion/year or more.	Some Democrats and higher education groups would strongly support. Others and Republicans may attack price tag in wake of HOPE, and point out the need to prepare low-income kids better before college.
Mentoring: Middle School and Beyond	Promote high school completion, college-going, and career orientation by rounding Mentoring, tutoring, and other support services to students at high-poverty schools, starting in middle or junior high school. Could be combined with information campaign on financial aid for college.	FY 99 budget request or higher education reauthorization for 1999-2000 school year.	Would help children and families in some of the highest-poverty areas. Evaluations indicate these efforts do make a difference.	Investment would need to grow to \$1 billion or more per year.	Constituency groups and elites would strongly support.

EDUCATION BILLARY

Lock-in Pell Grant for Middle Schoolers	Guarantee full or partial Pell Grant eligibility for children at high-poverty middle schools and junior high schools, to encourage them to finish school and consider college. Could be combined with the major public information campaign or mentoring effort.	Higher Education Act reauthorization or FY 99 Budget proposal for 1999-2000 academic year.	Students at high-poverty schools, where they are most in need of any message of hope.	Annual costs starting in 2005 (?) Could range from X-Y billion, depending on program design.	Bipartisan support for concept, but new entitlement and out-year cost could prove difficult to pursue.
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EDUCATION PIETAR

Family Literacy	Dramatic expansion of tutoring and other efforts that promote whole families that can read and write English well and parents have high school diplomas. (Children's skills are closely related to their parents' skills). Would include large increases in funding for Adult Basic Education and Even Start. Addresses needs in make of welfare/immigration laws.	FY 99 Budget Proposal.	Families with low literacy skills, no high school diploma, and/or limited-English proficiency. These programs are used heavily by Hispanic community.	Doubling these two programs would cost additional \$450 million/year.	Bipartisan support.
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EDUCATION PILLAR					
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
Education: GI Bill for America's Workers	Reform and consolidate federal job training, adult ed and voc ed programs. Promote One Stop Career Centers. Empower individuals with Skill Grants	POTUS proposed in 1995. House passed legislation consistent with POTUS's principles. Senate expected to mark up legislation in Senate.	Dislocated workers, students in adult and voc ed programs will be served by a more efficient system with more accountability and individual choice.	Better than 50% chance of Senate passage this year.	If legislation passes Congress it will be overwhelmingly bipartisan. In September there may be an opportunity for the President to launch the bipartisan effort led by Senators Jeffords, DeWine, Kennedy and Wellstone.

EDUCATION/BILLAR

Education: Workers in Transition	There are a range of options to complete your training reform agenda and better support dislocated workers. The broadest proposal would be to guarantee all dislocated workers training/education and income support. The most narrow proposals would be to give more dislocated workers access to Pell Grants or job training.	Requires legislation.	Would be available to all dislocated workers who can't find another job. Take up rates and eligibility screens would vary with the design of the program. Estimates of participation range from about 250,000 to 750,000.	More Training for Dislocated Workers: \$800 million/yr. Pell Grants for Dislocated Workers: estimates range from \$200 million/yr to \$1 billion/yr. Pell/Training & Income Support: \$2.6 billion/yr. Feasibility: Giving dislocated workers the chance to get a Pell grant might have some bipartisan support.	Democrats are generally supportive of job training and education initiatives, but with the current low unemployment rate, new training ideas are likely to be a low priority for Congress.
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2. Renewing our Cities - Sperling, Reed, Klain

Lowy
Summers

Ec Opportunity
Society
Social Policy

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Empowerment Zones	A program to promote sustainable economic development through strategic planning in our most distressed inner cities and rural communities.	First Round began in December 1994. 10 year award. The second authorized August 1997, we propose making awards July, 1998.	First Round benefits include a blend of tax incentives, including a wage tax credit, and grants ranging from \$100 million for Empowerment Zones to \$3 million for ECs. Second Round benefits include a blend of tax incentives, such as brownfields expensing and the WOTC, and a grant award to be determined after appropriations.	Costs of both rounds is \$6+ billion over ten years in tax incentives and grants. Feasibility -- the First Round is in place and we are moving forward on implementation of second round.	Assuming same number of applicants as first round, the ratio of applicants to winners is 25 to 1.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
DFIs	This initiative established the CDFI Fund which provides grant to create a national network of community banks, credit unions, loan funds, microlenders, etc. in low-income and distressed urban and rural communities.	The House and Senate are currently considering the President's request for a more than doubling of funding (\$125 million). This is a protected domestic Presidential priority under the budget agreement. The first awards were made last year totaling \$37.2 million in investments to 32 CDFIs. A second round of grants will be made this September.	To provide capital, credit, and basic banking services to low-income and distressed rural and urban communities.	\$125 million for FY98. Approximately \$1 billion over five years.	Republicans have often opposed this program because it is so closely identified with the President. In addition, recent articles in Business Week and other publications concerning alleged mismanagement may raise additional opposition.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
RA Reform	Continue to fully enforce the Community Reinvestment Act (CRA) to require financial institutions to lend in their host communities.	This initiative was announced in 1993.	Reformed CRA has unleashed billions in new credit to distressed communities.	No cost.	CRA reform has improved the banks perception of the law, but many Republicans would like to gut the Act. Supporters now include community groups.
	Build on the success of CRA would by expanding the law on a voluntary basis to non-bank banks, such as mortgage lenders, insurances companies, and securities firms.	DPC, NEC, and OVP will be reviewing proposals this fall.	This initiative could provide additional billions in new credit and capital.	No cost.	Politically, this would meet very stiff resistance from Republicans and from non-bank banks. Traditional banks should be in favor of this initiative because it has the potential to level the playing field.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Brownfields	Implement new tax incentive to encourage the cleanup and redevelopment of contaminated and abandoned sites. Seek additional grant funds to do more site assessment and loans for economic development.	Signed into law this August. The incentive sunsets in three years. EPA currently has in place a pilot program to provide site-assessment.	Allows immediate expensing of cleanup costs. Expected to benefit 14,000 sites. By providing site-assessment for private interests, increases probability that the site will be cleaned up and put into productive use.	\$500 million cost to Treasury, but will allow for \$1.5 billion in expensing. The Administration has awarded \$20 million under the pilot program. EPA has requested \$300 million and HUD \$165 million.	General bipartisan support and strong support from mayors. Environmental groups support, but are not active on the issue. EPA funding is in good shape. HUD's chances of obtaining funding for this program are low.
Targeted Expansion of Low Income Housing Tax Credit (LIHTC) to encourage the creation of units for people moving out of public housing	A tax credit to encourage the private development of low-income housing for tenants presently housed in public housing units.	As part of OBRA '93, the LIHTC was made permanent. The DPC and the NEC will review proposals this fall.	This tax credit generates \$1.8 billion in private low-income apartment investment annually.	N/A	Opposition in the past has been led by Chairman Archer of the Ways and Means Committee. Support from community groups, financial services industry, and non-profit intermediaries like LIHC and Habitat for Humanity.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Electronic Funds Transfer 1999	Set forth regulations to encourage mainstream financial institutions to provide access to basic banking services to all Americans	Treasury is required to publish draft regulations in September to implement Electronic Funds Transfer 99, which requires all beneficiaries to receive their government checks electronically. Regulations must be in force by 1999.	Potential to provide basic banking services to 10 million unbanked Americans.	No budget cost.	Banks will be oppose if Federal government does not provide some subsidy to offset cost of serving 10 unbanked. Community groups will oppose any regulations that allow check cashing operations and other "fringe" banks to act as financial intermediary for electronic benefits transfers.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Public Housing Reform	Enact legislation to insure responsible management of the nation's stock of public housing stock, provide people with the opportunity to move from public housing to private housing, and renew the public housing stock.	First proposed in 1994. Full agenda not yet enacted. Work to enact additional reforms next year.	Target of bringing down 100,00 of the worst public housing units by the year 2000, replacing them with a mix of portable vouchers and new townhouse style apartments that including a mix of income occupants. HUD has also proposed a mark-to-market reform to restructure high-cost privately owned subsidized low income housing projects that carry FHA mortgage insurance. About 500,000 units would be affected. Would reduce FHA losses and reduce discretionary subsidy costs to those projects.	All these initiatives will save the Federal government money while improving housing conditions for the tenants.	General bipartisan support for tearing down of dilapidated public housing projects. Mark-to-market reform is strongly opposed by individuals who own existing the private housing projects
Housing Mobility	Possible new initiative that would combine enforcement and voluntary proposals to promote housing choice.	The DPC and NEC are reviewing for possible inclusion in FY99 budget	Help move people to decent housing.	Less than \$100 million per year.	Some Republicans will oppose certain aspects because of discriminations issues. Realtors for the same reason. Supporters, include fair housing and civil rights communities.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

Lead Paint Reduction Initiative	Possible new performance-based program for reducing levels of lead-based paint in apartments and schools.	The DPC and the NEC are reviewing for possible inclusion in FY99 budget	To reduce children's exposure lead paint in schools and homes.	n/a	Children and public health groups support.
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ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS CITIES WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Metropolitan Cooperation	Implement Vice Presidential initiative to promote greater regional cooperation and discourage sprawl in general. Special emphasis on Empowerment Zones.	Initiative announce in April 1997. Agencies are currently reviewing policies. Vice President will report on initiative at next White House Community Empowerment Conference.	Benefits central cities by reducing federal disincentives to urban investment, making "greenfields" less attractive as alternatives, and making the urban and regional economies more competitive. Central city residents in particular would benefit through linkage to greater regional job opportunities. Benefits suburbs, particularly inner-ring suburbs, by pooling resources and providing more efficient expenditures, improving the quality of life, and enhancing the regional economy. Benefits rural communities by preserving vital farmland.	No cost.	Some Republicans oppose because of perceived federal interference in what is viewed as a local matter. Developers, the real estate industry, and some private rights advocates would be expected to resist Growing diverse consensus is supporting this initiative -- Mayors, county governments, farmers, environmentalists, and churches. New state legislation in number of states, such as Maryland and Minnesota, have shown the strength of this coalition.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Private Sector Hiring Welfare Recipients	Promote efforts of the Welfare to Work Partnership.	Ongoing.	Already signed up nearly 1,000 companies; goal of 5,000-10,000. Will lead to welfare-to-work programs at most major corporations and many medium-sized businesses. Nationwide database to track job placement.	Target major cities (and states with big caseloads like California) to sign up business community, with occasional Presidential participation.	Has strong bipartisan support.
Welfare to Work Jobs Challenge	Implement new \$3 billion Welfare to Work Jobs Challenge enacted in the budget, including awarding 25% of funds competitively to innovative projects.	Through FY 1999. Program regulations must be promulgated by November 1997 and first grantees chosen in early 1998.	Hundreds of high poverty/ high unemployment communities will receive funds to put long-term welfare recipients to work.	Cost of program included in Balanced Budget Act.	Has bipartisan support and strong support from mayors and other local officials.
Welfare to Work Coalition to Sustain Success	Provide leadership and technical assistance to civic organizations and religious groups working with former welfare recipients to help them succeed in the work force. Effort led by the Vice President.	Ongoing, with quarterly working conferences between the Vice President and the Coalition.	Almost 20 national civic groups have joined, representing hundreds of local chapters throughout the country.	None.	Has bipartisan support

