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002. memo	Patti to Hillary re: Long-Term Schedule [partial] (2 pages)	03/19/1999	P6/b(6)

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THE WHITE HOUSE
WASHINGTON

September 21, 1999

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: ANN O'LEARY

CC: MELANNE VERVEER
✓ SHIRLEY SAGAWA
NICOLE RABNER
RUBY SHAMIR

SUBJECT: IDEA DISCIPLINE POLICY

In reference to the attached article in the August 16, 1999, issue of Time Magazine, "Is This the Meanest Kid in Alabama?" you asked about the claim that "students with disabilities are shielded from expulsion by Federal law." The article references a case in Alabama in which a student with extreme attention deficit disorder continually disrupted class and acted out in school culminating in an event in which the child punched a teacher's aid on a school bus and threatened to grab the wheel of the bus. The district sued the boy in civil court and the judge ruled to ban the child from attending "all Alabama public schools." The mother in turn sued the district claiming that this ruling would violate IDEA.

The purpose of this memo is to give you the background on the history and implementation of the IDEA discipline policy, as well as caution you on the implications of opening up the IDEA discipline policy in favor of giving schools more authority to suspend and expel disabled students.

IDEA discipline policy: Prior to enactment of the IDEA Amendments of 1997, the statute only specifically addressed the issue of discipline in a provision that allowed school personnel to remove a child to an interim alternative educational placement for up to 45 days if the child brought a gun to school or to a school function. The 1997 Amendments incorporated prior court decisions and Department policy that had held that –

1. schools could remove a child for up to ten school days at a time for any violation of school rules as long as there was not a pattern of removals;
2. a child with a disability could not be long-term suspended or expelled from school for behavior that was a manifestation of his or her disability; and
3. services must continue for children with disabilities who are suspended or expelled from school.

The amendments did provide schools with additional tools needed to remove disruptive or potentially dangerous students:

1. schools have the authority to remove children with disabilities to an alternative setting for misconduct involving weapons or drugs;
2. schools also have the ability to go to a hearing officer to request removal of a dangerous child; and
3. schools have the ability to suspend a child for up to 10 days and for longer if the parent agrees to the disciplinary action.

Background on IDEA discipline policy: The goal of the 1997 discipline amendment was to strike a balance between giving schools additional tools for addressing disciplinary problems while maintaining the critical protections of the law that ensure children with disabilities are not treated unfairly. In developing the amendment and the final regulations for the IDEA amendments, the discipline policy became the center of a heated debate over how to best strike this balance. Those in the disability community wanted to ensure that the amendments focused on addressing the behavioral problems of students and decreasing the need for those students to be removed from the classroom, as well as ensuring that if students were removed that they continue to receive services in order to successfully complete school. Others argued that these policies would tie the hands of school administrators and would, in effect, encourage school administrators to keep behaviorally disruptive students in the classroom thus adversely affecting the learning environment for all students.

Current Concerns: Current concerns stem from questions of whether the IDEA provisions limit the ability of school officials to remove disruptive and potentially dangerous students from school and whether the differences in disciplining students with disabilities and other students provide for inequitable discipline policies (see attached article from *The New Democrat*).

During recent Congressional debates regarding school violence, Congressman Charlie Norwood (R-GA) and Senator John Ashcroft (R-MO) have proposed amending IDEA to allow school personnel to suspend or expel students with disabilities for unlimited periods of time, without any educational services, and without the impartial hearing now required by IDEA, for carrying or possessing a gun or weapon to school or at a school function. These amendments would cancel out the provisions added in the 1997 amendments ensuring that students with disabilities are provided with due process prior to expulsion or suspension. Secretary Riley has raised strong objections and concerns about these amendments fearing that children with disabilities would not be adequately protected if these amendments were to pass (see attached letter from Secretary Riley to Chairman Hyde).

This issue is expected to be a debated point in the Juvenile Justice conference with the same underlying tension and goal of trying to provide protections for students with disabilities while trying to provide for safe and disciplined learning environments for all children.

Other upcoming debates over school discipline policies: During his SOTU last year, the President called for every school district to have a sensible discipline policy that would help to create and reinforce positive learning environments. The Administration's ESEA reauthorization

proposal includes a provision under the President's "Education Accountability Act" to ensure that all school districts have a sound and fair discipline policy in place that is consistent with IDEA. It also requires that the discipline policy ensure that all children that are expelled or suspended from school are provided with appropriate counseling and educational services that will help them meet the State's challenging standards. ESEA does not, however, include the same specificity in terms of allowances for the number of days of suspension or services to be provided.

Recommendations: At this point in an environment that is reacting post-Littleton, opening up the IDEA discipline amendment would most likely tip the balance away from protecting children with disabilities. Instead, using the bully pulpit to raise this issue and ensure that school districts understand that IDEA does afford them with the flexibility they need to remove disruptive children to alternative educational settings and suspend or expel them for behavior that is not related to their disability may help to raise awareness. Currently, it is publicly popular to support the notion of "getting the troublemakers out" and this message resonates well with most suburban communities, but the backlash of implementing policies such as the ones proposed by Ashcroft and Norwood would likely have a disparate impact on minorities. It would also work to move away from the trend of trying to mainstream children with disabilities and ensure that they receive appropriate services aimed at curtailing their behavioral problems.

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AMERICAN SCENE
AUGUST 16, 1999 VOL. 154 NO. 7

Is This the Meanest Kid in All of Alabama?

His mom says he needs treatment, but a judge bars him from all public schools

BY TIMOTHY ROCHE/GULF SHORES

In kindergarten, Lance Landers lunged at his teacher with a sharp pencil. In sixth grade, he drew pictures of himself clobbering kids with a baseball bat. By the time he reached middle school in the resort town of Gulf Shores, Ala., he would spit into trays of food in the cafeteria, hurl batteries at other students and disrupt classes by jabbering nonsensical words he claimed were Spanish. Most mornings he greeted the principal with "Hello, motherf___!" Lance taunted bus drivers by saying he paid no price for misbehaving.

Until recently, he was right. A 15-year-old ninth-grader, Lance had been declared "emotionally conflicted," and was shielded from expulsion by federal laws that protect children with disabilities. But last April he went too far. On a school bus full of children, he punched a teacher's aide and threatened to grab the steering wheel and cause a wreck. District Attorney David Whetstone sued the boy in civil court, describing him as a "clear and present danger," and persuaded a state judge to bar him from all Alabama public schools. "It was a little creative," says Whetstone, "but we were out of resources."

The boy's mother, Anne Vinson, appealed the judge's order last week and is now suing the school district, accusing it of violating the federal Individuals with Disabilities Education Act. Vinson says her son suffers from extreme attention-deficit disorder and needs treatment, not banishment. "He wants to be like everyone else, but he can't help himself."

Most of the time, Lance doesn't seem very menacing. He mows lawns for spending money and collects Matchbox cars. But when somebody challenges him, says his mother, "he

AMERICAN SCENE
The meanest kid in Alabama

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can get very ugly and mean." Where does that come from? Vinson doesn't know. She has a degree in early-childhood development, and she has six other children (three by her first husband, one other by Lance's father, whom she divorced shortly after Lance was born, and two by her current husband), none of whom have been in trouble.

Vinson has taken Lance to psychologists and neurologists, who have tried half a dozen drugs, including Ritalin. Nothing has worked. "His mouth," she says, "goes 10 times faster than his brain." Counselors say Lance's violent tantrums are learned behavior. He knows that acting out wins him attention.

His teachers say they can't help anymore. In elementary school, they told the judge, they referred Lance to a psychiatrist, and he was later sent to an alternative school. But he was sent back because he wouldn't take his medication. His mother home-schooled him for a semester, after which he returned for eighth grade. The school hired aides to sit beside him in class and on the bus, but Lance mocked and assaulted them.

The day after the Columbine High School shootings in Littleton, Colo., last April, Lance brought a newspaper to school, showed an aide the story and asked, "Did you see this?" He said nothing else, just stared in a way the aide found threatening. More chilling, say school officials, are Lance's drawings of cities that he says he wants to destroy. Hank Vest, the Gulf Shores Middle School principal, says, "He made the statement that I did not know what all he was capable of doing."

Lance's lawyer, James Sears, says the teen is "stuck in the politics of Columbine." District Attorney Whetstone, who knows the boy's family from church, showed no interest in him until after the Colorado school shootings. Now, he says, he hopes to use Lance's case to make a larger point. Whetstone says all the advice on preventing another Littleton "gives us a list of things to watch for, but everything on it describes emotionally conflicted kids" like Lance, and they are shielded from expulsion by federal law. "I may not know what the answer is, but I know what the answer is not. You don't let them stay in school."

When Alabama schools reopen this week, Lance will be at a treatment center and wilderness camp near Birmingham. A juvenile judge sent him there for assaulting the school-bus aide. His mother and lawyer don't think it's the best place for him to get help, but until his court appeal, he has no place else to go.



"He's not some two-headed monster with a tail,"
says Sears. "He's just a kid with a disability."
END

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DANGEROUS IDEA

Does the Federal Special Education Law Contribute to Violence in Schools?

BY WILLIAM J. CAHIR

Benny Gooden, superintendent of schools in Fort Smith, Ark., remembers the 1996 incident well. Four youths were involved. One sold the .345 pistol, another bought it, a third hid it in his locker. And the fourth — a student with a disability — stole it.

Gooden expelled the first three for a full academic year. But he suspended the disabled student, provided a tutor at the boy's home, and subsequently returned the boy to his previous educational placement in school. Parents were furious.

"That doesn't play well down at the Rotary Club," Gooden said. "Taxpayers do not understand that. They don't think that's justice."

Gooden wasn't indulging the disabled student. He was complying with the nation's main special education law, the Individuals with Disabilities Education Act.

IDEA requires public schools to provide physically, mentally, and emotionally challenged children with equal educational opportunities. To prevent schools from routinely expelling disabled kids with behavior problems, IDEA curtails administrators' ability to punish them — including those who might be psychologically disturbed but otherwise blend into the student body.

A Dangerous Catch-22

The recent spate of mass murders in public schools has kept school safety high atop the national agenda. As this magazine went to press, it was not known whether the two teenagers who killed 12 classmates, a teacher, and themselves last month at Columbine High School in Littleton, Colo., were special education students; federal law forbids public disclosure of student records. According to media reports, one of the shooters, Eric Harris, had agreed to undergo a mental health evaluation and had been prescribed an anti-depressant drug as part of a plea bargain last year on charges of breaking into a car along with the other shooter, Dylan Klebold.

If the young men who committed the Littleton murders were in fact deemed disabled, they would have been eligible for treatment that could have prevented their



Students at Columbine High School console one another after the April 20 shooting.

bloody rampage. On the other hand, if they were special education students, they also would have been protected against routine punishment for serious misbehavior by the federal law's heightened due process standards.

Many school officials argue that IDEA creates a dangerous Catch-22: If a student's violent or antisocial behavior stems from a disability, the officials' disciplinary options become limited. Only when a child's education team determines that his misconduct is unrelated to his disability may the school discipline the student as it would others.

IDEA generally lets educators suspend a disabled child for no more than 10 school days. Disabled students charged with weapons and drug-related offenses can be removed from their school and sent to an alternative placement for a maximum of 45 calendar days. (In contrast, the 1994 federal Gun-Free Schools Act *requires* that any non-disabled child who possesses a gun in school be expelled for at least one year.) Schools also can move a disabled student to an alternative placement if a hearing officer determines the student poses a threat to himself or others — a litigious, appealable, time-consuming process.

Dual National Discipline Code

In the eyes of the nation's school superintendents, IDEA has created a dual national discipline code, mandating one set of rules for disabled students and another for everyone else.

David Wolk, superintendent of schools in Rutland, Vt., wants Congress to modify IDEA so that children with emotional and behavioral disorders can be more easily removed from regular classes. He has discussed the idea with Sen. James Jeffords (R-Vt.), chairman of the Senate Health, Education, Labor, and Pensions Committee.

"If a student poses a threat, regardless of any individualized differences, then that student should be removed from the educational setting," Wolk says.

John Jordon, superintendent in Oxford, Miss., and an adviser to Senate Majority Leader Trent Lott, says Congress could simplify IDEA by creating a separate discipline policy for students with learning disabilities. "We're not talking about kids with autism," he says, explaining that they are not the discipline problem. "We are talking about specific learning-disabled children."

Educators complain that discipline problems are rampant in schools today, with offenses ranging from cursing to sexual harassment, from fighting to assault. Not surprisingly, school administrators' complaints about IDEA have caught the attention of Congress. Lawmakers have introduced three bills to repeal IDEA's due-process standards and let schools punish students with and without disabilities in the same manner — this just two years after Congress revised IDEA.

Lawmakers concerned about the nexus between special education and school discipline are treading lightly, however, for fear of incurring the wrath of disability interest groups.

IDEA discipline policy is only part of the debate, says Delaine Eastin, chief of public instruction in California. "People are a lot more concerned about the lack of special education funding overall than they are about this issue."

The Littleton massacre is certain to raise the profile of school safety and discipline in Congress, which is slated this year to reauthorize both the Elementary and Secondary Education Act (*see related story on page 28*) and the Juvenile Justice and Delinquency Prevention Act.

President Clinton has called on schools to adopt "sensible" discipline policies. Republicans, meanwhile, have introduced bills that would require states to prosecute children ages 14 and older as adults for crimes committed at school or anywhere else.