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Federal Government Welfare Hiring	Provide leadership, oversight, and assistance to federal agencies hiring welfare recipients. Effort led by the Vice President.	Ongoing.	Will help at least 10,000 welfare recipients get jobs in the federal government.	Requires an intensive outreach effort by agency personnel offices.	House Committee on Government Reform and Oversight conducted a hearing on the initiative in April 1997 and has indicated its interest in continued oversight.
Welfare to Work Transportation	Provide funds to help communities provide transportation for people leaving welfare for work.	Seeking authorization this fall as part of ISTEA; will require yearly appropriation.	Will help the 94 percent of welfare recipients who do not own cars; will particularly help those individuals living in rural areas or in cities where most of new jobs are in the suburbs.	\$600 million over six years (\$100 million a year).	Local officials support, but most members of Congress have other transportation priorities.
Reward States for Successful Job Placement for Welfare Recipients	Welfare law gives us authority to provide work performance bonuses to states most successful in moving people into jobs.	Will develop bonus system by end of 1997; award bonuses in fiscal years 1999-2003.	States will have to track success in job placement and retention, tell us how many people leave welfare for work.	\$1 billion (already included in welfare law which passed last year). Will require additional tracking by states.	Has strong bipartisan support.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Parental Responsibility	Increase child support collections to over \$20 billion by the year 2000 through strict enforcement of new hire reporting, license revocation, centralized state collections, and streamlined paternity establishment requirements in the new welfare law. Increase involvement of both parents, particularly fathers, in children's lives through grants to states for access and visitation programs (part of new welfare law) and new initiatives to be determined.	Ongoing.	One in four children live in a single parent household and may need child support enforcement services to obtain financial support. Currently, there are about 20 million families in the child support system. Involvement of both parents improves the well being and future prospects of children.	The government share of collections outweighs administrative costs. Implementing the new child support enforcement procedures will require enormous efforts by states, with guidance and oversight from the federal agencies.	Tougher child support enforcement has broad bipartisan support; however, some women's groups advocate a federalized child support system, rather than the current federal-state partnership.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR
[E.G. UNDERCLASS, CITIES, WELFARE REFORM]

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Teen Pregnancy Prevention	Reduce the teenage pregnancy rate by one-third by the year 2005 by promoting the efforts of the National Campaign to Prevent Teen Pregnancy, funding community based prevention efforts, developing proposals to reduce statutory rape, and other new initiatives to be determined.	Ongoing.	More than 4 in 10 young women become pregnant before age 20 and 75 percent of teens who give birth do so outside of marriage. Preventing teen pregnancies improves the economic prospects of young people, decreases welfare dependency and child poverty, and reduces the need for abortions.	The National Campaign is supporting state and local actions, enlisting the help of the media, and ensuring the best research and facts are available. Occasional participation by the President and/or First Lady will help support the Campaign's efforts.	Political disagreements remain over contraception vs. abstinence based approaches
Tracking the Progress of Welfare Reform	Monitor state and local welfare reform efforts and help them solve implementation problems (i.e., FICA). Promote research and evaluation of welfare reform efforts.	Ongoing.	Will help ensure that welfare reform promotes work and protects kids. Provides ideas for possible new initiatives.	Requires staff time. Some funding for national studies included in welfare reform law, but yearly appropriations also needed.	May help allay concerns about effects of welfare reform within Democratic base. May entail criticizing state and local political allies and praising political opponents.

ECONOMIC OPPORTUNITY AND INDIVIDUAL RESPONSIBILITY PILLAR**[E.G. UNDERCLASS, CHILDS WELFARE REFORM]**

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Return to Work	Increase the number of individuals on SSI or SSDI disability rolls who leave for work by enacting the President's Ticket to Independence proposal which would increase the availability of private rehabilitation services for beneficiaries by rewarding providers who successfully return people to work.	Ongoing.	Improves economic status of the disabled. May in the long run reduce federal entitlement costs.	Ticket to Independence proposal is cost-neutral within the budget window.	Bipartisan interest in the issue In addition to our proposal, Republican and Democratic Congressional proposals have been offered.

3. Environmental Protection - McGinty, Sperling, Gibbons

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
SAVING THE GREAT PLACES <u>Examples:</u> - o Yellowstone - o Headwaters' redwoods - o Everglades - o Utah Monument - o Grand Canyon - o Lake Tahoe - o Northern Forests - o New Park?	Goal is to preserve some of the defining features of the American natural heritage that have been threatened by overuse or incompatible development.	Timing of the initiative varies with the place in question: (1) <u>FY 1998</u> -- Yellowstone, Headwaters, Everglades require FY 98 budget before further action. (2) <u>Ongoing</u> -- Utah, Lake Tahoe, Grand Canyon to be implemented through end of second term. (3) <u>Developing</u> -- Northern Forests initiative could be ready early 1998.	<u>National benefits include:</u> preserving symbols of pride for all Americans; conserving important areas for the enjoyment of future generations; and saving places of spiritual significance as part of God's creation. <u>Local benefits vary.</u> Generally, the Administration has proposed policies that are more sustainable over time: Yellowstone saved from gold mine; Headwaters saved from logging; Everglades saved from effluence from sugar industry; Utah saved from coal mine; Grand Canyon water restored and noisome overflights addressed; Lake Tahoe to receive focused support and technical assistance. Northern Forests would help preserve private lands as working forests versus development.	The Administration has made significant progress in most of these efforts. <u>Kinds of "costs" required:</u> (1) <u>Acquisition</u> -- In some cases, land must be exchanged for other property or acquired with cash. Yellowstone and Headwaters will cost up to \$315 million total. Everglades will cost about \$269 million in FY 98. (2) <u>Regulation of Development</u> -- In some cases, there may be a need for restrictions on development (e.g. Utah), although in some cases these restrictions will lead to a more sustainable form of development in future (Everglades, Headwaters, Northern Forests). (3) <u>Change in Recreation</u> -- In some cases, there may need to be modifications of recreational uses to ensure greater compatibility (Grand Canyon, Lake Tahoe).	Initiatives generally are very popular and enjoy bipartisan support. However, in some cases concerns or opposition will be voiced by local Democrats if restrictions on development are involved, or by local Republicans for strictly partisan reasons.

PILLAR

BUILDING LOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
PROTECTING COMMUNITIES FROM TOXICS					
SUPERFUND	CLEAN UP 900 SUPERFUND SITES	SUPERFUND CLEANUP THROUGH 2000, BUT NEEDS TO BE ACCELERATED IN FY 98.	One in four children lives near a Superfund site. Populations exposed to toxics are often economically disadvantaged or minorities. Regionally, toxic contamination is often concentrated in the industrial corridors of the Northeast-Midwest region and CA, although by statute every state has at least one site.	Administration has proposed \$700 million increase in Superfund to \$2 billion a year. A broad business coalition, led by oil, chemical, and heavy industry, oppose additional funding for Superfund unless changes are made in their liability for toxic contamination.	Proposal tends to unite Democrats from industrial states. Opponents argue the program spends too much on lawyers and not enough on cleanup. Administration will have to fight hard to secure funding while preventing "rollback" legislation.
BROWNFIELDS	REDEVELOP BROWNFIELD SITES	BROWNFIELDS TAX CREDIT IN TAX BILL; REMAINDER IN FY 98 BUDGET.	Mayors and urban areas are especially supportive of cleanup and redevelopment projects such as the brownfields proposal. Cleanup and redevelopment also creates jobs for workers and in many cases has union support.	Brownfields tax credit will cost \$1.5 billion over three years.	Proposal unites Democrats from urban areas and had bipartisan support.
RIGHT-TO- KNOW	PROVIDE PUBLIC INFORMATION ON POLLUTION IN COMMUNITIES	MAJOR RIGHT- TO-KNOW ON EARTH DAY; MORE POLICIES POSSIBLE IN SECOND TERM, SUCH AS TARGETING BY SECTORS.	Right-to-know is a major and widely popular empowerment tool for communities and local leaders.	Opponents argue that Right-to- know proposals are inaccurate and costly to industry and run counter to Administration reinvention efforts.	Proposals are widely popular and present a good New Democrat message of empowerment. Administration has substantial authority it can use with only a slight chance of Congressional reversal if pursued carefully.

PILLARS

GREAT LAKES	PROTECT GREAT LAKES FROM TOXIC POLLUTANTS	GREAT LAKES PROPOSAL NEEDS FUNDING IN FY 98 BUDGET.	The Great Lakes are the major source of freshwater for drinking and recreation in the region.	Great Lakes funding for toxics is only a few million dollars a year from the NOAA budget. However, much greater attention is required to secure funds.	Money has not been provided by a Congress more interested in using limited NOAA funds for pet projects.
ENVIRONMENTAL CRIMES	LEGISLATION TO GET TOUGH ON ENVIRONMENTAL POLLUTERS	ENV. CRIMES BILL ALREADY INTRODUCED	State Attorneys General and district attorneys back greater support in fighting environmental crimes.	Environmental crimes bill more clearly places the cost of pollution cleanup and restitution on the polluter.	Bipartisan support exists for the bill with very little industry opposition.
NEXT GENERATION CLEAN WATER	A NEW SET OF CLEAN WATER PROPOSALS FOR THE NEXT 25 YEARS.	11/98 -- 25TH ANNIVERSARY OF THE CLEAN WATER ACT.	Presents positive vision of water protection in contrast to the "dirty water" bills of the last Congress.	Costs would depend upon kind of legislative and administrative measures proposed.	Clean Water enjoys bipartisan support, especially in the Eastern U.S. and the West Coast. However, bipartisan opposition could arise depending upon proposal.

POPULAR

LEADING BLOCKS OF LAW	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
STAINABLE COMMUNITIES: American Heritage Rivers	Help communities pursue economic, environmental, and cultural values of river resources by improving delivery of Federal services and designating 10 American Heritage Rivers.	Announce final initiative in September and designate 10 AHR by Jan. 1998.	Benefits go directly to local communities. Will help communities preserve their culture, restore their environment, and create economic opportunity. Designated communities will receive Presidential recognition of their special significance, greater Federal assistance focused on needs that they identify, and support for efforts to attract private sector investments. AHR is especially popular in the Northeast and Mississippi Basin.	Initiative will use existing resources and will impose no new government regulations. Initiative likely to be implemented on schedule and according to goals.	Program enjoys bipartisan support, especially from members in the Northeast-Midwest region. Western Republican property advocates fear program will lead to usurpation of individual property rights and divert money from their other priorities.

BUILDING BLOCKS OF CLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
SUSTAINABLE COMMUNITIES: energy, transportation	Goal is to integrate air, energy and transportation policies into a crosscutting approach that reduces pollution while growing the economy.	Clean Air -- CAA to be implemented through second term. Fight over ozone/pm rules could occur this fall. Energy -- PNGV continues through second term/ Electricity restructuring proposal being developed but could take years to enact. Transport -- NEXTEA bill likely to be acted on this Congress.	Clean Air -- Ozone/pm rule saves 15,000 premature deaths; 350,000 cases of aggravated asthma; and 1 million cases of significantly decreased lung function in children. Energy -- Partnership for Next Generation of Vehicles (PNGV), a joint effort with the auto industry, to triple the fuel efficiency of cars while keeping them safe and affordable. Electricity Restructuring estimated to save consumers billions of dollars a year by introducing choice into retail electricity markets. Provides opportunity to promote alternative energy sources that create U.S. jobs while reducing pollution. Transportation -- NEXTEA provides Congestion Mitigation Air Quality grants to promote transportation while reducing pollution. CMAQ is especially useful to communities that need help in meeting the CAA.	Clean Air -- CAA compliance costs industry billions of dollars a year. Burden on state and local governments in areas that are out of compliance with standards. Especially hit are industries that make autos or produce or consume large amounts of fossil fuels. Although defense of the ozone/pm rules would require an all out battle, the Administration is likely to maintain support for a veto in the House and/or the Senate. Energy -- PNGV is a nonregulatory approach that costs the government about \$250 million a year and is proceeding well. Restructuring raises concerns about shifts in costs between regions, stranded costs of uncompetitive utilities, and potential increases in pollution if not addressed. Transportation -- The Administration proposes 30% increase in CMAQ to \$1.3 billion a year. Opponents want unrestricted transportation money. Some version of Administration proposal likely to survive in final bill.	Clean Air issues often divide along regional lines as much as party lines. Accordingly, the ozone/pm rule has tended to split the Northeast from the Midwest and South. Energy issues also often split along regional lines, such as consumer versus producer states. However, Democrats tend to be more supportive of alternative energy policies. PNGV generally is well supported on a bipartisan basis. Congressional consensus on restructuring currently is lacking Transportation issues also have a regional edge, but CMAQ is generally well supported by Democrats.

PILLAR

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
SUSTAINABLE COMMUNITIES: Metropolitan Partnerships	Crosscutting partnerships among the Federal government, cities, suburbs, and rural areas in six regions to combat connected set of issues such as urban disinvestment, sprawl, and environmental degradation.	Proposed by the President's Council on Sustainable Development in Jan. 1997. McArthur Foundation to recommend policies late fall 1997. Adm. initiative could be announced in early 1998.	Center cities will benefit from greater coordination of Federal assistance and elimination of incentives for urban disinvestment. Suburbs will benefit from reducing policies that encourage sprawl, congestion, and air pollution. Rural areas will benefit from the lessening of pressure on prime farmland and small town character and traditions. Mutual cooperation between center cities and suburbs could also contribute to positive racial dialogue between groups that are often separated.	No new Federal resources will be required. Current resources will need to be better used. Resources that have been promoting sprawl and urban disinvestment would need to be eliminated or redirected. Effort is very manageable because the initial scale is limited to only six regional partnerships.	Initiative presents an opportunity for center city Democrats to work together on common causes with suburban independents.

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
SUSTAINABLE COMMUNITIES: sprawl review	Identify Federal policies that contribute to urban disinvestment and suburban sprawl.	Proposed by PCSD in Jan. 1997. Announced by Vice-President in April 1997, (empowerment zone conference). Interagency report due Dec. 1997. Proposed policy changes could be ready in early 1998.	Center cities will benefit from greater coordination of Federal assistance and elimination of incentives for urban disinvestment. Suburbs will benefit from reducing policies that encourage sprawl, congestion, and air pollution. Rural areas will benefit from a the lessening of pressure on prime farmland and small town character and traditions. Mutual cooperation between center cities and suburbs could also contribute to positive racial dialogue between groups that are often separated	No new Federal resources will be required. Current resources will need to be better used. Resources that have been promoting sprawl and urban disinvestment would need to be eliminated or redirected	Initiative presents an opportunity for center city Democrats to work together on common causes with suburban independents.

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GLOBAL LEADERSHIP					
Climate Change	Negotiate an international agreement to reduce greenhouse gases.	White House Conference on Climate Change in early October. Negotiations in Bonn in late October and in Kyoto in December. Key decisions must be made by mid-October.	Benefits of reducing greenhouse gases include reducing risk of: harsh weather events such as heat waves, severe storms and flooding; increase spread of disease; and loss of agricultural productivity. Many of the measures that could be taken to reduce emissions could also improve the efficiency of the U.S. economy, create economic opportunity in new U.S. industries, and bolster exports in environmental technologies.	Climate change policies to reduce emissions could impose significant cost to industry. They are opposed by a broad coalition led by auto interests and industries that produce or consume substantial amounts of fossil fuels. It will be very challenging to craft a climate change treaty that satisfies environmentalists and our European allies and that will clear the U.S. Senate.	There is bipartisan support for action on climate change. However, opposition is led by Democrats from coal and car states and is backed by most Republicans.
Persistent Pollutants	International treaty to ban the most persistent toxic pollutants	Negotiations proceeding very slowly.	Treaty would help reduce penetration of global environment and food chain by persistent toxics.	Developing countries are concerned about the unequal burden of the impact of costs.	Issue has not yet sufficiently emerged to have serious ramifications.

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NVENTION NVIRON- TAL ICY					
TERNATIVE IPLIANCE ISLATION	GOAL IS TO PROMOTE PERFORMANCE BASED COMPLIANCE WITH ENVIRONMENTAL LAWS	<u>FALL 1997</u> -- DRAFT LEGISLATION TO PROMOTE ALTERNATIVE COMPLIANCE IS BEING CONSIDERED BY CONGRESS	Help industry reduce the costs of complying with environmental laws while maintaining same level of protection.	GREATER BURDEN PLACED ON GOVERNMENT TO ENSURE THAT SAME LEVEL OF PROTECTION WILL BE PROVIDED THROUGH ALTERNATIVE COMPLIANCE STRATEGY.	Good New Democrat approach.
Habitat Conservation Plans (HCPs)	HCPs are voluntary agreements to protect wildlife habitat that give landowners certainty in managing their property.	Adm. is currently entering into record number of HCPs. Legislation to expand HCPs could be acted on this fall.	The Administration has completed 190 HCPs covering 4.4 million acres of land.	HCPs must be carefully crafted, often through lengthy negotiations, to ensure that there are no loopholes or uncertainties.	Congressional amendments to the Endangered Species Act likely to be controversial, but Administration could support provisions providing expanded HCP authority.

4. Crime/Drugs/Prisons - Reed

CRIME & DRUGS DEPARTMENT

BUILDING BLOCKS	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
63,000 More Police	Continue implementing the Administration's signature program to increase police presence and expand community policing throughout the country.	Being implemented through FY 2000; funding may need to be extended and adjustments made before then.	Majority of nation's police departments have received funds to hire a total of 63,000 new police (or equivalents) and for community policing training.	\$8.8 billion through FY 2000, nearly \$5.5 billion of which will have been appropriated as of FY 1998. New funds not necessary unless Congress extends life of hiring grants. NB: Funds are protected in balanced budget agreement.	Currently has strong bipartisan congressional support. Some Members of Congress and Mayors have expressed concern about program funds expiring, and are looking to extend grants beyond the originally proposed 3 years.
Crime Technology	Add technology component to community policing initiative. Include use hand-held computers, crime mapping software and other innovations.		Technology becomes more important as police departments begin to reach optimum force levels.		

CRIME & DRUGS DIVISION

Brady Bill	Work with state and local law enforcement to make sure that they continue to conduct background checks on a voluntary basis. Implement a national computer "Insta-Check" system for all firearms sales after November 1998.	National "Insta-check" system must replace 5-day waiting period by November of 1998.	More than 250,000 fugitives, felons and other prohibited purchasers have been stopped from buying handguns. Murders committed by firearms down.	As of FY 1998, \$220 million will have been expended to help states improve their criminal history records. Additional funds <u>may</u> be necessary to continue this process, and -- in response to the Supreme Court's decision in <i>Printz vs. U.S.</i> -- to establish a direct nexus between requiring state and local law enforcement agencies to participate in "insta-check" system and federal funds.	Despite the Supreme Court's decision (<i>Printz vs. U.S.</i>), the overwhelming majority of state and local law enforcement agencies are still conducting background checks. Only 2 states -- AR and OH -- and a handful of local jurisdictions have resisted. Considerable work still needs to be done to get a majority of the states to participate in the national "insta-check" system, including passing implementing legislation in the states and getting more funds from Congress for Insta-Check. The politics of this are more likely to be dominated by pro-gun/anti-gun debate than by party affiliation.
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CRIME DRUGS BILL

Prisons/Penalties	Enforce penalty enhancements for serious criminals -- such as "three strikes" and "truth-in-sentencing" -- and provide states with resources to incarcerate violent offenders. Possible new initiative: Get states to test and treat all prisoners.	Being implemented through FY 2000. State plans due in September 1998.	Serious criminals are serving longer sentences; state and federal prison capacity is up (approximately 40 percent); and prison overcrowding is down (only 3 percent at the state level; 24 percent in the federal system). A large portion of the state and local prison population are crime-committing drug addicts, and testing/treatment may prevent them from committing more crimes when released.	While the crime bill authorized more than \$10 billion for state prisons (construction and operations) and alternatives to incarceration, only \$1.3 billion has been appropriated to date (FY 97). No funds are currently available for testing/treating state prisoners.	Generally, Republicans have favored investing more crime bill monies into prisons than Democrats and the Administration. To make it easier for governors to access prison funds, Republican appropriators have watered down the Crime Bill's tough "truth-in-sentencing" requirements. Republicans have strongly resisted the Administration's efforts to amend the Crime Bill to allow funds to be used for drug treatment and testing in prisons.
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Sex Offenders	Through the Crime Bill and other legislation, the Administration has supported requiring states to create registries of sex offenders; mandating community notification of released sex offenders (Megan's Law); and establishing a national sex offender registry to link the information kept by the states.	Ongoing. All 50 states have some form of sex offender registry. Interim national registry in place as of this spring. Working to get states to participate in national registry as soon as possible.	Communities are notified of released and paroled sex offenders. Law enforcement can more closely monitor sex offender whereabouts.	National sex offender registry may require additional funds to be authorized for states to improve their criminal history records.	Strong bipartisan support. Some governors concerned about losing federal funds if their registries ultimately do not meet federal standards, so technical changes are being made to help. Community notification laws are being litigated in federal and state courts.
Domestic Violence	Continue implementation of the enforcement and preventative initiatives to reduce violence against women.	Being implemented through FY 2000.	Funds have been used to promote pro-arrest policies, battered women shelters, rape prevention, and to establish a national domestic violence hotline. Proposed security improvements to public places have not been implemented.	More than \$500 million of the \$1.6 billion authorized for this legislation has already been appropriated.	There is strong bipartisan support for this initiative.

CRIME DRUGS BUDGET

Juvenile Crime Bill	The Administration has proposed a comprehensive anti-gang and youth violence strategy that: funds local prosecutors; expands after school programs; bans violent juveniles from owning guns as adults; and requires child safety locks with every gun sold.	House Republicans passed their version of a juvenile crime bill in June 1997; the Senate is planning to consider a somewhat improved version this fall.	Would allow localities to replicate Boston's comprehensive -- and very successful -- anti-gang/youth violence initiative (Operation Ceasefire/Nightlite). By cracking down on gangs, tracing all youth crime guns, keeping schools open, etc., youth crime and murders have been cut dramatically.	The Administration's FY 1998 budget included \$225 million to support its juvenile crime strategy (as well as other funds for crime bill authorized prevention programs). However, the House and Senate versions of juvenile crime legislation are likely to call for a more costly juvenile crime block grant.	In the House, Republicans and Democrats were sharply divided over the juvenile crime bill. The Black Caucus decried the Republican and Administration bills as too punitive. And both Democrats and Republicans fought the Administration's efforts to attach gun provisions to the legislation. Senate: While there is more consensus in the Senate, most Republicans are not supportive of the Administration's after-schools initiative -- and (as in the House) Republicans and Democrats alike will fight or water down our gun measures.
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CRIME & DRUGS HIGHLIGHT

National Drug Strategy	By law, the Administration must submit a National Drug Strategy each year. The Administration has proposed record drug budgets, investing marginal new funds in increased prevention, domestic law enforcement, and criminal justice drug treatment. The major new initiative in this year's Strategy is a \$175 million media campaign to help counter recent increases in adolescent drug use. Potential new initiatives to increase the Administration's profile on drugs could include: (1) new money laundering crackdown (Treasury has bill); (2) demanding that governors clean-up their prisons and test/treat drug-using offenders; and (3) continuing focus on Administration's meth strategy that has yielded positive results in its first year (use down, seizures up).	Ongoing. New Drug Strategy due each February. Media campaign will need to be implemented this fall.	Generally, to reduce drug use and its consequences; reduce drug-related crime and violence; and keep drugs from entering our borders.	This year's overall drug budget was just under \$16 billion. However, almost all of the drug budget increases since 1994 have been the result of the \$22 billion crime bill (i.e., community policing, drug courts, prisons, and prevention.) Virtually no gains have been made on the new drug-specific budget items that have been proposed by the Administration since 1993. We are likely to get about \$75 million for the proposed anti-drug media campaign, but very unlikely to get any significant funds for any new anti-drug initiatives.	Republicans have strongly criticized our overall drug strategy and budgets, including early cuts to the Drug Office, reductions to the military's and U.S. Custom's interdiction program, initial focus on treatment and prevention, alleged tolerance of legalization, certification of Mexico, and a lack of zeal in prosecuting drug crimes. Speaker Gingrich has expressed strong support for taking on the drug issue, and seems to support the Administration's media campaign. However, we are unlikely to get Republican support on any of our other initiatives -- and more likely to see a tough Republican anti-drug bill next fall.
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CRIME & DRUGS BILL

Race Crime Initiative	Propose anti-crime initiative to complement race dialogue: (1) increased police hiring for high-crime, minority communities that have been traditionally under-protected; and (2) youth crime prevention targeted at high-crime, minority neighborhoods.	Next 12 months.	Would bring police resources to communities that have the highest public safety needs. Would increase opportunities for minority youth and offer positive alternatives to gangs, guns and drugs.	The Crime Bill already authorizes substantial funds for these purposes (\$8.8 billion for police, \$6 billion for prevention), as does the Administration's proposed juvenile crime legislation.	Their should be bipartisan support for targeting community policing resources to minority communities. Their has been almost no support among Republicans for funding the Crime Bill's prevention programs -- or for adding prevention funds to the juvenile crime bill. We may be more likely to funds for these purposes by focusing on schools, children and families, etc., -- and not on crime.
Victims Rights Amendment	Lead fight to amend Constitution to protect the rights of crime victims.	Ongoing. House held hearings in June of 1997. No Senate action yet..	Writes many of the protections that crime victims have gained into the Constitution.	No immediate budget implications.	Bipartisan support for victims' rights.