School safety has already worked its way into the 2000 presidential campaign. Republican candidate Lamar Alexander, for example, argues in a television spot that "it's time to put discipline back in the classrooms and get the troublemakers out."

"Give teachers clear authority to remove disruptive students," says Alexander, the education secretary under George Bush. "Support teachers who maintain discipline instead of suing them."

Hard-Line Approach Criticized

Some academics warn that the hard-line approach Alexander favors holds little promise of curtailing school violence. According to Jeffrey Sprague, co-director of the University of Oregon's Institute on Violence and Destructive Behavior, research suggests that schools using punishment, including expulsion and suspension, as their primary discipline tools have higher rates of student aggression, vandalism, and truancy. Sprague advises schools to adopt clear punishment policies, teach expected standards of conduct to children, and enforce rules consistently. Students learn what to expect, he contends, and erupt less frequently.

Kevin Dwyer, president of the National Association of School Psychologists, begs lawmakers and school administrators to resist the temptation to expel all troublesome children.

"We're neglecting children," Dwyer says. "That's why we're ending up with all this violence and kids being impulsive and difficult to deal with in school. ... It's overwhelming out there, the lack of services for kids."

Other educators raise a more hard-boiled objection to kicking violent or unruly students out of school. "The smart people, including fairly conservative school leaders, are saying you don't want [kids] out there on the street," says California's Eastin.

Chicago has adopted a citywide discipline code for its 559 schools. Any student who gets into a fistfight can expect to participate in a parent conference and get a three-day suspension.

"It's most important to us that we have a structure, that everyone can understand 'here's what to expect,'" explains Cozette Buckney, chief education officer for the Chicago system.

The school district modified its zero-tolerance policy for guns and drugs two years ago to include offenses committed off school grounds. So a Chicago student arrested on a Friday night for possessing drugs can count on disciplinary action when he returns to school on Monday.

New York State United Teachers, the state affiliate of

the American Federation of Teachers, recently surveyed 605 of its members on school safety issues. Forty percent said they had either been attacked by, broken up fights among, or otherwise had physical confrontations with students during the past three years. Sixty percent said students' profanity and defiance were problems in class, and 66 percent said they wanted parents to be better disciplinarians.

"Many students who are chronically disruptive or violent are on the fast track to even bigger trouble," says Antonia Cortese, NYSUT's first vice president. "With good alternative programs, we can turn a lot of these kids around." The union has asked the state to empower its members to eject misbehaving students from their classes and send them to new state-financed alternative schools.

Texas is one of only seven states to give teachers such wide discretion. Backers of the state's 1995 Safe Schools Act say it has reduced the incidence of verbal abuse, threats, vandalism, assault, and other serious offenses in schools. "Now the teacher has the right to keep these hooligans who don't care if they disrupt the learning environment from doing that," says John Cole, president of the Texas Federation of Teachers. "If the only thing we accomplish is getting these kids out of the class so others can learn, then that's worthwhile."

In April, Sens. John Kerry (D-Mass.) and Gordon

Smith (R-Ore.) introduced a bill that would give school districts federal grants to open alternative schools, crisis centers, and in-school suspension rooms. But this problem-solving approach runs against the current tide in Congress, which is to consolidate rather than create federal education programs.

Alternative placements for antisocial students are an imperfect solution. Many students who return to their home schools from such centers slip back into bad social and academic patterns. Long-term placements are just as problematic; few of the programs help troubled youths make the transition to employment or higher education. But educators say such specialized schools do have one crucial advantage: They isolate dangerous children from teachers, school staff, and other students.

According to Carol Kochar of the University of Oregon violence institute, the best alternative programs share one characteristic: "the presence of caring, dedicated adults." Clearly, if we as a nation decide to begin segregating more and more "problem children" in their own schools, we are going to have to find more money to fund those schools and a new generation of highly trained instructors and counselors to staff them. ♦

William J. Cahir is senior reporter for Education Daily, an independent news service based in Alexandria, Va.

TRADING SIDES

How the Left Joined the Right in League Against Trade

BY SUSAN ARIEL AARONSON

Rep. Barney Frank (D-Mass.) doesn't mince words. At a February 1998 conference on trade held in Washington, he bluntly explained why he and many other House Democrats oppose restoring President Clinton's "fast track" authority, which would empower the President to negotiate trade agreements that Congress could approve or reject but not amend.

"We are taking a hostage [for the sake of] equity," Frank said. "[Clinton] has walked away from poverty alleviation. Unless you reduce poverty, I don't want to play."

Frank was referring in part to equity for Americans injured by trade. But many of his Democratic and Republican colleagues on Capitol Hill are concerned about different inequities, such as human rights abuses and wretched environmental conditions overseas. Others argue that it is inequitable for the United States to expand trade agree-

ments because our trading partners treat U.S. producers unfairly. And some nationalists argue that trade agreements are inherently unfair because they place international economic interests above the national interest or the interests of some U.S. commercial sectors.

Despite these widely divergent concerns, trade agreement critics of the left and right have found common ground. As a result, since 1993 Congress has effectively denied the President authority to negotiate new bilateral and multilateral trade agreements.

How did Frank and other American liberals come to believe that trade agreements are so inequitable that they would make a compact with their political opposites to restrict them? And what can trade proponents do to convince liberals and other Americans that trade agreements have promoted equity in the past and can continue to do so?



THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

August 24, 1999

Honorable Henry J. Hyde
House of Representatives
Washington, DC 20515

Dear Congressman Hyde:

I am writing to express my serious concerns relating to certain provisions of the two juvenile crime bills recently passed by the House of Representatives and the Senate, respectively, H.R. 1501, the "Juvenile Justice Reform Act of 1999" and S. 254, the "Violent and Repeat Juvenile Offender Accountability and Rehabilitation Act of 1999." Improving the effectiveness of the Nation's juvenile justice system is a goal we all share, and is vitally important to the maintenance of our schools as safe and orderly centers of learning. Because the overwhelming majority of the provisions of both bills relate directly to the operation of the juvenile justice system, I defer overall to the Attorney General with respect to both bills.

However, both bills also contain a variety of provisions, added during floor debate, that would directly affect the administration of Federal education programs at the elementary and secondary education level as well as the ability of local school systems throughout the Nation to provide a safe, high-quality education. I urge the conferees not to include these provisions in the final bill, but to consider them, instead, as part of a more comprehensive and deliberate review of Federal elementary and secondary education programs that will occur as the Congress debates the upcoming reauthorization of the Elementary and Secondary Education Act of 1965 (ESEA). In this connection, I urge the Congress to act favorably on the President's ESEA reauthorization proposal, the "Educational Excellence for All Children Act of 1999," and, in particular, the many improvements that proposal would make to Title IV of the ESEA, the "Safe and Drug-Free Schools and Communities Act." If, however, the conferees feel compelled to address these issues in conference, I urge you to delete or modify the provisions described below.

IDEA. My strongest objections are to the amendments in both bills to the Individuals with Disabilities Education Act (IDEA). These amendments would allow school personnel in public elementary and secondary schools, for the first time, to suspend or expel children with disabilities from their schools for unlimited periods of time, without any educational services (including behavioral intervention services), and without the impartial hearing now required by the IDEA, for carrying or possessing a "gun or firearm" (Senate) or a "weapon" (House) to, or at, school or a school function. Congress need not, and should not, make these changes. Just two years ago, Congress, after thoughtful deliberation, amended the IDEA to give school

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officials new tools to address the issue of children with disabilities bringing such weapons to school, or otherwise threatening teachers and other students. For example, school officials may remove, for up to 45 days, a child with a disability who takes a weapon to school, and may request a hearing officer to similarly remove a child who is substantially likely to injure himself or others, if the child's parents object to the removal. Furthermore, the IDEA currently allows hearing officers to keep these students out of the regular educational environment beyond 45 days if they continue to pose a threat to the rest of the student body. Finally, the 1997 amendments to the IDEA help prevent dangerous situations from arising, by encouraging schools to address misbehavior before it becomes serious, through the provision of behavioral interventions and other appropriate services. I am convinced that these new tools will be effective if given a chance to work.

In contrast, the amendments now under consideration would deny vital educational services to children with disabilities who are removed from school, including behavioral interventions that are designed to prevent dangerous behavior from recurring. Continued provision of educational services, including these behavioral interventions, offers the best chance for improving the long-term prospects for these children. Discontinuing educational services is the wrong decision in the short run, and, in the long run, will result in significant costs in terms of increased crime, dependency on public assistance, unemployment, and alienation from society.

Also, the applicable definition of "weapon" (current section 615(k)(10)(D) of the IDEA), as used in the House bill, is very broad and open to subjective application -- covering anything, such as a rock picked up on the way to school or a baseball bat intended for an after-school ball game -- that is "readily capable of causing death or serious bodily injury," whether or not it is designed as a weapon and without regard to the student's intention in bringing it to school. A statutory standard this broad is sure to lead to inconsistent application at the local level and widespread confusion.

The exclusion of children with disabilities from school -- without the impartial due-process hearing and the continued services that the IDEA now requires -- is the wrong response. I urge you to reject these amendments to the IDEA.

Religious Expression. Both bills contain amendments relating to the expression of religious beliefs at public schools. This Administration has a strong record of protecting religious expression in schools. In 1995, the President directed the Attorney General and me to issue guidelines that would help schools preserve the religious freedom of students. I sent these guidelines to every school district in the Nation in 1995 and again last year, to ensure that parents, teachers, students, and school officials understand that schools need not be religion-free zones. These guidelines make clear that schools may not forbid students from expressing their religious views or beliefs solely because of their religious nature, and that any student in an American public school may pray, bring a Bible to school, say grace at lunch, or voluntarily participate in "see you at the flagpole" gatherings. In addition, I share the Department of Justice's concerns over the constitutionality of the provisions in H.R. 1501 and S. 254.

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Internet Filtering. The House bill contains an amendment that would require elementary and secondary schools and libraries receiving universal-service assistance to select, install, and use filters that block access to child pornographic and obscene materials, as well as materials deemed harmful to minors, on computers with Internet access and to certify to the Federal Communications Commission that they have done so. A school or library that fails to meet these requirements would be liable to repay immediately the full amount of all universal-service assistance it received after the date of its failure to comply.

I strongly support the goal of protecting children from inappropriate material on the Internet. However, I do not believe the House provision would effectively accomplish this goal. As written, the House provision could result in the blocking of material that may be appropriate for educational and other uses, raising constitutional concerns, and would place a disproportionate burden on our poorest and most rural schools and libraries.

Appropriately crafted legislation would empower schools to protect children from unsuitable material while also protecting First Amendment values. Accordingly, I support a provision that would require every school and library that receives assistance from the universal service fund to certify that it has developed and implemented a plan to protect children from inappropriate material on the Internet. These plans should be developed in consultation with parents and other interested parties so that schools and libraries can adopt local approaches that best serve the needs of their students and communities. I would be pleased to work with the conferees to develop such a provision.

Safe Schools. The Senate bill would expand the Gun-Free Schools Act of 1994 -- which requires school districts to expel from school for at least one year any student who brings a firearm to school -- to require States to pass a law that would compel the same punishment for students who possess at school a "felonious quantit[y] of an illegal drug." Clearly, the presence of illegal drugs at school is unacceptable. However, I oppose this provision as drafted. First, I do not favor expanding the number of students who are expelled from school for long periods of time -- for the sake of the students themselves, and their communities. Many students who are expelled for a long period of time never return to school, which ends their education and casts them troubled and ill-prepared onto the streets. We cannot afford to lose these children. Secondly, expelling students in this manner based on whether the amount of illegal drugs they possessed at school did, or did not, constitute a felony under State or Federal law would not only lead to inconsistent results -- and confusion -- across the country in the application of this Federal requirement, it would force school administrators to become expert in the application of criminal law and to function, in effect, as prosecutors.

I believe that the criminal justice system should be brought to bear vigorously on any student who brings illegal drugs to school. Accordingly, I believe a better approach would be to require schools that have not already done so to adopt and enforce sanctions against students who bring

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illegal drugs to school, and to make it mandatory that school authorities refer to the appropriate law-enforcement authorities any student who brings an illegal drug to school, whether felonious or not.

The Senate bill would also amend current Titles IV and VI of the ESEA to expressly permit school districts to use an unlimited amount of their resources under those two titles to "purchase school security equipment," such as metal detectors. While such equipment can be an important part of local efforts to make schools safe, it is vital that school districts continue to look at a variety of other approaches to addressing their individual needs, because we know that metal detectors alone will not make schools safe. Our reauthorization proposal for the Safe and Drug-Free Schools program would provide school districts additional flexibility to purchase such equipment. I urge the conferees to omit the Senate provision from the final bill, so that the Congress and the Administration can work together to address this issue as part of the pending reauthorization of the entire Safe and Drug-Free Schools program and the rest of the ESEA.

Thank you for the opportunity to present these views.

The Office of Management and Budget advises that there is no objection to the submission of this report from the standpoint of the Administration's program.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Dick Riley", with a stylized flourish at the end.

Richard W. Riley

THE WHITE HOUSE

WASHINGTON

July 26, 1999

MEMORANDUM FOR HILLARY RODHAM CLINTON

CC: MELANNE VERVEER
SHIRLEY SAGAWA
MARSHA BERRY

FROM: NICOLE RABNER

SUBJECT: BACKGROUND ON TAX CUT DEBATE

The purpose of this memo is to provide you with general background on the tax cut debate raging in Congress on how to allocate the projected on-budget surplus of roughly \$1 trillion over 10 years.

Status of House and Senate Tax Bills.

House Action. Last week, the House narrowly passed the Archer \$792 billion over 10 years tax reduction plan, the centerpiece of which is a 10 percent reduction in personal income tax, capital gains tax cuts and inheritance tax cuts. To ensure bill passage, Chairman Archer included a gimmick that would make some of the tax cut conditional on debt reduction progress (preliminary Administration analysis suggests that this is likely an unworkable scheme). A House Democratic alternative costing \$250 billion over 10 years was defeated.

Senate Action. Last week, the Senate Finance Committee approved a \$792 billion over tax years tax relief measure sponsored by Chairman Roth. The Roth measure would, among other things, reduce the income tax rate, expand the IRA program, and eliminate the so-called "marriage penalty." Senators Breaux and Kerrey offered an alternative at \$500 billion over 10 years, but after their proposal failed, they both voted with the Republicans (all other Committee Democrats voted against the Roth plan). A Senate Democratic alternative, offered by Senator Moynihan, which would have cut taxes by a net \$295 billion over 10 years, was rejected in Committee on a party-line vote. Senate floor debate on the Roth proposal is scheduled for this week and is likely to begin on Wednesday. The Democrats will have six primary message amendments: (1) the Democratic alternative tax cut of approximately \$295 billion over ten years; (2) an amendment to keep the tax bill from spending Social Security surpluses; (3) the Democratic Lockbox (covering funds for Social Security and Medicare); (4) a prescription drug amendment; (5) Medicare BBA 97 "fixes"; and (6) a Social Security and Medicare reform first amendment. There are also reports that other tax packages are in development on both sides of the aisle for floor consideration, as well.

Administration Position. As you know, the Administration's plan for on-budget surplus allocation (the Social Security and debt reduction lockbox is off-budget) includes the following: (1) \$374 billion over 10 years for Medicare; (2) \$328 billion over ten years for defense and non-

defense spending; and (3) a tax cut of \$250 billion over 10 years in the form of USA Accounts to enable Americans to save for their retirement. Because of our USA Account proposal, the Administration is on record in support of using \$250 billion over 10 years of projected surplus dollars for tax cuts. (The President's budget also includes approximately \$70 billion over 10 years in other tax cuts, such as for long-term care and child care, but these are off-set by tax raisers and therefore do not rely on the surplus.)

The President and the Administration have been highly critical of the Republican tax plans, arguing that tax cuts of that magnitude would drain nearly all projected surplus dollars and therefore would eliminate our ability to deal with pressing challenges, such as shoring up Social Security and Medicare and to meet our other key discretionary spending priorities, such as education. The President repeatedly has stressed that the surplus must first be used to strengthen our existing unfunded liabilities – Medicare and Social Security. And, while Medicare is projected to become insolvent in 2015, the Republican tax plans leave no room to invest in the program over a ten-year period. Furthermore, Administration analysis shows that tax cuts of the magnitude advanced by the Republicans would necessitate drastic cuts in discretionary spending priorities, such as Head Start and education, assuming defense spending levels are maintained as under the President's budget request. The Center on Budget and Policy Priorities posits that because Congress is unlikely to enact these draconian cuts, massive tax cuts will instead return us to the days of escalating budget deficits.

The Republican tax bills, particularly the House bill, disproportionately benefit the wealthy. Under the Archer tax proposal, the top 1 percent of all taxpayers (incomes above \$301,000) would receive nearly half of the benefits. And, the top 10 percent of all taxpayers (with average income of \$204,000) would receive 69 percent of the total tax benefits when the provisions are fully phased in. Under the Roth tax proposal, two-thirds of the benefits go to families with the top 20 percent of income (those with more than \$100,767). And, some 44 percent of the benefits under the Roth proposal go to families in the top ten percent of income.

The President has said that he would veto tax cuts of the magnitude advanced in the chief House and Senate bills (\$792 billion over 10 years). His senior advisors have pledged recently that the President would also veto the Breaux-Kerrey \$500 billion over 10 years alternative, because even this size of a tax cut leaves insufficient surplus dollars for priorities such as Social Security, Medicare, and discretionary spending programs like education. However, tax cuts of the moderate size offered by the House and Senate Democrats as alternatives – \$250 billion in the House and \$295 billion in the Senate – fit into the President's framework for responsible surplus allocation and therefore are not off the table. The President and his advisors, however, have pushed the message of "first things first" – first we should commit to addressing the long-term needs of Medicare and Social Security and other priorities, then we can talk about tax cuts.

General Points to Make

- (1) Most important, we must have a responsible tax cut that does not threaten our ability to pay down the debt, shore up Social Security and Medicare, and strengthen education and health care. The tax cuts offered by the President and by the House and Senate Democrats (including the Moynihan alternative) are in a range that allows us to do that.

- (2) It is important that these tax cuts be targeted not to the wealthy, but rather to Americans struggling to take care of their families and make ends meet. The tax cut offered by the President and the House and Senate Democrats meet that test. The Republican plans don't.
- (3) The plans offered by the President and the House and Senate Democrats all have good ideas in them – we should take the best of ideas of those proposals. In so doing, I hope that the President's idea of a progressive tax cut that helps average Americans save and create wealth will be part of any final package.

Attachments

New York Times 7/26/99 Article, *White House Says No To \$500 Billion Tax-Cut Proposal*

NEC Document: *House Republican Tax Bill: Comments from Editorial Boards, Economists, Republicans & Others*

Nobel Laureates Statement on Tax Cuts

NEC Document: *Highlights of Analysis of Rep. Archer Tax Proposal from Key Organizations*

NEC Document: *Highlights of Treasury Distribution Table for Roth Tax Proposal*

Excerpt from Radio Address by the President, July 23, 1999

Radio Address by the President on House Republican Tax Cuts, July 17, 1999

OMB Document: *Programmatic Impacts of FY 2009 of Republican Tax Cut*

WHITE HOUSE SAYS NO TO \$500 BILLION TAX-CUT PROPOSAL

COMPROMISE IS UNLIKELY

Some Democrats in the Senate
Push for a Middle Ground
on Spending of Surplus

A1

By JOEL BRINKLEY

WASHINGTON, July 25 — The Clinton Administration said for the first time today that it would not accept a compromise \$500 billion tax-cut plan proposed by a group of Senate Democrats, virtually assuring that the debate over how to spend the projected budget surplus will not be settled quickly or easily.

"The President will veto a \$500 billion tax cut because it doesn't leave room for what's necessary," said Lawrence H. Summers, the Treasury Secretary.

Echoing that statement, Gene Sperling, the White House economic adviser, said, "The President will veto a tax cut of \$800 billion or \$500 billion because it threatens our ability to secure Medicare and Social Security and pay down our national debt."

Before today the White House had said it favored limiting any tax cut to about \$300 billion but had never said it would reject the Senate Democrats' compromise. The Senate Democratic leadership has also said it favors a tax cut plan of about \$300 billion.

About a half-dozen Senate Democrats who have often been at odds with the Administration proposed the plan earlier this month to cut taxes by \$500 billion over 10 years, as a way to bridge the gap between the \$792 billion cut approved by the House of Representatives and the \$250 billion to \$300 billion proposal offered by the White House.

But for the compromise to have had any chance of being accepted, either the White House or the Republican leadership in Congress had to

mean the proposal is most likely dead.

Senator John B. Breaux of Louisiana continued to promote the \$500 billion plan today, arguing that it would "give us enough money to address Medicare, prescription drugs, and also give us enough money for discretionary spending."

But Senator Breaux, a member of the Finance Committee, added that without a compromise "we are headed for a major train wreck, which I think would be terrible for the American people. Here we have a trillion-dollar surplus, and the two political parties in Washington can't figure

Continued From Page A1

out what to do with it. Only in Washington could you have that type of a problem."

Mr. Breaux and Mr. Summers spoke on the CBS program "Face the Nation." Mr. Sperling appeared on the Fox Sunday news program.

The Government's current estimates project a surplus of \$2.9 trillion over the next 10 years, and that has set off the loud and contentious debate over how the money should be spent. Both party proposals are mirrors of their basic philosophies, and both are addressing the issue with the 2000 elections clearly in mind.

Speaking of the House tax cut bill on CNN today, Representative Dick Armey of Texas, the House majority leader, said, "There's so much compassion in this package that I have to tell you, my heart warms."

Senator Pete V. Domenici, Republican of New Mexico, who is chairman of the Budget Committee, said, "Frankly, if we don't do something like this, I think the American people can justifiably ask: Who is in charge?"

Republicans are trying to make the argument that, without a tax cut, the budget surplus will be squandered by Democratic spending programs. "And the important thing is," said Senator Phil Gramm, Republican of Texas, "if you create all these new programs, you'll never get the money back."

Democrats contend that the budget projections are just that — uncertain looks at the future of the economy. Therefore, large tax cuts are risky. But Senator Gramm proposed a solution. "If you give it back to the American people," he said, referring to the surplus, "if you ever really needed it you could get it back by raising taxes."

With the White House promise to veto the \$500 billion tax cut proposal proffered by some in Mr. Clinton's own party, and no other compromise on the table, both sides turned to harsh rhetoric.

In his weekly radio address on Saturday, the President called the Republican tax-cut plan "reckless," adding that "it would require dramatic cuts in vital areas, such as education, the environment, biomedical research, defense and crime fighting."

Senator Gramm appeared with Mr. Sperling on the Fox show this morning and said the Administration's arguments were "like everything else you all do. It's totally dishonest. You guys are shameless, shameless."

Senator Breaux suggested that both sides postpone the debate until the fall and then take it up in the context of related issues.

Under that plan, he said: "You don't have a veto, you don't have an agreement. You just take the time off in August to take a breath of fresh air and then go back to work."

Let us do a real Medicare reform bill with prescription drugs."

After that, Senator Breaux added, Congress could tackle the tax-cut question. That would hold an additional potential benefit for the Democrats. It would force the Republicans to defend their tax-cut plans at the same time they try to reach agreement on the next Federal budget, a process that requires painful choices about which Federal programs to support and which to cut.

Responding to the Senator's proposal, Senator Domenici said, "What I would say right here is I would have no trouble working with this Senator," adding that his suggestion "is probably very constructive."

THE HOUSE REPUBLICAN TAX BILL: COMMENTS FROM EDITORIAL BOARDS, ECONOMISTS, REPUBLICANS & OTHERS

July 23, 1999

RECENTLY, A LARGE NUMBER OF ECONOMISTS, LEADING EDITORIAL PAGES, AND EVEN REPUBLICAN MEMBERS OF CONGRESS HAVE EXPRESSED SERIOUS CONCERNS ABOUT THE REPUBLICAN TAX CUT BILL.

ECONOMISTS AND OPINION LEADERS

- Fifty leading economists, including six Nobel laureates, said in a letter in the *Economist* on July 21, 1999 that big tax cuts were bad economic policy. The letter stated, *"In contrast, a massive tax cut that encourages consumption would not be good economic policy. With the unemployment rate at its lowest point in a generation, now is the wrong time to stimulate the economy through tax cuts. Moreover, an ever growing tax cut would drain government resources just when the aging of the population starts to put substantial stress on Social Security and Medicare. Further, the projections assume substantial undesirable reductions in real spending for non-entitlement programs, including important public investments. Given the uncertainty of long-term budget projections, committing a large tax cut would create significant risks to the budget and the economy."*
- Alan Greenspan, Chairman of the Federal Reserve Board, told the House Banking Committee on July 22, 1999, *"I remain where I was last time I was here and the time before. I think that the reduction that is occurring in the Federal debt at this stage as a consequence of the ongoing surplus is an extraordinarily effective force for good in this economy. I think it has moved interest rates lower than they otherwise would have been. I think the cost of capital is lower. And for a number of other reasons, I think it has been a major factor in expansion of economic growth."*

Greenspan added, *"As I have said before I would therefore prefer, because we are being confronted with a very large demographic change down the road which means the ratio of retirees to workers is going to go up very dramatically, that our emphasis needs to be on national savings which creates capital investment which creates increasing productivity and therefore the capacity when finally the baby boomers retire, that their standard of living will be kept high without creating problems in growing standards of living for our working population. Therefore as I have said, my first priority, if I were given such a priority, is to let the surpluses run."* (Humphrey-Hawkins Testimony of Chairman Greenspan, Before the House Banking Committee, July 22, 1999).

- Robert D. Reischauer, a senior fellow at the Brookings Institute, stated in his July 12, 1999, Center on Budget and Policy Priorities Briefing: *"...were there to be a tax cut, even of the House of Representatives proportions, \$800-and-something over ten years, the amount of relief that would actually be distributed in the next year or so would be pretty modest. And so, the impact on the economy would be really quite small but inevitably in the wrong direction to the extent that it stimulated consumption and therefore boosted aggregate demand in an economy that is already straining against its capacity limits."*
- Former U.S. Senators Sam Nunn (D-Ga.) and Warren Rudman (R-NH) stated in their July 12, 1999 op-ed in *The Washington Post*: *"If spending is increased or taxes are cut based on the expectation of huge surpluses and the projection turns out to be wrong, deficits easily could reappear where surpluses are now forecast."*
- Edward Gramlich, a member of the Federal Reserve Board of Governors, told *The New York Times* (Louis Uchitelle, *The New York Times*, July 14, 1999.) *"If taxes were cut while the nation's resources are highly employed, that would put more pressure on monetary policy."* *The New York Times* added, *"He suggested, in effect, that the Fed might have to raise interest rates to prevent the extra spending that would over stimulate the economy. Others worried that the higher rates might reduce investment or bring down inflated stock prices, damaging the economy through these avenues."*

(ECONOMISTS & OPINION LEADERS CONT.)