5. Renewal of Family - Verveer, Echaveste, Reed,

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Strengthen Child Care for America's Children and the Working Families that Rely on It	Launch a comprehensive child care initiative that addresses: --Health and safety of children in care --Quality of care --Affordability of care --Availability of infant and toddler care --Availability of school-age, before- and after-school enrichment programs	10/23/97: WH Child Care Conf.: set national goals and discuss outline of initiative SOTU: unveil full initiative	12 million children under 6 and 17 million between 6-13 need care, with both parents or a single parent in the workforce. Child care is essential for future productivity and a strong workforce, for successful welfare reform, and for early childhood development and school-readiness. Experts report a quality crisis in child care, with low state licensing standards and low wages/ high turnover in the profession. Studies tells us that crime increases after 3pm, that latchkey children are more likely to engage in risky behavior, and that quality after-school programs can have a positive effect on children's development and learning.	A comprehensive initiative will require a significant investment of federal dollars to leverage state, local and private funds -- with DCTC reform, increase in child care subsidies, quality incentive funds, and school-age care development funds. Costing Ongoing and TBA.	Many elements have strong bi-partisan support, with legislation already introduced to address components of problem Governors may resist any perceived interference with state function of overseeing child care -- especially any new federal quality standards.

FAMILY SUPPORT					
Promote Adoption and Improve Child Welfare	Double the number of children adopted each year by 2002 and move children more quickly from foster care to permanent homes -- President's <i>Adoption 2002</i> initiative. Promote <i>Adoption 2002</i> by pushing Congress to act on pending legislation and appropriations requests.	9/97: Senate expected to consider adoption bills Need leadership to ensure Congressional action	Approx. 500,000 children are in foster care, with approx. 100,000 legally free and waiting for adoption. Seven out of 10 are minority children, older, or have special needs.	The President's <i>Adoption 2002</i> initiative is nearly cost neutral, with targeted savings from foster care. House bill, HR 867, is cost neutral; Senate bill has not been fully costed, but is estimated at several billions.	Bipartisan, broad-based support for President's <i>Adoption 2002</i> initiative. House overwhelmingly passed HR 867, which included many elements of initiative; Senate's more expensive bill, S 511, still awaits action.
Help Parents Balance Work and Family	Expand FMLA to ensure that employees can take up to 24 hours of un-paid leave for school and early childhood education activities, routine family medical or dental appointments or elderly health and care needs. Propose other family-friendly initiatives, to encourage telecommuting, self-employment, etc. Issue report on new tensions that work places on the family.	Push Congress to introduce legislation	Helps working parents balance work and family by enabling them to take needed time off.	Cost Neutral. Has limited support from advocacy groups who would much prefer to see FMLA applied to businesses with fewer than 25 employees.	Has broad but unenthusiastic support in Congress. Opposition exists from some of our natural supporters -- labor, key Democrats.

FAVORABLE IMPACT					
Protect Children from Negative Influences of Media and Promote Quality Children's Television	Continue leadership in development of TV ratings, V-chip, and quality TV programming for children.	Ongoing	Tools such as TV Ratings and the v-chip enable parents to make informed decisions about their children's TV watching.	Cost Neutral.	Bipartisan Media Industry res.

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10/15/05

6. Children - Sperling, Reed, Verveer, Echaveste

7. Gifts to the Future - Verveer

GIFTS TO THE FUTURE (MILLENIUM PROJECT ET AL)

This Initiative affords the President the opportunity both to underscore government leadership and to challenge citizens, corporations and non-profits to be engaged at the grassroots level to make tangible contributions to the next generation. It reinforces the Administration's themes of opportunity, responsibility and community and national service. The overall agenda for children can also be framed as a "gift to the future" -- both in terms of specific Administration-related commitments and public and private efforts across the country. What follows is a list of examples, by no means comprehensive.

GIFTS TO THE FUTURE - INVESTMENTS IN OUR CHILDREN'S FUTURE

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
Reinforcing existing Admin. commitments for completion by year 2000.	Examples: - National Service Summit goals - Goals 2000 - America Reads - Teachers in inner-city schools - Wiring our schools	Ongoing	Specific programs to benefit all Americans, particularly children -- designed especially to enable citizens to meet the challenges of the next century.	Already budgeted.	
America's Schools and related investments in improving the lives of children and their communities	- Commitment in each community to improve local schools, making them safe and attractive learning environments. - Follow-through on the wiring of all schools.			Some federal incentive for school repairs and challenge to engage parents, corporations and unions in every community. Also a challenge to every community to make a tangible contribution as a "Millenium Community" to enhancing the quality of life from playground improvement to ____.	

GIFTS TO THE FUTURE - INVESTMENTS IN OUR CHILDREN'S FUTURE

Environmental Protection	"Heritage Rivers," most endangered national parks.	Ongoing	Economic activity, increased tourism. Preservation of national legacy.	Heritage Rivers already budgeted. No cost estimate for parks, etc.	
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GIFTS TO THE FUTURE - CULTURAL HERITAGE AND CREATIVITY

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
"Worthy Ancestors"	Preserving America's treasures: archives, artifacts, parks, monuments, battlefields, and intellectual property. (E.g the severe need at the National Archives to address the preservation of key historical documents.) Challenge communities at the local level to address local preservation needs.	Next three years	Preserving our history for future generations. Economic activity, particularly the role of intellectual property in stimulating new creativity. Grass roots civic involvement.	Federal incentives through an "America's Culural Heritage Act" -- which would require matching funds from corporate and non-profit entities. Also specific appropriations of funds for archives to preserve historical records now at risk.	Creates new federal budget needs. Potential: to appeal for massive public support.

GIFTS TO THE FUTURE - CULTURAL HERITAGE AND CREATIVITY

Digitizing historical and cultural materials.	Protecting "America's Archives" for future generations (Builds on wiring the schools because of need to assess quality programming)	1998-2001	Offers education access at all levels. Improves the quality and accessibility of libraries.	Would require approximately \$100 million in government funds and \$100 million in corporate matching funds to cover the most significant and endangered materials.	Demonstration of government partnership with new technology companies.
Maintaining our federal commitment to preserving and enhancing our cultural heritage	*Institutions: - Archives - Smithsonian, etc. *Agencies: - NEA, NEH, IMS *Other Fed. Agencies with cultural activities such as the Park Service, etc.	Ongoing	Affects all Americans. Improves education, builds citizenship, benefits the economy and tourism, revitalizes communities.	Already budgeted.	Some agencies, like the NEA, have been targeted by the right for elimination.
Create a permanent funding stream for the arts through new sources of dedicated revenue.	Cultural institutions are significantly underfunded. NEA funds combined with private giving will continue to be inadequate.	1998-99	All Americans will help build their communities. Promotes creativity and the importance of preserving our cultural heritage. Furthers the importance of arts education as an integral part of the curriculum.	Research on dedicated revenue in progress at the Treasury Department.	Would diminish cultural agencies as political targets.

GIRLS TO THE FUTURE: CULTURAL HERITAGE AND CREATIVITY

Carry out key elements of the comprehensive plan for the White House complex and the U.S. Capitol Preservation plan.	The National Park Service has spent 5 years developing plans for the preservation and improvement of the White House and surrounding park. The Capitol has similar plans for preservation and public access.	Park Service plan available for public comment in 1998.	Preservation makes use of the symbolism of America's most important democratic monuments.	Provide leadership, marshal public support, and recommend adequate funding through the appropriate agencies.	Potential for bipartisan support as a Millennium goal.
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GIFTS TO THE FUTURE - BUILDING FOR THE FUTURE

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
Call for a new American philanthropy.	Use bully pulpit to urge Americans to continue the American tradition of philanthropy by increasing their charitable giving by 10%.			No Government appropriation.	

8. International Economic Leadership - Tarullo, Summers, Sperling

INTERNATIONAL ECONOMIC LEADERSHIP PILLAR

BUILDING BLOCKS	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Opening Markets around the World	Secure Fast Track Negotiating Authority	Fall/ Winter 1997	Trade has been a major source of dynamism in the U.S. economy and will only grow in importance. But trade also has discernible distributional consequences. <u>Winners/Supporters:</u> • U.S. Exporting Industries & Agricultural Producers • U.S. Services Industries • U.S. Multinationals • U.S. Consumers • Trade Partners, especially Emerging Markets <u>Losers/Opponents:</u> • Less-skilled manufacturing workers (e.g., apparel, footwear, & textile) • Organized Labor • Environmentalists	<u>Feasibility:</u> • Fast Track: Fair • Chile: Fair • FTAA Launch: High • Asia-Pacific: Moderate/low; requires sustained effort • Financial Services: Low • Electronic Commerce: Fair • Agriculture: Too early to predict • Medical Equipment: Fair • Chemical Products: High • Environmental: High • Energy: High • WTO Round: possible tradeoff with short-term success in individual sectors and regional trade agendas <u>Cost:</u> • Fast Track: costs TBD associated with possible expansion of trade adjustment programs • Individual Trade Agreements and WTO Round: cost of tariff revenues foregone TBD	Defining issue for the President and the Democratic Party. The President generally gets credit for a courageous stance. Trade liberalization is extremely divisive within the party; symbolic issue. • Strongly opposed by traditional Democratic base. • Success of Fast Track and Chile will hinge on solid Republican support. • However, many of sectoral initiatives should encounter little opposition and Asia-Pacific agenda supported by business and labor.
	Conclude Free Trade Agreement with Chile	Spring/ Summer 1997			
	Launch Negotiations towards FTAA	April 1997			
	Achieve Genuine Opening in Asia-Pacific Markets, including Japan, through APEC, WTO, and bilaterally	Ongoing			
	Eliminate Barriers in Sectors at Core of U.S. Competitiveness: • Financial Services • Electronic Commerce • Agriculture • Medical Equipment • Chemical Products • Environmental Goods & Services • Energy Equipment & Services Announce/Launch a New WTO Round of Negotiations, building on post-Uruguay Round activities to shape new economy	Dec. 1997 1997-8 1999-2000 1997-8 1997-8 1999			

INTERNATIONAL ECONOMIC LEADERSHIP PILLAR

BUILDING BLOCKS	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Integrate Key Economies into International Economic System	Fully integrate Russia as member of the Eight	Ongoing	<u>China/Russia:</u> These efforts will help draw the geopolitical map of the 21st century. Future generations of Americans will reap the fruits of enhanced national security and international prosperity associated with successful integration of these two former rivals.	<u>The Eight:</u> Highly feasible & low cost	<u>Russian initiatives:</u> Strong bipartisan support among moderates.
	Put Russia on sustained path to market economy by coordinating MDB and bilateral efforts	Ongoing		<u>Russian reforms:</u> Moderately risky, but no real alternative; substantial (TBD) cost in bilateral and multilateral lending	
	Complete Russia's WTO accession on strong terms	1998	European and Asian allies will benefit similarly.	<u>Russia WTO:</u> Moderate feasibility, no budgetary cost	<u>China initiatives:</u> Strong support among centrist Republicans and Democrats, support by business community and foreign policy opinionmakers. Strong opposition among right-wing Republican groups (Christian rights, anti-Communist, anti-proliferation) and left-wing Democratic groups (human rights, organized labor).
	Complete China's WTO accession on strong terms and secure permanent MFN.	1998	<u>Africa:</u> This effort fundamentally reorients our African economic policies towards the market and puts them on a sustainable footing. Renews hope and opportunity in Africa and may contribute to diminution of crises requiring emergency humanitarian and military assistance.	<u>China WTO & permanent MFN:</u> Extremely challenging, no budgetary cost	
	Promote private-sector- led growth in Africa through passage of trade legislation and implementation of debt initiative	Fall/ Winter 1997		<u>Africa:</u> High feasibility; new budgetary costs of \$200+ million over 5-10 years.	<u>Africa trade:</u> Strong support from Congressional Black Caucus, foreign policy opinionmakers. Expect little organized opposition from either party.