- **Alan Blinder, a Princeton University Economist** who served as Fed vice chairman from 1994 to 1996 said a tax cut offset by higher interest rates today *"would reverse the policy mix that we have followed in the 1990s with such splended effect: low interest rates and high corporate investment."*
- **Sandra Shaber, an economist at the WEFA Group in Philadelphia**, told USA Today (Owen Ullman, July 13, 1999) that *"Tax cuts would be a good idea if the economy were to slow significantly. But things look like they're going pretty well."*
- **Iris Lav of the Centre on Budget and Policy Priorities** told the Economist (July 17, 1999) that the annual cost of the Archer plan jumps from \$152 billion in 2008 to \$203 billion in 2009; thereafter the costs "explode" to \$2.8 trillion between 2010 and 2019, *"at the same period of time when the baby-boom generation will begin to retire and non-Social Security surpluses are expected to level off and ultimately to decline."*
- **Joel Slemrod**, director of the Office of Tax Policy Research at the University of Michigan, was quoted in The New York Times (Michael Weinstein, July 15, 1999), as saying the *"idea of cutting capital gains tax to move the economy significantly is implausible"* The amount of taxes involved which in typical years hovers between \$20 billion and \$50 billion, *"is too small to shift an \$8 trillion economy"*

MANY LEADING NEWSPAPERS IN THEIR EDITORIAL PAGES OR IN NEW ANALYSIS HAVE EXPRESSED CONCERNS REGARDING THE REPUBLICAN TAX PLAN.

LEADING NEWSPAPERS

- **The New York Times** (July 22, 1999) said of the Republican tax cuts: *"The biggest damage to Federal revenues would come just as the baby boomers begin to retire, driving up the costs of Social Security and Medicare. To make the numbers work, the House Republicans are using rosy forecasts of a continued strong economy and unrealistic assumptions about the level of spending cuts that they are likely to make. We hope the economic predictions prove accurate, but there is a good chance they will not."*
- **The Washington Post** (July 23, 1999) criticized the Republican tax cut: *"The true cost of the tax cuts in the Republicans' bills would also be much greater than the surplus. The bills were carefully written in such a way as to mask their cost by delaying the full effect."*
- **The Wall Street Journal** (Gregg Hitt, July 16, 1999) in news analysis called the House bill *"a budget buster built around a 10% cut in each of five individual income-tax brackets... While spreading tax benefits to almost every GOP constituency, it soaks up most of the projected surplus, excluding Social Security... fiscal conservatives in both parties wring their hands over whether the huge tax cut envisioned by GOP leaders will crimp the Treasury's ability to reduce the federal debt. It could also pose a long-term threat to Social Security."*
- **USAToday** (July 23, 1999) stated in an editorial entitled "Tax Cut May Look Appetizing, But It's Loaded With Hidden Costs." *"The latest poster child for political excess is the whopping \$792 billion, 10-year tax cut passed by House Republicans. It has something for almost everyone—a 10% reduction in income tax rates...But no matter what you may think of the package, it is built on fanciful accounting."*

SEVERAL HOUSE REPUBLICANS VOTED AGAINST THE HOUSE REPUBLICAN TAX BILL.

HOUSE REPUBLICANS

- **Rep. Michael Castle (R-NY):** *"To have no latitude whatsoever, I think, is an error. We need to have a smaller tax cut."* [Associated Press 7/20/99]

Castle also said, *"We already have a very large tax cut... We're struggling to increase all our appropriations bills for education, health, the welfare of the country. ... My own personal vote is we should not increase the tax cut at all."* [Associated Press, 7/1/99]

- **Rep. Connie Morella (R-MD):** *"I want debt retirement and [putting money into] Medicare and Social Security. I think the tax bill will be better coming next session, after proving what we can do with the budget."* [The Washington Times, 7/22/99]
- **Rep. Greg Ganske (R-IA):** *"I cannot support an \$870 billion tax cut... I think it would be much more reasonable for us to sit down, reach across the aisle, reach down Pennsylvania Avenue, and come to an agreement."* [The Wall Street Journal, 7/15/99]

Ganske, criticizing the Republican tax cut tactics, also said, *"They just figured they could bulldoze everyone, twist arms and break off legs. Do my Republican colleagues want to see a campaign ad of Bill Gates and the billions and billions of dollars he is saving from this?"* [The Wall Street Journal, 7/22/99]

SEVERAL ECONOMIC OPINION MAKERS HAVE SPOKEN OUT AGAINST THE REPUBLICAN "GIMMICK" AS IT WAS TERMED BY AN ANONYMOUS GOP CONGRESSMAN THAT PERSUADED SOME MODERATE HOUSE REPUBLICANS TO SUPPORT THE TAX BILL

STATEMENTS

- **Robert D. Reischauer**, a budget expert and former CBO director was quoted in The Washington Post (Eric Pianin, July 23, 1999) saying yesterday that the compromise measure *"appears to provide some modest safety valve, but I wouldn't bet a nickel on its effectiveness."*
- **Reischauer** told The New York Times (David Rosenbaum, 7/23/99) that *"It doesn't make a whole lot of sense."*
- **Stephen Entin**, an economist at the Institute for Research on the Economics of Taxation, who was a Treasury official during the Reagan Administration and is a devotee of deep tax reductions, said of the Republicans new tax cut measure: *"It's just a dumb idea."* [The New York Times, 7/23/99]
- **A Senior Republican Congressman**, who spoke on the condition of anonymity, told The New York Times that *"It was a gimmick, a smear of grease to get us past a sticky spot last night."* [The New York Times, 7/23/99]

FOR IMMEDIATE RELEASE

July 21, 1999

Economists Say Big Tax Cuts Are Bad Economic Policy

Fifty economists, including six Nobel laureates, are advising policymakers that big tax cuts now under consideration would be unwise economic policy. The text of their statement appears below.

The federal budget is projected to show substantial surpluses over the next 15 years. These surpluses offer an exceptional opportunity to pay down government debt and thereby strengthen Social Security and Medicare in order to prepare for the retirement of the baby boomers.

President Clinton's budget proposal makes the correct decision, to save most of these surpluses. The Administration estimates that its plan would entirely pay off the publicly held debt by saving over \$4 trillion in projected surpluses by 2015. This dramatic contribution to national saving would reduce interest rates, boost business investment in plant and equipment, lead to a more productive workforce, and raise the standard of living.

In contrast, a massive tax cut that encourages consumption would not be good economic policy. With the unemployment rate at its lowest point in a generation, now is the wrong time to stimulate the economy through tax cuts. Moreover, an ever growing tax cut would drain government resources just when the aging of the population starts to put substantial stress on Social Security and Medicare. Further, the projections assume substantial undesirable reductions in real spending for non-entitlement programs, including important public investments. Given the uncertainty of long-term budget projections, committing to a large tax cut would create significant risks to the budget and the economy.

A list of the economists signing this statement is attached.

+ + +

For further information contact:
Matthew D. Shapiro
tel. 734 764-5419

Economists Signing Statement

Nobel Laureates:

Kenneth Arrow
Lawrence R. Klein
Franco Modigliani
Paul A. Samuelson
Robert M. Solow
James Tobin

Stanford University
University of Pennsylvania
Massachusetts Institute of Technology
Massachusetts Institute of Technology
Massachusetts Institute of Technology
Yale University

Henry J. Aaron
George A. Akerlof
Alan Auerbach
Robert Barsky
Susanto Basu
Olivier Blanchard
Rebecca Blank
John Bound
Christopher Carroll
Karl E. Case
J. Bradford De Long
William F. Dickens
Christopher L. Foote
Pierre-Olivier Gourinchas
Donald D. Hester
E. Philip Howrey
Shane Hunt
Erik Hurst
Saul Hymans
Paul L. Joskow
Phillip B. Levine
Robert E. Litan
Anna Lusardi
Louis Maccini
Alicia H. Munnell
Maurice Obstfeld
Janet Rothenberg Pack
Howard Pack
Uwe Reinhardt
Susan Rose-Ackerman
Robert W. Rosenthal
Shinichi Sakata
Charles L. Schultze
Matthew D. Shapiro
Robert J. Shiller
Robert Shimer
Jonathan Skinner
Peter Temin
Laura Tyson
David N. Weil
David Weisman
Kenneth D. West
Barbara L. Wolfe
H. Peyton Young

Brookings Institution
Brookings Institution and University of California, Berkeley
University of California, Berkeley
University of Michigan
University of Michigan
Massachusetts Institute of Technology
University of Michigan
University of Michigan
Johns Hopkins University
Wellesley College
University of California, Berkeley
Brookings Institution
Harvard University
Princeton University
University of Wisconsin, Madison
University of Michigan
Boston University
University of Chicago
University of Michigan
Massachusetts Institute of Technology
Wellesley College
Brookings Institution
Dartmouth College and University of Chicago
Johns Hopkins University
Boston College
University of California, Berkeley
University of Pennsylvania and Brookings Institution
University of Pennsylvania
Princeton University
Yale University
Boston University
University of Michigan
The Brookings Institution
University of Michigan
Yale University
Princeton University
Dartmouth College
Massachusetts Institute of Technology
University of California, Berkeley
Brown University
Social Science Research Council
University of Wisconsin, Madison
University of Wisconsin, Madison
Johns Hopkins University

Affiliations are provided for identification only

July 22, 1999

Highlights of Analysis of Rep. Archer Tax Proposal from Key Organizations

July 16, 1999

DISTRIBUTION OF TAX BENEFITS IS REGRESSIVE

Overall

- The top 1 percent of all taxpayers, incomes above \$301,000, would receive almost half of the benefits. The average tax cut for this group would be \$54,027. (Citizens for Tax Justice, July 15,1999).
- The top 10% of all taxpayers, with average income of \$204,000, would receive 69% of the total tax benefits when the provisions are fully phased in. (Citizens for Tax Justice, July 15,1999).
- The middle 20%, with incomes between average \$30,300 would receive just 5.8% of the total tax cut and receive an average of \$350.
- The bottom three-fifths of all tax payers (with average income of \$19,000) would receive just 8.7 percent of the overall tax cuts. (Citizens for Tax Justice, July 15,1999).

Estate Tax Elimination

- The first \$650,000 of an estate is already exempt from taxation in 1999 and the exemption rises to \$1 million in 2006. An unlimited amount of property can be transferred to a spouse free of tax. (Center on Budget and Policy Priorities, July 12, 1999).
- The Joint Committee on Taxation estimates that less than 2 percent of all decedents in 1999 will have estates large enough to require payment of some estate tax. (Present Law and Background on Federal Tax Provisions Relating to Retirement Savings Incentives, Health and Long Term Care, and Estate and Gift Taxes (JCX-29-99), June 15, 1999).
- An analysis by IRS of the 32,000 taxable estates filing in 1995 showed that the 16% of estates with gross value exceeding \$2.5 million paid nearly 70 percent of the total estate taxes. (Internal Revenue Service, SOI Bulletin, Winter 1996-98.)
- The top 1%, with incomes above \$301,000, would receive almost 91% of the benefits and an average tax cut of \$19,914. (Citizens for Tax Justice, July 15,1999).
- The top 10%, with average incomes of \$204,000, would receive more than 9% of the benefits and an average tax cut of \$489. (Citizens for Tax Justice, July 15,1999).
- Those with incomes below the top 10% are not estimated to benefit. (Citizens for Tax Justice, July 15,1999).

10% Income Tax Rate Cut

- The top 1%, with incomes above \$301,000, would receive almost 30% of the benefits, and

receive an average of \$17,461. (Citizens for Tax Justice, July 15,1999).

- The top 10%, with average incomes of \$204,000, would receive almost 60% of the benefits and receive an average tax cut of \$3,563. (Citizens for Tax Justice, July 15,1999).
- The middle 20%, with average income of \$30,300, would receive just 6.9 % of the benefits and receive an average tax cut of \$207. (Citizens for Tax Justice, July 15,1999).
- The bottom 60% (with average income of \$19,000), would receive under 10% of the benefits and receive an average tax cut of \$99. (Citizens for Tax Justice, July 15,1999).

Capital Gains

- The top 1%, with incomes above \$301,000, would receive almost 70% of the benefits and an average tax cut of \$8,319. (Citizens for Tax Justice, July 15,1999).
- The top 10%, with average incomes of \$204,000, would receive more than 90% of the benefits and an average tax cut of \$1,099. (Citizens for Tax Justice, July 15,1999).
- The middle 20%, with average incomes of \$30,300, would receive less than 1% of the benefits and an average tax cut of \$4. (Citizens for Tax Justice, July 15,1999).
- The bottom 60% (with average income of \$19,000), would receive 1 % of the benefits. (Citizens for Tax Justice, July 15,1999).

Estate Tax Elimination

- The first \$650,000 of an estate is already exempt from taxation in 1999 and the exemption rises to \$1 million in 2006. An unlimited amount of property can be transferred to a spouse free of tax. (Center on Budget and Policy Priorities, July 12, 1999).
- The Joint Committee on Taxation estimates that less than 2 percent of all decedents in 1999 will have estates large enough to require payment of some estate tax. (Present Law and Background on Federal Tax Provisions Relating to Retirement Savings Incentives, Health and Long Term Care, and Estate and Gift Taxes (JCX-29-99), June 15, 1999).
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- The top 1%, with incomes above \$301,000, would receive almost 91% of the benefits and an average tax cut of \$19,914. (Citizens for Tax Justice, July 15,1999).
- The top 10%, with average incomes of \$204,000, would receive more than 9% of the benefits and an average tax cut of \$489. (Citizens for Tax Justice, July 15,1999).

- Those with incomes below the top 10% are not estimated to benefit. (Citizens for Tax Justice, July 15, 1999).

Highlights of Treasury Distribution Table for Roth's Tax Proposal

July 23, 1999

Benefits to The Wealthy Families . . .

- Two thirds (66.9%) of the benefits go to families with the top 20 percent of income – those with more than \$100,767 and will receive an average tax benefit of \$2,885.
- Some 44 percent of the benefits go to families in the top 10 percent of income – those with more than \$140,581 and will receive an average tax benefit of \$3,811
- About 30 percent of the tax benefits go to families in the top 5 percent of income – those with more than \$189,835 and will receive an average tax benefit of \$4,999.

. . . Not to Middle and Lower Income Families

- These compare to just 9.8 percent of the benefits going to middle income families earning between \$34,844 and \$59,019 – and receive just \$415.
- Lower income families earning between \$17,988 and \$34,844 will receive just 2.5 percent of the benefits and receive an average of just \$107 dollars.

Comparison of Roth and Archer

Family Economic Income Quintile	Average Tax Change (\$)		Percent Distribution of Benefits (%)	
	Archer	Roth	Archer	Roth
Lowest	21	12	0.4	0.3
Second – begins \$17,988	111	107	1.9	2.5
Third – begins \$34,844	340	415	5.9	9.6
Fourth – begins \$59,019	781	894	13.5	20.7
Highest – begins \$100,767	4,501	2,885	78.1	66.9
Top 10% - begins \$140,581	7,381	3,611	64.0	44.2
Top 5% - begins \$189,935	12,260	4,999	53.2	29.0
Top 1% - begins \$462,053	36,952	9,207	32.3	10.8

Source: Department of Treasury, Office of Tax Policy

EXCERPT OF THE PRESIDENT'S RADIO ADDRESS

July 24 1999

This week, the Republicans in the House of Representatives passed a reckless plan that would cost \$800 billion in the next 10 years, and a staggering \$3 trillion over the next two decades. It is so large, and it balloons in size so dramatically in future years that it would make it impossible to invest our surplus to save Social Security, to save and strengthen Medicare with a prescription drug benefit, to pay off our national debt.

Beyond that, the GOP tax cut is so large it would require dramatic cuts in vital areas, such as education, the environment, biomedical research, defense and crime fighting. The Republican budget already cuts our successful community policing proposal in half. Their reckless tax plan would threaten law enforcement across the board, forcing reductions in the number of federal agents and cutting deeply into support for state and local law enforcement. To make matters worse, of course, the House Republicans are refusing to take steps to keep guns out of the hands of criminals, like closing the gun show loophole. Indeed, they want to weaken the existing laws with a pawn shop loophole.

To keep the crime rate falling we need more police on the street and fewer guns in the hands of criminals, not the reverse.

We have a rare and fleeting chance to use the fruits of our prosperity today to build America for tomorrow. We can invest now to save Social Security and modernize Medicare for the 21st century with more prevention for cancer, osteoporosis and other conditions and with that prescription drug benefit; to lift our children by improving their education; to pay off the national debt for the first time since 1835 and give a generation lower interest rates for businesses, for home mortgages, for car, credit card and college loan payments -- that means more jobs and higher incomes; to bring economic opportunity through investment to our poorest areas that are left behind; to have an affordable tax cut for child care, long-term care, retirement savings and other things Americans need; and to give our families the securities they deserve by keeping the crime rate coming down.

We can do all these things and have an affordable tax cut, or we can squander our hard-won progress on short-term thinking.

Just remember a few years ago -- many people never thought we could balance the budget, but we did, and now we actually have a chance to pay off the national debt. Many never thought we could bring down crime rates, but we did, dramatically. Now we have a chance to achieve something that not too long ago would have seemed pure fantasy. In the early years of the new century we can make America the safest big nation on Earth. We can do this, but only if we act now in the long-term interest of our nation.

So, again, I call on the Congress and all Americans to make this a season of progress. Let's keep thinking about tomorrow.

THE WHITE HOUSE

Office of the Press Secretary

Embargoed For Release
Until 10:06 A.M. EDT
Saturday, July 17, 1999

RADIO ADDRESS BY THE PRESIDENT
TO THE NATION

Des Moines, Iowa

THE PRESIDENT: Good morning. I want to talk to you today about a great debate now underway in Washington -- the debate over how best to use America's record-breaking budget surpluses. That we can even have this debate is remarkable. Just remember six and a half years ago, when I first became President, we faced budget deficits that were \$290 billion and rising. In the previous 12 years, those deficits had quadrupled the total debt of America.

But beginning in 1993, we put in place a new economic strategy of fiscal discipline, coupled with greater investments in areas like education, training and technology. That strategy has helped to produce a private sector-led economic expansion of historic proportions. It's also produced not only a balanced budget, but budget surpluses of \$99 billion this year, and a projected surplus over the next 10 years of about \$2.9 trillion, including Social Security taxes.

Now, America must decide how best to use the fruits of our hard work. I believe we should stay with the fiscal discipline that got us here, and invest the surplus to meet our long-term challenges. That's why I've proposed that we set aside the vast bulk of this surplus to protect and secure Social Security and Medicare, and to modernize Medicare by adding a long-overdue prescription drug benefit.

By saving most of the surplus from Medicare and Social Security, we can also pay off all our publicly-held debt by the year 2015. That would make America debt-free for the first time since 1835. What would that mean? It would mean lower interest rates, more business investments, more jobs, higher wages, lower car payments, lower house payments, lower credit card payments, lower student loan payments.

Now, my balanced budget would do this, while increasing investments in areas like education, technology, the environment

and defense. It would also offer a quarter of a trillion dollars in targeted tax cuts to help middle-income families meet the crucial needs for child care, for long-term care for aging relatives, for saving for their own retirement, and tax cuts for inducing people to invest in building modern schools or rehabilitating those that exist now, and for investing in the areas of our country which have not yet fully participated in our recovery.

But my plan puts first things first. It says, first strengthen Social Security and Medicare and pay down the debt. Take care of the baby boom retirement; take care of our families and our children; take care of the long-term challenges to America. Then, we can allocate the rest of the surplus for other spending priorities like education and for tax cuts.

Unfortunately, the plan the Republican leadership put forward this week does not do that. Their plan would devote virtually all the non-Social Security surplus, nearly \$1 trillion, to a tax cut, while failing to extend the solvency of Social Security and Medicare even by a single day. The plan also doesn't go far enough in paying down the debt, which will mean higher interest rates and a weaker economy down the road. And it would force drastic cuts in areas where we should be investing more.

In education, for instance, I've proposed an education and children's trust fund that will, among other things, guarantee our ability to hire 100,000 new highly-trained teachers to lower class size in the early grades. Yet, early next week, the House Republicans will offer legislation that would go back on the bipartisan commitment both Republicans and Democrats made just last year to the American people to hire those 100,000 new teachers. We've hired 30,000 now, or we've given the states and school districts the money to do that. We shouldn't go back on a commitment that we made last year; that's the wrong way to go. But that isn't the worst of it.

Republican leaders have estimated their tax plan would cost more than three-quarters of a trillion dollars between now and the year 2010. What they haven't said is what it would cost after 2010 when the baby boomers retire and the need for revenues for Social Security and Medicare will be most acute. Earlier this week, I asked the Treasury Department to analyze the Republican plan's long-term impact. And the answer I've received is quite disturbing.

According to the Treasury Department's preliminary estimate, the costs of the Republican plan will explode between the year 2010 and 2019 from \$1 trillion a decade to an unimaginable \$3 trillion. At the very time the nation will be confronting the demographic challenge of the baby boom, the Republican plan will blow a \$3-trillion hole in the federal budget, threatening our ability to secure Social Security and Medicare for the next generation and risking return to the era of deficits with high interest rates and economic stagnation.

Tax cuts that size quite simply are bad economic policy. It's bad not to save Social Security and Medicare; it's bad not to pay the debt off. It is certainly bad to cut education at a time when it's more important to our children's future than ever.

So I say to Congress: Put first things first. Set aside most of the surplus for Social Security and Medicare. Make sure we invest enough in education. Then, together, we can budget for the kind of tax cuts we need and can afford while we pay off the debt and guarantee a strong America in the 21st century.

This is a very good time for our country. We're on the right path. Let's stay on it, use our surplus wisely, think about our children's future. Then the 21st century will be America's best days.

Thanks for listening.

END

This paper was developed to illuminate the effects of the House-proposed \$864 billion tax cut. The House has since scaled its proposal to \$792 billion, but the descriptions below remain relatively accurate.

Programmatic Impacts in FY 2009 of Republican Tax Cut
Assuming Defense is Equal to the President's Request

Education and Training

- A cut of this magnitude would force **Head Start** to cut services to 425,000 of the 835,000 children who would otherwise be served in FY 2009.
- About 306,000 summer **jobs and training opportunities** for low-income youth could be eliminated from the 577,700 that would otherwise be provided in FY 2009.
- **Title I, Education for the Disadvantaged** could be slashed, cutting more than 7.4 million children (from the total 14.6 million assumed in the baseline) in high poverty communities from key educational services necessary to improve their future prospects.
- The **Reading Excellence** program, which would otherwise help 1.2 million children learn to read by the 3rd grade, could serve 622,000 fewer students.

Environment and Health

- In FY 1999, the **VA Medical Care** budget projects providing treatment for 3,468,000 veteran patients, a figure that would drop by 1,622,000 should a cut of this magnitude take place.
- Funding for the **Health Resources and Services Administration** would be cut by \$2.5 billion from the current services baseline, resulting in the loss of health services for roughly 15 million women, children, uninsured people, and people living with AIDS from the total 30 million recipients assumed in the baseline.
- Funding for the **National Institutes of Health** would be cut by \$9.8 billion from the current services baseline, resulting in approximately 15,000 fewer biomedical research grants being funded from the total 31,000 assumed in the baseline. At this level, NIH might not be able to fund any new research grants, and support for research grants begun in previous years would have to be reduced.
- **Stopping Toxic Waste Cleanup** -- EPA's Superfund program would be cut by nearly \$1 billion, eliminating funding for all new Federally-led cleanups due to begin in 2009. Major reductions would also be needed in emergency response actions, ongoing Superfund cleanups, negotiation and oversight of private party-led cleanups, cost recoveries, EPA's brownfields program, and support for other federal agencies and states. Over a thousand employees could lose their jobs, and Superfund contractors would be out of work.

Crime, Housing, and Other Priorities

- Cuts to the **Immigration and Naturalization Service** could result in a reduction of approximately 6,993 Border Patrol agents (from the total 8,947 assumed in the baseline). Cuts to the **FBI** could result in a reduction of approximately 7,187 FBI agents (from the total 10,687 assumed in the baseline).
- Cuts of this magnitude to **HUD's** housing rental subsidy could result in the termination of rent subsidies to approximately 1.5 million HUD subsidized low-income tenants in FY 2009.
- Cuts of this magnitude would reduce **NASA's** funding to the lowest level since FY 1984. With this level of funding, NASA could support either a human spaceflight program or a science program relying on robotic missions, but not both.
- The **National Park Service** operating budget would be cut by almost a billion dollars below the FY 2009 baseline. Park rangers and other staff would have to be reduced through hiring freezes and RIFs. Seasonal workers could not be hired, resulting in widespread cutbacks in visitor services, seasonal programs, and hours of operations, as well as closures at many of the 378 park units serving almost 300 million visitors annually.

May 25, 1999

MEMORANDUM FOR MELANNE VERVEER

FROM: NICOLE RABNER
RUBY SHAMIR

CC: SHIRLEY SAGAWA
PATTI SOLIS-DOYLE
MARSHA BERRY

SUBJECT: NEW MARKETS INVESTMENT INITIATIVE

The President launched his New Markets Investment Initiative last January in an event on Wall Street with Reverend Jesse Jackson where he demonstrated the Administration's commitment to harnessing the power of the private sector to invest in untapped U.S. markets. The initiative builds on the Administration's overall community development agenda including the Community Reinvestment Act, micro-enterprise programs, empowerment zones, and the Brownfields Tax Incentive.

I. RECENT NEW MARKETS ACTIVITY

Two weeks ago the President met with 17 CEOs of major corporations to discuss ways to best mobilize new private investments in economically underserved communities. Following the meeting, he traveled with this CEO delegation to Atlanta, Georgia to tour the Sweet Auburn Market and an Atlanta empowerment zone. His major announcement was that from July 5-8 he will take a bipartisan delegation of Members of Congress and CEOs on a trade mission to economically distressed communities, where he will highlight new opportunities being created in these communities across the nation.

Currently, the NEC is in the planning process for this July trip. The trip is likely to include visits to geographically diverse areas such as an inner city, a rural community, and a Native American town. Similar to our strategy for the Save Our Treasures Tour, the NEC is working to lock in private sector announcements for the President to make. These announcements will be in the following categories: micro-enterprise, Community Development Financial Institutions, Small Business Investment Companies and New Markets Venture Capital Firms, Business LINC (Learning, Information, Networking, and Collaboration) and empowerment zones (see below for discussion). In addition, the NEC hopes to have announcements for other principals to make in this same time period that would underscore the theme of the initiative – bringing private sector investment to untapped U.S. markets. The NEC has included us in the planning process, and has asked us to participate in the development of the micro-enterprise deliverable.