INTERNATIONAL ECONOMIC LEADERSHIP BILLYAR

BUILDING BLOCKS	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Strengthen International Financial System	Secure strong financial services liberalization commitments from key emerging markets.	December 1997	Critical for maintaining U.S. leadership in international economic sphere, ensuring U.S. priorities are advanced through MDB programs and for leveraging U.S. influence and resources in developing and emerging economies.	<u>Financial Services</u> : Low feasibility, no budgetary cost.	Most international financial policies are not highly salient politically. IFI funding is a lightning rod for some anti-internationalists, but this is not a partisan dividing line. However, failures in the international financial system can be politically costly, as evidenced by the debates surrounding the Mexican financial support program.
	Strengthen national regulatory and supervisory institutions around international norms.	Ongoing		<u>Financial regulations</u> : High feasibility; minor budgetary costs, mainly through IFI's.	
	Strengthen capacity of international financial institutions (IFIs) to prevent and respond to financial crises. Secure funding for: - New Agreements to Borrow (NAB). - IMF Quota increase. - IFI's, including IFC.	Ongoing	Contributes to stability and strength of global economy, channels private sector resources to finance growth in developing countries, contributes to sustained growth in U.S. trade, and reduces political instability associated with extreme economic volatility.	<u>Strengthen IFIs</u> : Moderate feasibility; significant budgetary costs.	

9. Savings / Entitlement Reform - Sperling, Summers

ENTITLEMENT REFORM PILLAR

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
Social Security Reform	Need to address projected long-run imbalance in Social Security program. Larger challenge is to ease the burden from the retirement of the baby boomers.	Initial proposals possible in either early 1998 or late 1998/early 1999. See attached memorandum.	See attached memo.	See attached memo.	See attached memo.
Medicare Reform	Need to address projected long-run imbalance in Medicare program.	Medicare commission needs to be appointed by end 1997; commission report due March 1999.			

10. Health Care/Improving Health Status - Jennings, Reed

HEALTH CARE BILL					
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS	COSTS/FEASIBILITY	POLITICAL RAMIFICATIONS
Implementation of Children's Health Initiative	Ensure effective implementation of children's health initiative	Intensive in next six months and throughout 2nd term.	Implement strong state programs to expand health coverage to millions of uninsured children.	Already paid for in Balanced Budget Act. May require additional administrative costs for Federal oversight.	Reinforces commitment to children. Failure to significantly increase numbers of uninsured children would be highly problematic.
Implementation of Medicare Reforms in the Balanced Budget	Ensure smooth implementation of the most comprehensive Medicare reforms in the program's history. Assure that agency focuses on the new choices and benefits available to beneficiaries, making the program more market-driven and beneficiary-friendly program. Closely follow Medicare preventive benefits to see if it saves money.	Intensive in next six months and throughout 2nd term.	Implement broad-based structural reforms, new preventive benefits, and extend the life of the Trust Fund by at least a decade.	\$115 billion in savings over five years.	Reinforces commitment to Medicare reforms. Tests HCFA's ability to show that Medicare can be a viable, strong, and flexible Federal health program.
New Medicare Reforms	Consider implementing long term Medicare reforms before Commission Report. Income-related premium and intensive fraud and abuse initiative.	Next six months. Income-related premium could go in FY1999 budget.	Action-oriented approach rather than waiting for Commission recommendations. Continue to strengthen the Medicare program.	Savings for the Medicare program, which can be achieved outside of commission process.	Aging advocates and some of our Democratic base (like Gephardt) will oppose income-related premium outside of context of broader reform.

HEALTH CARE BILLING

Fraud and Abuse in Medicare and Medicaid	New actions to stop current fraud and abuse in health care system. Take action against home health care companies and other providers overbilling and defrauding Medicare and Medicaid.	More comprehensive approach in legislative bill or narrow administrative action within the next several weeks.	Stop those who continue to defraud Medicare and Medicaid, restoring confidence in these programs.	Currently working with HHS/HCFA to determine what actions can be taken right away and what might require legislative action. Significant savings possible but unlikely to be scored by CBO in a significant way.	Support from aging advocates and consumers. Providers will likely oppose.
Medicare Commission	Appoint commission to consider feasible long-term reforms for the program.	Commission appointed by Dec. 7, 1997. Report due in 1999.	Address long-term financing challenges of Medicare program.	No significant costs. Potential savings if consensus reached on broad-based Medicare reform. Commission required under the Balanced Budget Agreement.	If Commission is made up of respected politically experienced and credible members, its recommendations have the potential to have a real impact on pushing controversial, difficult but necessary reforms forward in the political arena.
Consumer Protections, Quality	Develop Administration consensus on a broad range of consumer protections. These could include appeals and grievances procedures for patients in a rapidly changing health care delivery system.	Likely to be raised in a bipartisan fashion by the Congress this fall.	Address the need for more appropriate consumer protections and quality assurances.	Costs are currently being reviewed. Should be fairly minimal.	Lots of support from consumers who worry about lack of protections in managed care environment. Opposition from managed care groups and business representatives. Could be combined with some business priorities such as voluntary purchasing cooperatives and business representatives.

HEALTH CARE REFORM

Privacy Rights	Work with HHS to finalize their statutorily-mandated report on privacy protections and develop positions on outstanding controversial issues.	Likely to be addressed in the context of consumer protection/quality debate this fall.	Develop appropriate protections as health care shifts to large network providers, managed care, and information management companies; major long-term implications for use of medical information in the computer age and is the context of unprecedented medical research advancements.	Unknown -- but likely minimal cost impact. Lots of interest in this issue. However, wide array of viewpoints particularly with regard to enforcement.	Consumers and health advocacy organizations will be supportive. Managed care companies could oppose.
Genetic Discrimination Legislation	Develop strategy to pass the President's legislation preventing health plans and employers from discriminating on the basis of genetic information.	This fall -- possibly as a part of larger consumer protections and quality reform.	As genetic information becomes more accessible, need protections to guarantee this information is used to improve health status and not to discriminate against individuals with genetic predispositions.	Minimal.	Consumers groups, women's organizations, labor groups support.
FDA Reform	Making FDA more efficient and responsive to concerns of industry, while assuring agencies strike commitment to public health.	October or soon thereafter.	Place in statute many of the reinventing government provisions we have advocated.	Likely to happen because of the industry's and Administration's interests in ensuring continued FDA user fees, which have been critically important to financing unprecedented and rapid review process.	Pharmaceutical industry and the Hill strongly supports. Consumers would be luke-warm, but generally supportive.

HEALTH CARE POLICY					
Pediatric Labeling Implementation	Implementing new rule to ensure adequate testing and labeling for drugs widely used on children.	Rule proposed August. Implement in next 3 months.	Ensure that children get high quality treatment care. According to the American Academy of Pediatrics, "this is one of the most important advances for pediatric drug therapy in several decades."	Is already underway. Currently seeking public comment. Cost to industry is relatively modest.	Support from AIDS, children's, physicians groups. Concern among pharmaceutical companies due to philosophical opposition to a mandate.
21st Century Trust Fund	Set aside Trust Fund to supplement -- not supplant -- NIH budget on priority additional investments for high priority disease categories that show good potential for treatment/cure.	Could be done with potential funds from tobacco settlement.	Ensure that most promising research is expedited and life and cost-saving cures/ treatments are found. Could be dedicated to cancer to ensure association with tobacco-related research.	\$1 billion to \$3 billion per year.	Lots of bipartisan support for biomedical research.
Continued Leadership on Bioethics (consistent w/Morgan state speech)	National Bioethics Advisory Commission fall report recommending stronger protections for human subjects of unregulated research (possibly propose legislation). Ensure implementation of commitments on Tuskegee, human radiation experiments, and secret human research.	This fall.	All Americans benefit from greater participation in research, especially among minorities.	Minimal. Already expect recommendations. Determining feasibility of enacting broad-based legislation.	Lots of underlying support for ensuring protections for subjects of this research.

HEALTH CARE BUDGET

Race and Health	Public health campaign oriented towards improving health status in areas with disparities in race, such as asthma, cancer, infant mortality, diabetes, and heart disease.	FY1999 Budget	Reduce disparities in adverse health status of minorities and contributes to overall health initiatives.	Approximately \$500 million to \$1 billion in new investments. Could be included in our Budget, but need to secure status from OMB.	Support from health care advocates as well as from minorities. Reinforces President's overall race agenda.
Research and Training Trust Fund	Develop Trust Fund for research and training, since fewer private dollars are being allocated to this area.	Unknown	Ensures adequate investments in research and teaching. Can protect our status as leader in work in that area into the future.	Use insurance premium assessments to support this endeavor.	While lots of broad-based support for enhancing research and support from Moynihan and others on investing in teaching hospitals, raising premiums would be viewed as a tax and strongly opposed by the insurance industry.
Tobacco Settlement	Secure FY 98 appropriations. Pass tobacco legislation that: codifies FDA authority and restricts access and advertising to kids; reduces children's smoking by 50% in 7 years; and reduces overall tobacco consumption.	Frame legislative debate in a Presidential event in September. Secure approp. in September.	Potential important new investments in health care Reduces the vast amount of tobacco-related illness and death, reduces harm to children, lowers health care costs.	Whatever revenue generated from settlement is available--potentially billions of dollars (perhaps \$3-8 billion a year). Chances of success dependent on agreement on overall settlement.	Could gain bipartisan support; strong regional concerns from tobacco states.
Workers Who Change or Lose Jobs	Pay health care premiums for workers who change or lose their jobs.	Possibly in the context of tobacco settlement.	Sound policy. Helps workers and their families -- in an increasingly transient economy -- keep their health care coverage when they change or lose their job.	\$2-\$4 billion per year. Sound policy. Probably best population to target without substitution problems. Needs more positive publicity and better communication strategy to attract broader support.	Needs more publicity to elicit more broad-based support, but labor and health policy community think next logical step.

HEALTH CARE PRIORITIES					
Early Retirees	To offer access into Medicare before age 65 and to provide subsidies for lower-income pre-Medicare eligibles.	Possibly in the context of the tobacco settlement.	Targets the most difficult to insure population in the country.	Costs \$3-\$5 billion per year. Tobacco settlement could offset some of these costs but probably be inadequate.	Address high priority for the labor and aging advocacy interests.
Voluntary Purchasing Cooperatives	Develop legislation to help more small businesses have access to affordable health care insurance by developing voluntary purchasing cooperatives.	FY 1999 Budget	Targets employers who have the most difficulty providing health care coverage to their workers.	Costs are minimal -- less than \$100 million per year.	Popular among business community and consumers as well.
Food Safety	Follow through on agency commitments in June report to President to issue new regulations on food safety and launch public-private initiative	This fall -- propose regulations for juice and eggs, and launch the public-private education campaign.	Improve safety of our nation's food supply.	Commitments funded by \$43 million FY98 request likely to be fully appropriated.	Bipartisan; well supported by industry and consumers.