II. FIRST LADY PARTICIPATION

To build on her longstanding commitment to the revitalization of underserved urban and rural areas around the country, we recommend that the First Lady consider participating in this initiative in some way. The First Lady might travel with the President to one of the event sites, or preferably, hold an event herself, such as one in Washington, D.C. to make an announcement about spurring economic development in the nation's capital.

III. BACKGROUND ON NEW MARKETS INVESTMENT INITIATIVE

The major provisions of the New Markets Investment Initiative are:

New Markets Tax Credit. Proposed tax credit worth up to 25 percent to help spur \$6 billion in equity capital for investment in America's new markets. Eligible investment companies include community development banks, venture funds and corporations, and the new investment company programs created by this initiative. Tax credits would be allocated to attract investors. This portion of the initiative requires new legislation.

America's Private Investment Corporations (APICs). Just as our support for the Overseas Private Investment Corporation (OPIC) helps promote growth in emerging markets abroad, APIC will encourage private investment in America's untapped markets. For up to \$100 million of private equity, HUD and SBA will guarantee loans up to \$200 million, creating investment funds as large as \$300 million to invest in new development projects and larger businesses that are expanding or relocating in inner city and rural areas. Under the financing structure, the private investors' funds are at risk ahead of the government's. This portion of the initiative requires new legislation.

New Markets Venture Capital (NMVC) Firms. NMVC firms will make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas. Ten to twenty NMVC firms are planned. SBA will match the equity funds of private investors with government debt guarantees of up to \$10 million per NMVC, with interest on the debt deferred. Investors who provide at least \$1.5 million in technical assistance over five years to targeted firms will also receive matching grants from SBA.

Small Business Investment Companies (SBICs). Under this initiative, SBICs will be eligible for a new type of federally guaranteed loan to augment capital for investment in low or moderate income areas. Interest on these loans will be deferred for the first five years of the 10 year term to give SBICs more time to nurture their investments before they must show a return.

The New Markets Investment Initiative will also support continued growth of community development financial institutions (CDFIs) with \$125 million in this year's budget; approve New Markets Lending Companies (NMLCs), new non-bank lenders, to lend to creditworthy small businesses that have trouble securing financing; promote partnerships between large companies and new small companies in distressed areas and encourage the bigger companies to provide training and expertise to new small firms.

May 24, 1999

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: NICOLE RABNER

CC: MELANNE VERVEER
SHIRLEY SAGAWA

SUBJECT: PAID LEAVE UPDATE

Following our discussion about pushing internally to address pending state proposals to use the unemployment insurance system to provide benefits to workers on some form of FMLA-covered leave, I oversaw a policy process that culminated in the President making significant policy announcements in his commencement speech yesterday at Grambling State University. The speech focused on the need to provide working families with greater tools to balance their responsibilities at home and at work. The announcements were:

- (1) Working to Make Parental Leave More Affordable.** A 1996 study by the Commission on Family and Medical Leave found that loss of wages was the most significant barrier to parents taking advantage of unpaid leave following the birth or adoption of a child. President Clinton directed the Secretary of Labor to propose new regulations and model state legislation to enable states to develop innovative ways of using the Unemployment Insurance (UI) system to support parents taking leave to care for a newborn or adopted child. Several States recently have asked the Administration whether they could use the UI system for this purpose consistent with federal law. The new regulations will authorize this expansion of the UI system, thereby allowing states that wish to use unemployment insurance to assist new parents to put their plans into effect.
- (2) Enabling Federal Workers to Take Paid Leave to Care for Sick Family Members.** In an effort to set an example for all employers, President Clinton also directed the Office of Personnel Management (OPM) to propose government-wide regulations to allow federal employees to use up to 12 weeks of accrued sick leave each year to care for a spouse, son, daughter, or parent with a "serious health condition," as that term is defined for the purpose of applying the Family and Medical Leave Act. Currently, the amount of sick leave that can be used to care for a family member who is ill is limited to 13 days each year for most federal employees. By enabling federal workers to use more of the sick leave they have earned, according to conditions established by the FMLA, this measure will remove a significant barrier to caring for an ill family member. The President also directed the OPM to establish an Interagency Family Friendly Workplace Working Group to develop, promote, and evaluate federal family-friendly workplace initiatives.

- (3) **A New Study on the Amount of Time Available for Families.** The President released a report by his Council of Economic Advisers (CEA) today that details the factors that have led to decreased amounts of time available for parents to spend with their children. The report, *Families and the Labor Market, 1969-1999: Analyzing the "Time Crunch,"* demonstrates that the increase in hours mothers spend in paid work, combined with the shift toward single-parent families, has resulted in families experiencing an average decrease of 22 hours a week (14 percent) in time that parents spend with their children. The report concludes that the increased time at work among parents requires policy-makers to seek new ways to promote strong families, including greater flexibility in paid work hours, more affordable child care, better support for families with low-wage earning parents, and methods for encouraging two-parent families to form and stay together.

Attached please find the President's commencement address, the press clips on the announcements, and the final CEA report.

THE WHITE HOUSE

Office of the Press Secretary
(Grambling, Louisiana)

For Immediate Release

May 23, 1999

REMARKS BY THE PRESIDENT
IN COMMENCEMENT ADDRESS TO
GRAMBLING STATE UNIVERSITY GRADUATES

Eddie Robinson Stadium
Grambling, Louisiana

9:47 A.M. CDT

THE PRESIDENT: Thank you. Good morning.

THE AUDIENCE: Good morning.

THE PRESIDENT: I thank you for the wonderful, wonderful welcome. President Favors, thank you for the degree --I'm beginning to feel smarter already. (Laughter.)

My good friend, Reverend Jones, thank you for your wonderful invocation and reminding us why we are here on this Lord's day. Mayor Williams, thank you for making me feel welcome, and I thank the other mayors and councilmembers who met me. Dr. Jindal, thank you for your remarks. I must say, I was especially impressed by the remarks of your student government president, Tony Easton; and Miss Grambling, Martha Fondel. (Applause.) After they spoke I wasn't quite sure I wanted to give my speech. (Laughter.)

Let me also say that I am delighted to be joined today by your distinguished Senator, Mary Landrieu, and Congressman William Jefferson, from New Orleans. (Applause.) By our Secretary of Transportation and, like me, a neighbor of yours to the north, from Arkansas, Secretary Rodney Slater, I thank him. (Applause.)

You know, when I heard that I might be able to come to Grambling, there was very little discussion about this in the White House. Now, usually, when the President has a chance to go someplace, there's always an argument about it because they think you should be somewhere else. Somebody who works for you thinks

you should be somewhere else.

But I told my staff that I wanted to take a day away from Washington, D.C. Now, Washington is a town where everybody thinks they're somebody -- (laughter and applause) -- and I wanted to come to the place where everybody is somebody. (Applause.)

I also was not about to miss a chance to hear the best band in the land. (Applause.) And I thank you for the musical tribute. And I'm glad at least the tuba players were standing up and dancing, I would have missed that, too. (Applause.)

I also -- (laughter) -- hey, I'm just getting warmed up, you know? Come on. (Laughter.)

To the last Grambling class of the 20th century -- (applause) -- this is an important day in your lives. In so many ways --

AUDIENCE MEMBER: I need a job.

THE PRESIDENT: Well, you'll be able to get one, now. (Laughter.)

In so many ways, the story of this institution embodies the whole 20th century experience of African Americans. In 1901, not a single public school in this part of Louisiana would welcome an African American into its classes. But the visionary farmers of this community, the children and grandchildren of slaves, were determined to give their children the education and pride and power to rise above bigotry and injustice. (Applause.) And so, even though they didn't have much, they scrounged around and raised some money and wrote a letter to Booker T. Washington, asking him to send a teacher to help build a school in the piney woods.

Out of that determination, Grambling has truly grown into a university for the 21st century. (Applause.) You have nurtured some of our nation's best educators and lawyers, pastors and public servants, nurses and business leaders. Of course, the NFL recruits here, thanks to Eddie Robinson and his successor, Superbowl MVP Doug Williams. (Applause.) Of course, you're known for your band and your other athletic teams.

But America's top technology firms recruit here, too -- because Grambling confers more computer and information science degrees to African Americans than any other university in the nation. (Applause.)

So you join a proud tradition today and I congratulate you all. You have gained knowledge that will enrich you for the rest of your lives and I can just see by looking at you, you've made friends who will stay with you for the rest of your lives. Through long hours in the class and late nights in the library, through moments of both self-doubt and triumph, you have today gained the prize -- an education that will help you succeed in one of the most exciting eras in all of human history.

I'd also like to congratulate and honor today your parents, your grandparents, your aunts and uncles -- (applause) -- all those who had a hand in raising you. They should be proud of you; but they should also be proud of themselves. To raise a child from infancy to college graduate is no small feat -- you hear the "amens" from the audience on that one. (Laughter.)

One of the most beloved Presidents of Grambling, Ralph Waldo Emerson Jones, I understand often said to his students, when you go home, be sure to kiss everybody -- including the mule -- (laughter) -- because the mule is the one who pulls the plow and keeps the family going. Well, I'm not going to ask the graduates to kiss any mules today, but I do ask each of you before this day is over to say a special thank you to the people who kept your families going.

I asked for some research on some of the families -- I'd just like to mention two. People like Joyce Gaines of Vallejo, California. Listen to this: even through the pain of five ruptured disks in her back, she worked three jobs and commuted 200 miles a day to put her daughter, Tieaesha, through Grambling. (Applause.) Where are you? Stand up there. (Applause.) Today, she's graduating with a degree in sociology and she plans to open a home for abused children. She is a tribute to her mother's love and sacrifice. (Applause.)

People like James and Lilly Bedford of Shreveport. James is a plumber, Lilly is a cook. Both took on extra work at night and on weekends to help their youngest son, Terrence, pay for college. She was a student at Grambling back in the '50s, but Lilly had to leave before graduating. Now Terrence is the second of the seven Bedford children to earn a Grambling degree, and

he's the senior class president. Congratulations to the Bedfords. Where are you? Thank you. (Applause.)

Stories like this remind of us what people can achieve when they set their minds to it, but they also remind us of how hard it can be to raise a child right, especially today in our very busy society with its very demanding economy. Now, this is the serious part of the talk. I want you to have a good time today, but I want you to listen to this. This spring I'm going to speak to seniors about how this new economy is transforming every aspect of our lives.

Next month, at the University of Chicago, I'll talk about how we must put a human face on the dynamic but often disruptive international marketplace. But today I want to talk to you about what we as a nation must do help families like those I just mentioned -- and those will be your families -- master the challenges of the new economy.

I've been thinking a lot about family lately, and I expect a lot of you have. In the aftermath of the terrible tragedy at Littleton and the other school shootings we've had in our country; they've forced us to confront the need not only to make guns less available to criminals and children, not only to make our culture less violent and our schools safer, but also to make the bonds that tie parents to children stronger. (Applause.)

The spate of hate crimes that we have seen, taking the lives of James Byrd Jr. in Texas, Matthew Shepard in Wyoming, and others force us to confront the need to raise our children to respect others who are different from themselves -- (applause) -- and to recognize that all hard-working, law-abiding people are part of our national family. The horrible ethnic cleansing of this decade in Bosnia, then Rwanda, now Kosovo, demonstrate in stark terms what can happen when a people raise their children without the fundamental premise embodied in our Declaration of Independence -- that we are all created equal, equally endowed by God with the right to life and liberty and the pursuit of happiness. (Applause.)

It all begins with family, with parents who love their children more than life and raise them to live their dreams. Most of you today are probably thinking more about the adventures of the work that awaits you at this marvelous time in your lives. And well you should be. But most of you also will become parents. When that happens, it will be the most important work

you'll ever do. You will have the awesome responsibility of your children's physical, intellectual, emotional and spiritual development, while at the same time pursuing your own lives in a society that will reward your knowledge and skills in power, and entertain you with its explosions of technology and mobility, and keep you very, very busy.

For those without your level of education in your time just earning enough to pay the bills may be a chore, especially if there are children to be raised.

Now, the class of 1999 is entering an era of unparalleled opportunity and possibility with, for example, the lowest African American unemployment and poverty rates ever recorded and the highest African American homeownership in history. To give more people like you a chance to participate fully in this economy, we've opened the doors of college to more and more Americans, with the HOPE Scholarship tax credit, larger Pell grants, lower-cost student loans -- tools many of you have used to finance your education.

Now, with your diplomas in hand, you will have the chance to reap the benefits and shape the future of this new era -- your time; to lead lives of greater accomplishment and affluence than most of your parents even dreamed of. But as you form your own families you will no doubt feel the pressure of trying to balance the demands of work and family; and doing a good job at both in a world that moves faster and faster, and often leaves parents less and less time and energy for their children.

Today's working parents too often feel enormous stress, and bring the stress home with them. This is a problem not confined -- I want to emphasize this to you -- it is not confined just to people who work for low and modest incomes. Most of the parents I know have had problems balancing work and family. And as you move through your careers, unless we act now, this problem will get worse. Therefore, I believe it is imperative that your country give you the tools to succeed not only in the work place, but also at home. If you or any American has to choose between being a good parent and successful in your careers, you have paid a terrible price, and so has your country.

I asked the President's Council of Economic Advisors to study the sweeping changes the modern economy has brought to our families. Now, no offense to anybody on the faculty here, but you know, it's been said that if every economist on Earth were

laid end to end, they still would not reach a conclusion.
(Laughter.)