HEALTH CARE REFORM

Needle Exchange	Lift the ban on federal funding for needle exchange. (HHS Secretary has the authority if she determines programs would not increase overall drug use.	No decision has been made.	HIV infections among injection drug users, their sexual partners, and their children are at a very high level and are increasing. Needle exchange programs have been shown to be effective in reducing the rates of needle sharing and HIV infection among participants. Would bolster support for local prevention groups and public health officials seeking to implement programs at the community level.	Relatively inexpensive.	Extremely controversial. Republican appropriators were close to rescinding the Secretary's authority to lift the restriction, but did not do so. Many national organizations, including the U.S. Conference of Mayors, the American Medical Association, and the American Bar Association, have come out in support of needle exchange.
Expand Access to HIV through Medicaid benefits.	Currently Medicaid does not pay for HIV drugs until a certain level of disability reached whereas AIDS drugs recommended as early as possible. Develop strategy for Medicaid access to drugs before disability.	VP has requested study from HCFA on feasibility of a demo. Study expected shortly.	Offers these lifesaving drugs earlier -- when they are thought to be more beneficial. Reduce pressure off other AIDS funding programs, such as AIDS Assistance Drugs Programs.	HCFA determining costs of doing as a small demonstration as well as legislation. Could be expensive.	Extremely high priority for the AIDS community.

HEALTH CARE POLICY

Making health status, rather than just coverage a priority.	Strong arguments can be made that instituting the goal of improving American's health should be focused much more on how to improve American's health status than it should be on merely improving coverage. Longer range proposals could be focused on how best to do this. They could include a much greater emphasis on prevention, health promotion research, and other public health strategies.	Throughout the remainder of the Administration.	Shifting our focus to health status -- rather than coverage -- could help improve health of many Americans.	Unknown at this time. Depends on the policy developed and whether they are federally-funded or achieved through requirements in the private sector.	Could be very popular if done with scientific validation. If not done carefully, it could be viewed as "feel good" policy that has real life impact.
AIDS Vaccine	Do everything possible to reach goal of developing vaccine in the next decade, including new AIDS vaccine center at NIH and high profile meeting with companies.	Announcement about center and meeting in next few months.	Developing a vaccine for this deadly disease plaguing millions around the world.	Paid for. Costs for vaccine center paid for in NIH budget.	Strong support from key Congressional offices and community, provided funding does not undermine other areas of AIDS investments.

11. American Leadership Abroad - Berger, Steinberg

(This section will be forwarded to you.)

AMERICAN LEADERSHIP ABROAD					
BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
UNDIVIDED EUROPE	UNDIVIDED EUROPE	UNDIVIDED EUROPE	UNDIVIDED EUROPE	UNDIVIDED EUROPE	UNDIVIDED EUROPE
NATO Enlargement Ratification	Secure Senate ratification for admitting Poland, Czech Republic and Hungary to NATO. Implement strategy on second group(s) of invitees	Introduce legislation early 1998; seek ratification by March-April. First new members admitted Spring 1999 at NATO summit in Washington. Review timing for second group in 1999, possibly invite others to begin accession talks.	Strengthens NATO to meet core mission of self-defense and to take on new missions like peacekeeping. Helps lock in gains of democracy, free markets in Central Europe and promotes stability in part of world that sparked two world wars.	Ratification likely but not assured. Will require serious effort by the President to convince individual Senators and to rally support from American people. NATO direct costs are \$9 to 12 billion for '97 through '09. US share is estimated at \$1.5 to 2 billion or \$200 million per year for the next 13 years. Allies pay about 50%; new members about 35%. Additional costs of \$8 to 10 billion for Allies and \$10 to \$13 billion for new members for certain national force enhancements.	

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APC
Russia
Europe

Africa
China
UK

India-Pakistan
India

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
NATO Adaptation and Enhancing Cooperation/Integration	Continue internal NATO adaptation (command structure; Spanish, French integration expand Euro role.)	Now through NATO ministerial in December, 1997.	Adaptation strengthens NATO's ability to meet core mission of self defense and new missions like peacekeeping.	Adaptation on course. Spanish integration likely, French integration questionable; dispute with U.S. may require occasional intervention by President. Leads to more equitable defense burdensharing with Europe, thereby shoring up domestic support for residual defense spending and our presence in Europe.	
	Strengthen Partnership for Peace/EAPC; develop NATO-Russia & NATO-Ukraine partnerships.	Through 1998	Outreach promotes integration and stability throughout Europe.		
	Strengthen integration of the Baltics and Southeastern Europe	Through 1998			

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
Advance Self-Sustaining Peace in Bosnia	Support full implementation of Dayton Accords (including: bring war criminals to justice, help refugees return, promote economic reconstruction, democratization, arms reduction, support institutions.) Complete SFOR mission on schedule. Decide on post-SFOR participation by U.S., if any, to ensure implementation continues. Build public and congressional support for continuing role. Promote democracy in Serbia and Croatia and regional and economic development.	Now through June 1998: use SFOR presence to push for full implementation of Dayton. Fall 1997 decide post SFOR presence, if any.	Strengthen self-sustaining peace in Bosnia; save countless lives; preserve stability at heart of Europe; help hundreds of thousands displaced persons return home.	SFOR likely to complete mission on schedule. But ability to advance individual components of Dayton uncertain – especially provisions on war criminals, refugee return. Will require difficult policy decisions by President, agreement with allies and could entail risks to troops. Would be difficult to build public and Congressional support for post-SFOR military presence by U.S., easier to garner support for out-of-country military effort and/or continued economic, humanitarian assistance. Either way, President would have to take lead in making case to Congress, American people. Cost? [Unknown]	

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
Push to improve ties btw. Greece & Turkey	Use current promising circumstances for major effort to improve bilateral ties, building on momentum of Madrid agreement on principles to govern bilateral relations; address core issue of dispute over continental shelf.	Initial push now through end of 1997. Additional specific steps contemplated for 1998.	Opportunity to further defuse enduring and dangerous flashpoint for conflict in Europe, promote productive ties between NATO allies	Uncertain. Recent steps forward encouraging but history of conflict sobering. Would require high profile engagement by President if agreement within reach.	
Advance Resolution to Cyprus Dispute	Capitalize on appointment of Presidential emissary and initiation of UN-sponsored direct talks and urging EU accession talks to bring parties to framework negotiations and move them toward bizonal, bicomunal federation	In 1998, seek to open framework negotiations. 1999-2000: Work to overcome Turkish objections to EU membership for Cyprus	Same as above.	Same as above.	

BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
Russia/NIS	For NIS security, arms control and trade goals, see also above and below. Advance Minsk Group negotiations on Nagorno-Karabac toward goal of peace agreement. Play more active role in conflict resolution in Georgia/Abkhazia Encourage free and fair elections throughout region	Intensified negotiations Fall 1997 Target Phase I agreement by end of '97 Phase II agreement by '98 Negotiations process led by UN during fall 1997 Russia: Parliament '99; President '00 Ukraine Parliament March '98; President Oct. 99	Resolution of NK and Abkhazia conflicts promotes regional stability and cooperation in Caucasus and strengthens prospects of rapid energy development in Caspian Basin. Key to reinforcing principals of democracy and elections as basis for political transition in NIS.	Final push for necessary concessions for NK may require intervention by the President, together with Presidents Yeltsin and Chirac. Prospects for peace are good. Requires broad and high-level diplomatic engagement on free and fair elections; as needed, consider targeted technical assistance for electoral processes.	

	Support regional and international integration of NIS states, e.g. WTO, OECD, NATO and IFIs.	Begin in 1998	Promotes democracy by enhancing economic, political and military development.	Requires broad and high-level diplomatic engagement and trade negotiations.	
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BUILDING BLOCKS OF PILLAR	DESCRIPTION	TIMELINE	BENEFITS (e.g. Who does this help? How does it help them?)	COSTS/FEASIBILITY (e.g. What does it take to achieve? Who pays (\$ or capital)? What is the likelihood it will occur?)	POLITICAL RAMIFICATIONS (e.g. How does it affect the party?)
STABLE ASIA	STABLE ASIA	STABLE ASIA	STABLE ASIA	STABLE ASIA	STABLE ASIA
Advance Engagement with China	Work to rebuild bipartisan consensus on engagement with China. Draw China into world community to encourage economic and political change, respects for human rights and non-proliferation norms. Promote WTO accession (see below), permanent MFN, end to Tiananmen sanctions in context of Chinese actions improving rights and Chinese performance on other issues Gain broad China conformity with non-proliferation regime and cut off arms sales to rogue states Stabilize PRC-Taiwan relationship through enhanced cross-strait ties.	Jiang State Visit: October 1997. POTUS return visit: late 1998 (T)	U.S. has profound stake in China's evolution as peaceful, open, stable country. Americans will benefit from cooperation with China on trade, non-proliferation, stability on Korean peninsula. Chinese will benefit from greater political freedom, economic opportunity if China abides by international rules of conduct on trade, nonproliferation, human rights, etc. China that turns inward is destabilizing factor for Asia Pacific region.	In wake of MFN vote, opportunity to rebuild consensus on engagement and reverse demonization of China. Key moments are state visits. Will require high profile Presidential leadership; Congressional effort (permanent MFN, Tiananmen sanctions) only in context of significant Chinese progress.	

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Promote Peace and Stability on Korean Peninsula	Pursue Four-Party Peace Talks toward goal of peace between Koreas, normalize of U.S.-DPRK relations. Implement dismantling of frozen North Korean nuclear weapons program. Seek limits on North Korean missile and CW program. Continue to provide humanitarian assistance to avert famine	Talks: Fall 1997. Nuclear dismantlement: Ongoing. Ongoing Ongoing	As Cold War's last armed frontier, Korean peninsula remains dangerous flashpoint for conflict, with 37,000 U.S. troops on frontline. Peace talks could finally defuse danger, increase stability in Asia. Implementing nuclear agreement makes unpredictable North Korea less dangerous to neighbors, region. Helps ensure against massive population displacements and general disorder which might result in irrational military action.	Preliminary negotiations for peace talks difficult but ongoing – chance parties will agree to begin formal talks in fall. But highly volatile, given history. Grave risk of instability in North due to economic collapse. Little POTUS involvement likely. Nuclear accord moving forward. \$30 million/year US costs. Groundbreaking for replacement light water reactor in August. The overall food situation continues to deteriorate. Likely to face continued need to provide emergency assistance to avert famine. Have provided \$60 million over past three years.	
Strengthen U.S.-Japan Partnership	Deepening security cooperation and resolving trade and economic issues will strengthen alliance that is bulwark for regional stability and catalyst for regional growth.	Finish guidelines by 1997. Trade and economics ongoing.	Benefits people of both countries in increased security, economic opportunities. Increases stability in volatile region going through profound change. Reduces longstanding regional	Trade deficit and macro-economic issues remain difficult; and subject of Congressional interest; guidelines pose some potential challenge for Hashimoto, but should prove achievable. Roughly bi-annual summits with POTUS. US encouragement has already	

	Encourage Russian-Japanese Cooperation	No defined timeline	tensions and opens prospects for more constructive cooperation among the Eight.	facilitated dialogue.	
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South Asia (India- Pakistan)	Use Secretary of State visit, POTUS trip to broaden dialogues; strengthening bilateral ties; promote regional stability including non-proliferation, economic, and regional security	SecState visit: 1997. POTUS trip: 1998 (T)	Regional stability in South Asia; promotes trade and economic development and straightens democracy.	POTUS visit 1998, with some prior involvement if serious initiatives warrant.	