But on this question, these economists did reach a conclusion, one that conforms to common-sense and common experience. They found that because more and more parents were working outside the home, they have less and less time for their children. The percentage of married mothers in the work force has nearly doubled in a generation, from 38 percent in 1969 to 68 percent in 1996. Because more mothers are working outside the home, and because the number of single parent families has grown -- listen to this, because this will be your life -- parents in the average family now have 22 fewer hours each week to spend at home, that's nearly one full day less time per week for parents to devote to their children. That means by the time a child reaches the age of 18 in today's world those 22 hours a week amount to over two years more the parents are away from home.

We as a nation must find a way to give your generation of parents some of that time back even as you've gotten an education to succeed in the work force. (Applause.)

Most of today's parents, the vast majority, are doing everything they can to do right by their kids but they still worry that no matter how hard they try it won't be enough. They worry that waking up early and staying up late to make time for their children may not be enough, when a child still has to come home to an empty house after school.

They worry that all those Sunday morning sermons about a world of love might not be enough when TV and movies their children watch, the music they listen to, the video games they play show too much hate and violence. They worry that all those nights working overtime to buy a computer so that a child can visit some of the world's finest libraries on the Internet might not be enough, when the same Internet can also lead them to recipes for pipe bombs and explosives, or to website discussions of dark visions of life and society so very different from the ones the parents have tried to impart.

Last week Hillary and I took a sad journey to Colorado to visit with the students and the families of Columbine High School. I came away from that experience more certain than ever that as we work to strengthen our gun laws we also have to work to strengthen our families. (Applause.)

Now, it seems to me that the modern economy you're going to be a part of poses four great challenges for you as parents. The greatest and most obvious, as I've said, is time. In our around-the-world, around-the-clock economy, there just don't seem to be enough hours in the day for parents to do everything they need to do. I'm proud that the first bill I signed as President was the Family and Medical Leave Act, and since 1993, millions of Americans have used it to take up to 12 weeks of unpaid leave to care for a newborn or a sick relative without losing their jobs. It has been a great thing. (Applause.)

But to be truthful, the current law just meets a fraction of the need. Too many people, too many family obligations aren't covered at all. Too many families can't take advantage of the law because they can't afford to take the time off because they can't live without their paychecks. For all of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do. We must think bigger and do better.

On the eve of the 21st century, we ought to set a goal that all working Americans can take time when they need it to care for their families without losing the income they need to support their families. (Applause.) Achieving that goal cannot come overnight and will require a significant shift in how our nation helps families to succeed at home and work. But it can make all the difference in your lives. It will demand thought and creativity, a willingness to experiment; it has to be done in a way that gives families flexibility and doesn't undermine our dynamic and growing economy.

Today, using my executive authority as President, we're going to take an important step toward that goal. I am directing the Office of Personnel Management, whose director, Janice LaChance, came down here with me today, to allow all federal workers to use the sick leave they've earned to take time off to care for other sick family members. (Applause.)

Now, what this means is on sick leave you get paid. Currently, the most sick leave a worker can use in these kinds of cases is 13 days a year. With the new policy I propose today, federal employees will be able to take up to 12 weeks paid sick leave to nurse an ailing child or parent back to health. (Applause.) If every company in America that offers sick leave to its workers adopted the same policy we're adopting today, half of all the American work force would have this important benefit

for their families.

We have to find other creative ways to help Americans use benefits they've worked for to finance the time off they need for their families. Let me give you another example. A few states have asked the federal government if it would be possible to try a bold idea: allow workers who have earned unemployment insurance coverage to collect unemployment payments while they're on leave caring for a newborn or a newly adopted child. This is a very promising idea.

Today, I'm directing the Secretary of Labor to issue a rule to allow states to offer paid leave to new mothers and fathers. We can do this in a way that preserves the soundness of the unemployment insurance system and continues to promote economic growth. As the First Lady said in her book, "It Takes a Village," those first weeks of life are critical to the bonding of parents and children, and they can have long-term positive developments for the children. No parent should have to miss them.

I also am challenging Congress to help. I have proposed expanding unpaid family leave to cover more workers and more parental responsibilities, and Congress ought to respond positively. Parents should not have to fear a boss's wrath because they left work to take a child to the doctor. They shouldn't have to call in sick to attend a parent-teacher conference at the school. (Applause.)

The second challenge parents face is finding affordable high-quality child care, and a lot of you will face that. Low income families spend up to a quarter of their income on child care. Studies show that only one in seven child care centers meet all the standards of good quality. Now, I'm supporting subsidies for child care and tax credits, better training for care-givers, stronger enforcement of safety standards. And I want business to do more by helping their own workers find and afford quality child care. (Applause.)

In addition to that, you know, today millions of working parents -- and a lot of them right here in north Louisiana -- start looking at the clock every day about 3:00 p.m. in the afternoon, wondering if their kids have come home from school; wondering how they'll fare at home, alone. The hours after the school bell rings and before parents come home are a perilous time for children, the time they're most tempted to try drugs and

alcohol, most likely to become victims of a crime. That's why I have asked Congress to triple our investment in quality after-school programs. I challenge school districts all across this country: unlock those empty classrooms in the late afternoon, fill them with the sounds of children playing and learning. (Applause.)

The third challenge parents face, since they're more and more at work, is that they're literally physically apart from their children more. Now, because of some modern developments in the work force we can actually close that distance by bringing back a very old idea -- letting children who can be, be with their parents more at work. When I was a young child I often went to work with my grandfather, who worked as a night watchman in a sawmill outside Hope, Arkansas. And I often went to the little grocery store he ran. And I tried not to be in the way too much, or to eat too many cookies that I didn't pay for. (Laughter.)

But I learned lessons there that have stayed with me for the rest of my life. As I became President I realized that as a father, with a daughter who was then still in junior high school, I had the privilege of, in effect, living above the store. The place where I worked was only a two or three minute walk to have dinner every night with my family. When I was governor -- I still remember when I was governor, I had a little desk over in the corner of my office for my daughter. And I still have vivid memories -- I would be at my desk, she would be at hers with her crayons drawing me little pictures.

Now, because of changes in the work force we can't do this for everybody, but we can do it for more. More of America's employers can use technology to bring workers and children closer together by allowing more employees to telecommute at work; that is, work at home with a modem where it's feasible. More employers can open more on-site child care centers, and I have seen them working very well in this country. I support tax breaks to help them afford to do that.

More employers can team up with school districts to build public schools at work sites if they're large enough. Dozens of companies have already built innovative public schools. That's what you've done here at Grambling, that's what the lab school is, isn't it? It's a school at a work site, especially friendly to education. (Applause.) These are good things to do. And I challenge the employers of this country to look at them closely.

Finally, the last great challenge parents face in the modern economy is cultural. The new economy has enriched our lives with lower-priced electronic gear and a growing variety of media entertainment, and it sure is interesting. But too often, TV, radio, the Internet bombard our children with images and ideas that no parent would ever want them to see.

We need tools to protect free speech and give parents more control over what their young children see, hear and read. Under the leadership of Vice President Gore, those tools are now being crafted. Soon, half of all the TV sets sold in our country will come with V-chips, so parents can basically make the most of the new TV ratings systems. These devices enable parents to screen out violence, sex, or any program they don't want their children to see. Soon, with just a click of a mouse, parents who have the courage to learn how to use a computer will be able to take offensive websites off their children's screens.

The entertainment industry must also do its part. They should stop showing guns and violence in ads children can see, when they can't see the movies in the first place. (Applause.) They should enforce the movie rating system more strictly, and they ought to reexamine that rating system to see whether it's too loose when it comes to giving a PG-13 rating to films full of gratuitous violence. These are tools that can help working parents succeed at the most important job you'll ever have, raising children. But government's responsibility is to make tools available; your responsibility is to use them.

Doctor King once wrote, "It is quite easy for me to think of a God of love, mainly because I grew up in a family where love was central, and loving relationships were ever present." I hope and pray that the class of 1999 will have the chance to build those ever present loving relationships with your children. To raise your children well, you will have to make many sacrifices. But, then, as we learned again today and as you showed by your applause for them, your parents made many for you.

I ask you to think one more time about how you got here today, to be sitting in the hot sun. (Laughter.) I'm sort of sorry I'm in the shade; I ought to be in the sun and you ought to be in the shade, since I'm talking.

But think about this. How many of you would be here today if it weren't for one or more people in your families -- who were

reading to you, or telling you stories when you were little; who were helping with your homework; who were attending your school events, even if they were dog-tired after work; imparting wisdom over dinner; working with you to give you chances they didn't have; giving you that unconditional love, support and faith that says, you are the most important person in the world to me. Your parents have worked and sacrificed. If you ask them today, was it worth it, you know what they would say.

But until you watch your own children grow up, you can't really know how proud your parents are of you today, and how sure they are that all the sacrifices were more than worth it. No matter what else you accomplish in life, and many of you will accomplish a very great deal, your children will still matter most. We have to make sure that you and they get all the benefits of this fabulous modern world and still keep the enduring gift of your devotion and love.

As you journey into the new millennium I wish you success and fulfillment at work and with your children. Congratulations, good luck and God bless you. (Applause.)

* * * * *

Let me say -- I must say when I was invited to come back and teach and I was told all about the food and all the perks of the job and then the President said he wasn't serious, I was getting into this. (Laughter.) I've got a good pension, I can work pretty cheap. (Laughter.)

Let me say one thing seriously -- I very much hate that I have to go back now but I have -- as you know, we have got a lot going on overseas and it's six hours ahead there and I have to make a lot of phone calls today and do a lot of work, otherwise I wouldn't leave. I would like to stay here until midnight -- not talk until midnight, just stay here until midnight. (Laughter.)

This has been a wonderful thing for me. I have had a lot more fun than you have so far at this. I cannot thank you. I'm so proud of you. And I like looking out there and seeing your faces and your eyes and your self-confidence. And I want you to go out and do a great job with your lives.

Thank you. God bless you.

END

10:30 A.M. CDT

Clinton Proposes Using Surpluses To Extend Family Leave Benefits

By JOHN M. BRODER

GRAMBLING, La., May 23 — Seeking to expand one of his most popular programs, President Clinton said today that he would direct the Labor Department to explore ways to allow states to use surplus unemployment insurance funds to subsidize parents who take time off to care for a new child.

The President announced the proposed expansion of the Family and Medical Leave law in a commencement address at Grambling State University, a historically black school in north-central Louisiana. Mr. Clinton used the speech to discuss the growing strains faced by working parents and to offer a few nuggets of relief.

"Today's working parents too often feel enormous stress and bring that stress home with them," the President said this morning under a roasting sun in Grambling's football stadium, as thousands fanned themselves with commencement programs. "Unless we act now, this problem will get worse."

The President said states should be permitted to broaden the definition of unemployment to include those parents who voluntarily took time off to care for newborns or newly adopted children. Many new parents do not take advantage of the unpaid leave offered under the Family and Medical Leave Act of 1993 because they cannot afford to live without their wages even for a few weeks after a child is born.

More than half the states are running surpluses in their unemployment accounts, and several are looking at ways to return the payments to

employers who finance the systems or to pay for new benefits. Four states — Maryland, Massachusetts, Vermont and Washington — have asked the Federal Government to approve the use of the surpluses to expand benefits to new parents who want to take time off work.

Surpluses in states' funds for the jobless and in their medical accounts for children and the indigent are overflowing because of low unemployment and reductions in welfare and health care benefits, sparking a classic liberal-conservative political debate. The President and Democratic lawmakers believe the money should be devoted to expanded benefits. Business groups and many Republican lawmakers say the money should be returned to employers and taxpayers.

The President today also proposed allowing Federal employees to use their accumulated sick leave to care for seriously ill family members, a modest expansion of benefits that would cost the Government about \$60 million a year, a White House aide said. The plan would affect 10,000 Federal workers, the aide said.

Mr. Clinton cited a new study by the White House Council of Economic Advisers. "They found that because more and more parents are working outside the home, they have less and less time with their children," he told the Grambling graduates. "I believe it is imperative that your country give you the tools to succeed not only in the workplace but also at home. If you or any American has to choose between being a good parent and successful in your careers, you have paid a terrible price, and so has your country."

The New York Times

MONDAY, MAY 24, 1999

Clinton Expands Family Leave Act for Federal Workers

By CHARLES BARINGTON
Washington Post Staff Writer

GRAMBLING, La., May 23—Federal workers will be allowed to use up to 12 weeks of accrued sick leave annually to care for a seriously ill family member, and many other employees may be able to draw unemployment benefits while caring for a baby, under orders issued today by President Clinton.

The president used his commencement address at Grambling State University to announce his latest efforts to help working parents, a favorite White House theme and one that pollsters say is popular with many voters. The new measures are essentially extensions of the Family and Medical Leave Act, the first bill that Clinton signed into law and a signature achievement of his administration.

The president, who received an honorary degree at this historically black university, released a White



BY CHRIS STAMFIELD—ASSOCIATED PRESS

The president was given an honorary degree at Grambling State University.

House report that says many parents find it increasingly difficult to maintain their jobs and spend time with their children. The report, compiled by the Council of Economic Advisers, says that since 1969, American parents, on average, have 22 fewer hours per week to spend at home.

A major reason, the report says, is "a dramatic shift of mothers' time from the household to the labor market."

"In our around-the-world, around-the-clock economy," Clinton said in his 24-minute speech, "there just don't seem to be enough hours in the day for parents to do everything they

need to do. . . . For all of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do. We must think bigger and do better."