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LEADER FOR PEACE	LEADER FOR PEACE	LEADER FOR PEACE	LEADER FOR PEACE	LEADER FOR PEACE	LEADER FOR PEACE
Promote international cooperation on democracy and human rights	Strengthen authority and resources of UN High Commissioner for Human Rights and War Crimes Tribunals for Bosnia and Rwanda Establish program for action for Democracy Working Group of the Denver Summit of the Eight Pursue US ratification of human rights treaties dealing with women and children.	Ongoing	Strengthening High Commissioner will enhance UN's ability to monitor abuses and thus alleviate suffering by victims; strengthening tribunals will help to promote justice necessary for reconciliation and long term stability in post-conflict societies; coordinating democracy promotion among the Eight will improve collective efforts on promoting democratic transitions worldwide; ratification of human rights treaties will bring our commitments into accord with our actions and strengthen our international advocacy efforts on these issues.	Budget costs are not substantial. High potential for US impact on High Commissioner and War Crimes Tribunal. Will be more difficult to establish formalized coordination of democracy promotion among the Eight. Given objections of Sen. Helms, ratification of treaties dealing with women and children will be very difficult, though there may be possibility to move on former if we can obtain support from Republican Senators—women in particular. Minimal POTUS involvement.	

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Pursue Middle East Peace Process	Restart meaningful Israeli-Palestinian cooperation and negotiations. Fully implement interim accord and make progress on permanent status talks. Pursue peace between Israel and Lebanon and Israel and Syria Promote regional economic and political cooperation	Restart cooperation: Fall 1997. Complete interim accord and progress on final status: 1998. Progress with Lebanon and Syria: 1998-9. Doha 1997	Move closer to resolution one of great conflicts of 20 th century. Dramatically improve security and prosperity for Israelis, Palestinians, Arabs. Advance goal long sought by all U.S. presidents since creation on Israel.	Israel/PA progress: Highly uncertain. Will require regular attention by the President; high intensity/high risk involvement if peace process on verge of collapse or breakthrough. Key first step is defusing present crisis and resuming cooperation. Israel/Lebanon; Israel/Syria: likely to take back seat to progress on Palestinian track. President will need to be involved if there is an endgame	
Continue to Support Haiti's Transition to Democracy.	Promote peaceful parliamentary elections, UN mission transition. Work with GOH to improve security. Support free presidential elections	Parliamentary election and UNTMIH transition: through 1997. Focus on security: 1998. Presidential elections: 2000	Dramatically improve lives of Haitian people (greater security, political freedom, prospects for economic stability.) Sustain one of President's signature achievements. Prevent return to refugee exodus and attendant costs to U.S.. Maintain stability in Caribbean	Haiti bogged down in political paralysis. Need to break election logjam. Security more positive. Civilian police force major improvement. Need to strengthen court system. Congress fear that gains threatened, could help secure commitment to continued assistance. Cost: \$100 million per year including food aid.	

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PILLAR			How does it help them?)	likelihood it will occur?	
Pursue Settlement in Northern Ireland	Support British and Irish governments in effort to start all-party talks process toward goal of final settlement. Support economic development in Northern Ireland	Support all talks beginning Sept 1997. Support possible agreement in 1998.	People of Northern Ireland and UK benefit from end to terrorism, possibility of leading normal lives and ending inter-communal tensions.	US contributes \$20 million to International Fund for Ireland. Real agreement a long-shot; Presidential visit could be necessary to clinch agreement.	
Promote Peru-Ecuador Peace Process	As co-guarantor of Peru-Ecuador peace process, encourage parties to reach definitive resolution of border dispute while avoiding arms race.	Seek resolution of border dispute by April 1998 Santiago Summit.	People of both countries benefit from absence of tension, increased stability, improved climate for trade and investment, dampened arms race and reduced chance of conflict Strengthens stability and integration, give U.S. stronger partners for dealing with common problems like crime, drugs etc...	Chances are good for significant progress toward definitive resolution by next April. President will address during fall trip. May be minor costs associated with supporting final peace agreement. Current US supported PKO force is paid for by Peru and Ecuador.	
Continue to Promote Peaceful Transition to Democracy in Cuba	Maintain economic embargo on Castro. Periodically Review Helms-Burton Title III sanctions on foreign entities doing business in Cuba. Continue to reach out to Cuban people.	Helms-Burton review every six months (October 1997; March, 1988.) Continuing review of Cuba policy.	Democracy to last holdout in hemisphere would dramatically improve lives, prospects for Cuban people. remove source of regional instability 100 miles from U.S. Sudden collapse of Cuban regime or internal strife could cause major instability, refugee crisis dramatically affecting southern U.S.	Continuing to suspend application of Helms-Burton Title III feasible provided we can show continued allied support for Cuban democracy, condemnation of human rights abuses. Democratic transition unpredictable. Public and private funding by the international community projected in event of democratic transition estimated at \$4-8 billion over six years.	

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Agent for Peace in Africa	In coordination with African & European states, work to promote implementation of Angolan peace accords; political settlements and respect for human rights in Great Lakes; constructive government in Congo; free and transparent elections in Liberia; resolution to civil war in Sudan; free and fair elections in Kenya; return to civilian government in Nigeria; Africa Trade and Investment Initiative.	POTUS trip in 1998 (T)	POTUS trip offers unique opportunity to advance U.S. interests in democracy and economic development in Africa; educate American people to diversity, success stories of Africa; long-term benefits in stability, humanitarian gains, trade and investment.	Africa Trade and Investment Initiative could cost \$200 million in the early stages; will be difficult on Hill but strong CBC allies.	

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TRANS-NATIONAL THREATS	TRANS-NATIONAL THREATS	TRANS-NATIONAL THREATS	TRANS-NATIONAL THREATS	TRANS-NATIONAL THREATS	TRANS-NATIONAL THREATS
Chemical Weapons Convention	Secure passage of implementing legislation. Advance broader participation including Russia.	Fall 1997.	Brings U.S. law in line with all treaty requirements so we can fully implement landmark agreement that bans production, use, transfer of poison gas. Troops and citizens will be safer.	High probability of passage in the Fall. Minimal POTUS involvement.	
Comprehensive Test Ban Treaty	Submit for ratification to Senate historic treaty banning all nuclear testing by explosions. Seek India's accession to treaty.	Submit: Fall 1997. Seek ratification by early 1998, entry into force by end of 1998.	Achieve goal set by Eisenhower, advanced by Kennedy to end nuclear testing for all time. Will help prevent development of more sophisticated nuclear weapons, and help prevent their spread.	Submission requires closure within administration on funding for stockpile stewardship program (up to \$500 million add on/years for 5 years.) Ratification achievable, but likely to be more difficult than CWC. Will require leadership role by the President. Will also require difficult diplomacy with India to secure its signature or commitment.	
START II	Encourage ratification by Russian Duma and complete protocol on extension	Fall 1997.	Ratification by Duma would put treaty into force, requiring U.S. and Russia to reduce nuclear arsenals to and opening door for further reductions under START III.	U.S. can have only modest influence on Duma decision. In Russia's hands. Prospects highly uncertain.	+ land mine decision
ABM/TMD	Complete agts. on ABM/TMD demarcation, ABM succession.	Fall 1997	Would preserve cornerstone of arms control, allow research on defense vs. short range missiles. Make troops, allies safer from theater missile attacks.	Will be highly contentious in Senate which must ratify. Some POTUS involvement.	+ Clinton change + fast track
START III	After START II ratification, negotiate START	Initiate negotiations 1998; ideally	Would reduce strategic nuclear arsenals 80% below Cold War	Depends upon Russian ratification of START II, which is uncertain.	

	III.	conclude 1999-2000.	levels; historic achievement.	POTUS decision needed.	
CFE Treaty	Conclude negotiations on an adapted "Conventional Forces in Europe" treaty.	1998	Success would promote stability throughout Europe by ensuring that verifiable limits on conventional weapons are maintained into next century, as NATO enlarges.	Requires agreement of all 30 CFE States Parties; implementation costs of new treaty not likely to be significantly different from current treaty. All states parties share goal of concluding in 1998. Little POTUS involvement.	
Nuclear Weapons Free Zones	Send to Senate for ratification South Pacific and African Nuclear Weapons Free Zones Treaties.	1998	Would help prevent proliferation of nuclear weapons to South Pacific and Africa.	Ratification likely, although there will be opposition.	

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Fissile Material Cutoff Convention	Begin negotiations on international treaty to end production of fissile materials for nuclear weapons.	Start negotiations: 1999/2000.	Treaty would help prevent proliferation and cap existing nuclear weapons program.	Unlikely negotiations stalled due to Pakistani/Indian opposition. No POTUS involvement.	
Plutonium Disposition	Reach agreement through G-7/ Russia and build pilot plant to convert plutonium from nuclear weapons to peaceful uses.	Lay out options: 1998. Secure G/7- Russia agreement: 1998 Build plant: 2001.	Dispose of weapons plutonium reduce risk of proliferation and nuclear smuggling.	Delicate negotiations remain with Russia; prospects uncertain; no POTUS involvement.	
Biological Weapons	Strengthen compliance with Biological Weapons Convention to prevent use of disease as weapon of war.	1998-1999.	Help prevent BW proliferation and threat to US and allies.	Negotiation difficult. Would require Senate ratification. POTUS involvement only if needed at end.	

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Landmines	Negotiate worldwide ban on anti-personnel landmines and secure Senate ratification of treaty.	1997	Would help end worldwide scourge of landmines which kill thousands every year.	Requires key September policy decision by President whether to continue pursuing global ban in Geneva (CD) or to take part in more limited Ottawa process. Ban in Geneva not achievable in near term Ottawa achievable by end of 1997 though may not be supported by US military. Could be costs associated with development of alternatives.	
	Achieve Senate Ratification of CCW Amended Mines Protocol restricting use of landmines	1997	Would help limit threat to civilians from landmine use through specific protections, even as we pursue a global ban.		
	Expand USG humanitarian Demining program	Ongoing	By helping return unproductive lands, the areas once again become inhabitable.		

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Rogue States	Continue unilateral and multilateral efforts to contain Iran, Iraq, Libya – especially ability to conduct terrorism and access to WMD.	Ongoing.	Prevent terrorism against citizens of democracies, including Americans. Advance regional stability. Protect energy supply in Persian Gulf. Advance Middle East peace process.	Will require persistent effort to keep allies behind multilateral sanctions; POTUS involvement in decision-making and crisis management.	
Energy Security	Take steps to ensure continued stable supply of energy from diversified sources (e.g. Venezuela; Caspian Basin; Persian Gulf)	Ongoing	New Caspian reserves could provide 1-2 million barrels/day by 2000 in new oil production.	POTUS visit to Venezuela in October will highlight this theme. Increased attention to Caspian region.	

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Continue to Combat Terrorism	Reorganize and elevate anti-terrorism efforts. Press arrest, extradition, prosecution of foreign terrorists who violate U.S. law. Improve ability to prevent terrorists from entering U.S., locate, expel. Adopt ten major anti-terrorism conventions. Secure funding to implement Gore Commission steps on aviation security.	These are long term programs, most of which began in this Adm. and will continue through FY 2000	Protect Americans against increasingly likely terrorist attacks.	Reorganization planning underway. Programs are feasible, but will not provide total protection against terrorist attacks. Protection of infrastructure, especially cyber systems will be long term and costly both to the USG and the private sector/public utilities whose cooperation will be essential. Building local capabilities to cope with a WMD terrorist attack will cost approx. \$100m over 5 years. As technologies improve and population increases, cost could grow. Minimal aviation security improvement will cost \$220 m over 4 years. Preventing terrorists from entering the US will require additional resources for INS; expelling terrorists will require new legislation. POTUS involvement minimal except in event of terrorist action.	

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Continue Fight Against Drug Trafficking	Within Hemisphere, work with major drug-producing countries to develop multi-lateral strategy against drugs; negotiate agreement with Panama for multinational counter-narcotics center; establish U.S.-Mexico drug strategy. Annually certify counter-narcotics cooperation. Explore new United Nations anti-narcotics unit and possible P-8 Justice Ministerial	Hemispheric goals: 1997-1998. Report to Congress Sept. 1 on prospects of hemispheric alliance. Annual certifications: January-March 1998, 1999, 2000. Zedillo working visit in November will address drug strategy due by end of 1997.	Save countless lives in hemisphere and in U.S. lost to overdoses, drug-associated violence. Diminish corrosive effects of corruption that undermines new democracies.	Absent unsustainable increase in federal budget for enforcement, crop substitution, ending drug trafficking impossible, dramatic supply reductions difficult.	

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Increase Cooperation Against Arms Trafficking	Negotiate, sign and ratify hemispheric convention against illegal arms trafficking. Develop technical approaches so that sophisticated conventional weaponry automatically disarms if it falls into wrong hands	Negotiate convention: 1997. sign and ratify: 1998	Convention would save lives by helping reduce gun violence throughout hemisphere, decrease number of legally sold weapons that wind up on black market in U.S., decrease number of weapons easily available to drug traffickers.	Very likely agreement will be signed. Ratification and implementation should be manageable.	
Increase Cooperation Against International Crime	Pass International Crime Control Act Establish regional law enforcement academy in Panama similar to one in Budapest. Extend Colombia anti-money laundering program to other nations.	Fall 1997 or winter 1998. Regional academy: 1997	Will help train police forces throughout region in modern techniques, imbue respect for human rights, promote cooperation and information sharing.	Cost: TK	

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Increase Cooperation Against Corruption	Ratify Organization of American States Anti-Corruption Convention.	Ratification: 1999-2000	Will help combat corrosive effect of corruption on fragile democracies in hemisphere.	TK TK	
Increase Cooperation on Migration to Promote Regional Stability	Seek legislation restoring ex-ante deportation rules for Central Americans and certain others and/or undertake administrative action to ensure against mass deportations to region.	Through end of 1997	Promote fairness for certain immigrant groups and enhance peace and stability in region.	TK	
Combat Illegal Migration	Implement and streamline new criminal deportation procedures	Now through end of 1997.	Help prevent criminals from remaining in U.S. Increase support for generous legal migration laws.	TK	

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OPEN TRADING SYSTEM	OPEN TRADING SYSTEM	OPEN TRADING SYSTEM	OPEN TRADING SYSTEM	OPEN TRADING SYSTEM	OPEN TRADING SYSTEM
Fast Track Trading Authority	Introduce and secure passage of legislation granting President fast track authority to conclude trade agreements.	Introduce legislation September 1997. Seek votes starting in October, final passage by end of 1997, early 1998.	Vital tool for sustaining record economic growth, 25% of which due to exports.	Passage uncertain but achievable. Will require difficult political decision on labor and environment standards, major campaign, heavy Presidential engagement.	
Caribbean Basin Trade Enhancement Act	Make good POTUS/VPOTUS pledge to win Congressional passage of act to promote trade and investment in Caribbean.	By end of 1997.	Important tool to promote increased U.S. trade with, investment in neighboring Caribbean states. Spur their depressed economies, avoiding destabilizing collapse, creating jobs, while making it easier for U.S. business to take advantage of opportunities.	TK	
Free Trade Area of Americas	Negotiate free trade agreement with Chile once Fast Track secured – first step to FTAA. Start negotiations toward FTAA by 2005.	Chile: 1998 FTAA preparatory work: 1997. Begin FTAA negotiations: Santiago Summit in April 1998.	Dramatic benefits to American workers, businesses that export by taking down trade barriers throughout hemisphere (already leading market for U.S. exports.) Will help create, sustain better paying jobs. Will also promote growth, wealth in Latin America and so strengthen new democracies.	Both FTAA and Chile controversial. Tied up with Fast Track authority. Step-by-step approach and long time line should make Chile FTA, FTAA feasible politically in U.S. Passage of free trade agreement with Chile more problematic.	

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PILLAR			How does it help them?)	likelihood it will occur?)	
WTO Negotiations	Pursue Uruguay Round "built-in" agenda of future negotiations to liberalize trade in key sectors – agriculture; services; government procurement; intellectual property	Initiate negotiations: Agriculture (1999); Services(2000) But preliminary talks could begin sooner if U.S. has Fast Track authority.	Would make trade more free, fair for American workers, business in sectors vital to U.S. economy and/or where U.S. already world leader. Will create, sustain higher paying jobs and growth.	Dependent on President securing Fast Track authority. Negotiations will be difficult but should be achievable. POTUS involvement limited.	
Open Asia-Pacific Markets Thru APEC	In working toward free trade in Asia Pacific by 2010/2020, will seek key sectoral agreements (e.g. energy related technology; environmental technology; medical equipment). APEC agreements could then become basis for global agreements in WTO (e.g. ITA).	From November 1997 APEC Summit through 2000	Would make trade more free, fair for American workers, business in sectors vital to U.S. economy and/or where U.S. already world leader. Will create, sustain higher	Negotiations difficult. POTUS involvement: annual APEC summit (Vancouver '97; KL '98; New Zealand '99; Brunei '00).	
NIS Economic Reform	Support development on new tax laws, commercial codes, financial markets key to economic growth and opening economies to foreign investment	Pass Partnership for Freedom in 1997; 1999-2000 reforms assistance on investment bottlenecks	Locks in nascent reforms in NIS, opens NIS markets to American exports, creates conditions for American development of NIS resources, needed for NIS integration into global markets.	Partnership for Freedom FY '98 request; \$900 million; Senate mark \$800 million; House mark \$625 million need to preserve Senate level.	

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Russia/NIS accession to WTO	Help bring Russia and NIS into global marketplace.	1998: Russia Ukraine, Armenia, Georgia possible, all NIS on path to membership	As NIS adopts international standards for trade and investment, U.S. firms will gain access to export markets and vast natural resources. Increased prosperity in NIS will help democracy take hold.	Achievable. Gore-Chernomyrdin and Gore-Kuchma best vehicles to promote progress. Little POTUS involvement.	
China Accession to WTO	Complete negotiations with China to allow its accession to WTO on commercially acceptable terms.	Between now and 2000 (1998 target).	Major benefits to U.S. workers, business as WTO accession requires China to eliminate trade barriers. Important component of engagement policy that seeks to draw China into world community.	Difficult but achievable. Jiang Summit in D.C. and POTUS return visit could catalyze progress.	
Africa Trade & Investment Initiative	Help secure passage of legislation to promote U.S. trade with and investment in Africa.	Early 1998.	Major benefits to American workers, business by increasing market share (now just 7%) in emerging African economies. By increasing African prosperity, will strengthen stability and fragile democracies.	Strong chance for success given bipartisan support in Congress. \$200 million in the early stages.	

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STRONG MILITARY, DIPLOMACY	STRONG MILITARY, DIPLOMACY	STRONG MILITARY, DIPLOMACY	STRONG MILITARY, DIPLOMACY	STRONG MILITARY, DIPLOMACY	STRONG MILITARY, DIPLOMACY
Maintain a Strong and Ready Military	Implement QDR Report's blueprint for maintaining strong and ready military; increase funding for force modernization; take care of our men and women in uniform; work with Congress to enact infrastructure, management and business practice reforms.	1997: Ensure FY-98 Auth and Approp bills support QDR plan. 1998: Ensure FY-99 Auth and Approp bills support QDR plan. 1999: Ensure FY-00 Auth and Approp bills support QDR plan.	By protecting and advancing peace and security, provide foundation for American leadership and a stable environment for prosperity. QDR plan is based on a fiscally- constrained defense budget consistent with the balanced budget agreement, thus ensuring national security while supporting efforts to reduce the deficit and the control national debt.	The QDR was based on a projection that the defense budget would remain level at about \$250 billion in constant FY-97 dollars. The budget agreement that was reached between Congress and the Administration provides slightly more than the QDR projected. Achieving the modernization and readiness goals stated in the QDR Report is feasible if Congress can be persuaded to support infrastructure, defense management and business practice reforms.	
Peacekeeping	Enhance capabilities of US, friends, allies, internat. orgs. for peacekeeping (e.g. PDD-56; EIPC program; through ACRI, ASEAN)				

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Gulf War Illness	Continue effort to discover causes for GWI, repair health of veterans, integrate lessons learned into military planning.	Final PAC Report due 10/97. Ongoing effort through 2000.	Help thousands of sick veterans discover cause of illness, find treatments. Restore public confidence in DoD, military, USG. Ensure future recruitment does not suffer. Sustain flexibility of military to deploy troops where and when necessary, improve defenses against disease. Reduce post-conflict/deployment health problems.	Discovering cause highly uncertain given difficulty to date. Improvements in treatment, planning more feasible. Will require continued low level Presidential engagement; onus of action with Pentagon and VA.	Strong bipartisan support.
United Nations	Encourage UN. reform, refocus on challenges of 21 st century, strengthen security council, including international campaign to achieve S.903 benchmarks, thereby enabling payment of arrears.	S.903 benchmarks campaign - 1997. Pay arrears: 1998 - 2000		Even with S903, still roughly \$400 million shortfall in arrears. Presidential statements.	
International Resources	Ensure passage of Foreign operations and CJS appropriations bills.	Fall 1997.		President's budget request for function 150 is \$19.45 billion; Budget agreement would allow for full funding. Individual appropriations bills still in play.	

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Reorg. of State, USIA, AID, and ACDA	Reinvent our foreign affairs agencies to meet the needs of the 21 st century.	Legislation should be passed this year. ACDA will integrate with State over one year, USIA will integrate in two years; AID will integrate certain functions over two years. State will reinvent itself.	Helps foreign policy makers by streamlining operations while preserving functions of integrated agencies. Helps taxpayers by promoting efficiency.	Uncertain.	

RACIAL RECONCILIATION PILLAR					
Fair and equitable criminal justice system	Ensure that policing strategies are both effective and race-neutral Ensure that penal system achieves goals of appropriate punishment, rehabilitation and effective deterrence in race-neutral fashion	multi-year	Results in increasing minority communities' confidence in criminal justice system Restores and renews belief in equal justice under the law Results in alternative strategies to reduce recidivism	Would require honest analysis of current criminal justice system and its racial inequalities Would require increasing public's awareness that resources spent on alternative punishment and prevention models result in lower overall costs	Could be viewed as being soft on crime Moderates might criticize such an effort Would cause enforcement community to be defensive at time when we continue to need support from this constituency
Fair Affirmative Action Programs	Ensure that programs designed to promote diversity do not create division instead	1-3 years	Results in minority children not having inferior sense of self Results in unifying Americans in shared belief in equality of opportunity	If not carefully done, could be viewed as retreat from affirmative action Requires balance between objectives of affirmative action and costs of promoting race/gender based programs Requires finding effective strategies that result in diversity without utilizing race/gender factors which may be laudable but not feasible	Might cause the liberal base of the party some discomfort

RACIAL RECONCILIATION PILLAR					
Incorporation of New Immigrants into American Society	Ensure that new legal immigrants become part of America and share its values in manner that is respectful of our cultural differences Ensure that we find effective mechanisms to stem illegal immigration without causing legal immigrants and residents to feel attacked	multi-year	Results in reducing fear of immigrants as changing core values of country As country becomes multi-ethnic society, reduces hostility Recognizes the positive contributions that immigrants bring to country	Requires development of absorption strategies that respect cultural differences—not sure it can be done Requires new approaches re language differences that do not create hostility	Could be seen as becoming soft on illegal immigration
Fair and equitable educational opportunity	Ensure that children of all incomes and races receive a quality education	multi-year	Should reduce need for affirmative action in post-secondary education	See Education Pillar/costs and feasibility analysis	See education pillar