Currently, federal workers can use up to 13 days of accrued sick leave per year to care for a seriously ill child, parent or spouse. Clinton's directive will expand the limit to 12 weeks a year, a benefit that could help those with a fairly long history of working without taking sick days. White House officials predicted that only one-half of 1 percent of federal employees will take full advantage of the new benefit, costing the government about \$60 million a year.

Clinton urged private employers to follow his lead. "If every company . . . that offers sick leave to its workers adopted the same policy we're adopting today," he said, "half of all the American work force would have this important benefit."

The president also instructed the Labor Department to draft regula-

tions allowing states to expand the use of unemployment insurance benefits, which states maintain but federal guidelines control. The proposed changes would permit parents of newborns or newly adopted children to stay home while drawing unemployment benefits, as if they had been temporarily laid off.

Under the Family and Medical Leave Act, such parents are guaranteed unpaid leave that protects their job. Clinton said many parents cannot afford it, however, because they cannot go without a paycheck even temporarily.

Four states—Maryland, Massachusetts, Vermont and Washington—have sought federal direction in making such benefits possible. Many states have hefty surpluses in their unemployment insurance funds and therefore can expand benefits, said White House spokesman Barry Toltz.

Clinton tied major domestic and international issues to the quality of family life. Recent school shootings,

he said, underscore the need to "make the bonds that tie parents to children stronger. . . . The horrible ethnic cleansing of this decade in Bosnia, then Rwanda, now Kosovo, demonstrate in stark terms what can happen when a people raise their children without the fundamental premise embodied in our Declaration of Independence: that we are all created equal."

Joining Clinton on stage was Grambling's legendary former football coach Eddie Robinson, who helped the president adjust his hood when he received the honorary doctor of laws degree. Behind Robinson was Doug Williams, the university's current football coach and former star quarterback for the Washington Redskins.

Today's commencement address was the first of three that Clinton will deliver this year. He will address Air Force Academy graduates June 2, and he will speak on the international economy at the University of Chicago on June 12.

The Washington Post
MONDAY, MAY 24, 1999

Clinton Proposes Plan to Compensate Parents for Time Off for Child Care

By JEANNE CUMMINGS

Staff Reporter of THE WALL STREET JOURNAL

GRAMBLING, La.—Parents who take time off to care for a newborn or newly adopted child may receive some government compensation under a new initiative unveiled by President Clinton.

In a commencement address at Grambling State University, Mr. Clinton also announced that the federal government will begin allowing its workers to use as many as 12 weeks of their own accrued sick leave to help family members with serious health problems; currently, employees can use 13 days. The initiative is expected to cost the government about \$60 million, according to an Office of Personnel Management estimate, and the administration hopes it will prompt private industry to follow the government's lead.

"It is imperative your country give you the tools to succeed not only in the workplace, but also at home," the president told the graduates and tens of thousands of spectators. If parents are forced to choose between family and work, "you have paid a terrible price and so has your country."

Mr. Clinton's address is the first of two commencement addresses that will focus on the economy's impact on people. The Grambling address focused on the struggle of balancing work and family. Next month,

the president will deliver an address at the University of Chicago that will focus on the impact expanding global trade has on labor conditions, the environment and other quality-of-life issues.

The initiatives involving family and work were prompted in part by a new Council of Economic Advisers report that found that the average time parents and children spend together has decreased by 22 hours a week in the past 30 years. The drop in family time was attributed to the increase in households with two working parents and the rise in single-parent households.

The proposal providing compensation for workers who take time off to care for new babies would be implemented through unemployment-compensation regulations and would dovetail with the Family and Medical Leave Act. Under that act, parents can take time off without pay to care for new babies. The new proposal would allow states to use surplus unemployment insurance to provide some compensation to them. The regulation change wouldn't require approval of Congress.

An administration official said the proposal was prompted by requests from four states—Maryland, Massachusetts, Washington and Vermont—all of which are now considering legislation that would allow for the payments.

THE WALL STREET JOURNAL

MONDAY, MAY 24, 1999

Clinton seeks benefit for new parents taking unpaid leave

By Mimi Hall
USA TODAY

GRAMBLING, La. — President Clinton proposed Sunday that states be allowed to use unemployment insurance to pay workers who need to take time off to care for a newborn or adopted child.

Clinton told graduating students at Grambling State University that, according to new statistics, parents today spend 22 fewer hours per week with their children than they did a generation ago.

"We as a nation must find a way to give your generation of parents some of that time back," the president said.

Delivering the first of three commencement addresses he's scheduled to give this spring, Clinton told nearly 500 graduates of the historically black university that he is directing the Labor Department to propose new regulations and model state legislation to authorize expansion of the unemployment insurance program.



By Mark Wilson, Reuters

Clinton: Receives an honorary law degree Sunday from Grambling's Eddie Robinson, left, and Neri Warner

White House aides said four states — Maryland, Massachusetts, Vermont and Washington — already have asked for federal permission to use surplus un-

employment money for people taking time off for child care.

"If you or any American has to choose between being good parents and successful in your careers, you have paid a terrible price, and so has your country," Clinton said.

Clinton also directed the federal Office of Personnel Management to allow federal employees to use up to 12 weeks of accrued sick leave to care for a sick spouse, child or parent. Current rules allow federal employees to take up to 13 days per year to care for a sick relative.

Under the Family and Medical Leave Act, employees are allowed to take up to 12 weeks of unpaid time. Clinton's plan would allow federal employees to take paid leave, and the White House hopes the program will set an example for private employers.

Aides said they expect that about 10,000 of the 2 million civilian federal workers would take the full 12 weeks in any given year, at a cost of about \$60 million to the government.

Clinton Touts Plans to Help Working Parents

By ERIC LICHTBLAU
TIMES STAFF WRITER

GRAMBLING, La.—President Clinton on Sunday declared that America's working parents need to spend more time with their children, and he offered two government-subsidized family leave programs to help make it possible.

Citing a new federal study that says working parents must contend with a worsening "time crunch," the president said both plans aim to give people the financial flexibility they need to take time off from work to tend to family needs.

"Parents should not have to fear a boss's wrath because they left work to take a child to the doctor. They shouldn't have to call in sick to attend a parent-teacher conference at the school," Clinton told nearly 500 graduating students at Grambling State University, a historically black university in northern Louisiana. The first plan offered by Clinton allows states to essentially underwrite family leave for parents after a birth or adoption, tapping into surplus unemployment benefits to help pay their salaries while they are off work. The plan does not require congressional approval.

In a companion idea, Clinton directed government officials to let federal employees take up to 12 weeks of accrued sick leave to care for seriously ill family members, a significant increase from the 13 days currently allowed. And he challenged private employers to follow suit.

Clinton has focused repeatedly in recent weeks on combating the roots of hatred evident in the Littleton, Colo., school massacre and the "ethnic cleansing" in Kosovo, and he expanded on that theme in the first of three commencement addresses he will deliver in coming weeks.

"It all begins with family," he said.
Please see PLANS, A8

PLANS

Continued from A1
told a supportive audience at Grambling.

Unveiling the results of a study conducted by his economic advisors, Clinton said Americans are suffering because they are spending far less time with their families than a generation ago. And, he warned, "unless we act now, that problem will get worse."

Clinton's plan for underwriting parental leaves reflects the interest expressed by several states in putting to use surplus unemployment insurance—a benefit of declining joblessness—to help new parents take time off from work.

Officials said Maryland, Massachusetts, Washington and Vermont have sought permission from the federal government to use their surpluses to offset the salaries of new parents taking leave from work to be with their children.

Clinton's plan directs the Labor Department to draft regulations to allow such diversions if states choose to enact legislation financing the parental leaves. More than half the states have unemployment insurance surpluses, officials said. Recent unemployment insurance figures for California were unavailable Sunday.



Associated Press

President Clinton looks pleased as he is given an honorary law doctorate by former Grambling State University football coach Eddie Robinson before delivering a commencement address at Grambling.

Clinton's directive to permit about 2 million federal civilian employees to take expanded sick leave would cost the government about \$60 million a year, spread across all federal agencies.

Officials expect that about 0.5% of the federal work force, or about 10,000 employees, would use the full 12 weeks of sick time to tend to ailing family members, a White

House official said.

Noting that the first bill he signed as president was the Family and Medical Leave Act of 1993, Clinton said the two new plans represent bold and significant expansions of current laws protecting workers who need to take time off.

"To be truthful, the current law just meets a fraction of the need.

Too many people, too many family obligations aren't covered at all. Too many families can't take advantage of the law because they can't afford to take time off because they can't live without their paychecks," he said.

"For all of this nation's pro-family rhetoric, the hard truth is that other countries with advanced economies do a lot more to support working parents than we do," Clinton said. "We must think bigger and do better."

He urged private employers to develop more on-site day-care programs for the children of employees and to expand telecommuting and other work options to give working parents more flexibility in managing their time.

The study, prepared by the Council of Economic Advisors, focuses on a growing "time crunch" for families, tracing trends in the hours that Americans are spending at work and home since 1969.

The report found a "dramatic shift" in women leaving the home to join the work force, with 68% of married mothers holding paying jobs in 1996, up from 38% in 1969.

That, in turn, has caused a 14% reduction in parents' discretionary time, which they might spend with their children. An increase in single-parent families has also fueled the problem, the study said.

LOS ANGELES TIMES

MONDAY, MAY 24, 1999

FAMILIES AND THE LABOR MARKET, 1969-1999:

ANALYZING THE “TIME CRUNCH”

MAY 1999

**A Report by the
Council of Economic Advisers**

EXECUTIVE SUMMARY

The American family has experienced dramatic changes over the last three decades – changes in the amount of time parents work for pay; changes in income and who earns it; changes in family size; and changes in how child care and household tasks are accomplished. This report assesses some of these changes and the challenges they create. The report seeks to further our national discussion concerning balancing work and family and to encourage a discussion of policies that could help strengthen American families. The major conclusions of the report include:

- **Increase in Hours Worked.** The hours American parents work in paid jobs have increased enormously since 1969 due to a dramatic shift of mothers' time from the household to the labor market. In 1969, 38 percent of married mothers worked for pay; in 1996, 68 percent did so. Both married mothers and single parents are working more for pay today than 30 years ago.
- **Reductions in Time Available for Children.** Although the evidence on time use within families is limited and needs further study, the increase in work from 1969 to 1996 has produced a reduction in the time available for parents to spend with children. The increase in hours mothers spend in paid work, combined with the shift toward single-parent families, resulted in families on average experiencing a decrease of 22 hours a week (14 percent) in parental time available outside of paid work that they could spend with their children.
- **Burdens on Women.** Virtually all of the increase in total hours families spend on paid work has come from increases in women's hours. While annual hours of paid work by all wives increased greatly – by 576 hours, or 93 percent – husbands' hours of paid work decreased slightly from 1969 to 1996. The "time crunch" falls heavily on employed women who spend over one third less time on child care and household tasks than women without paid jobs, but still have 25 to 30 percent less free time.
- **Changes in Family Income.** The average American family is better off economically today than in 1969. Not everyone has gained by working harder, however. Since 1969, the top quarter of families gained, while the lower quarter lost and the middle has remained nearly constant in per capita income, adjusted for inflation. The situation of lower-income families has been improving, however, in the strong economic expansion of the 1990s.
- **Rise of the Single Parent.** At the same time, the share of families with a single parent has expanded greatly since 1969. Single parents have half as much total time as two parents have and typically have less than half as much potential income. The rising number of single parents has increased the proportion of families that are "cash-strapped" and "time-poor."
- **Need for Policies to Help Families.** Increased time in market work among parents raises a key set of challenges to policy-makers seeking to help promote strong families, including the need for flexibility in paid work hours, the need for available and affordable child care, the need for effective ways to support the earnings of families with low-wage earning parents, and the need to encourage two-parent families to form and stay together.

I. INTRODUCTION

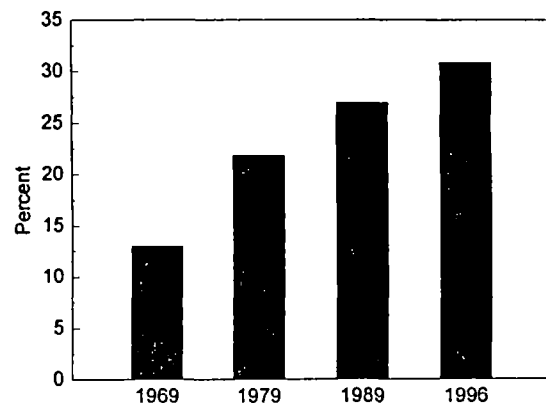
Dramatic changes have occurred over the last thirty years in how families combine work and family life. Clearly one of the most significant changes in the last three decades is the increasing amount of time women have devoted to market work – work that is performed for wages. Combined with hourly earnings increases among women, this means women's earnings have gone up substantially, while their time available in the home has declined. In contrast, men's average hours of paid work and earnings have remained relatively stable. As a result, families have higher incomes, but they have less time for other activities. In short, American families have been in the midst of change – change in time worked for pay; change in income and by whom it is earned; change in family size; and change in how child care and household tasks are accomplished. This report assesses these changes since 1969 for families with children under age 18.

Two other important trends in family life are also likely to affect the well-being of families with children, occurring along with changes in their income and time allocations. First, the share of families with children that are headed by a single parent has increased significantly (see figure 1). Since single parents typically have both lower incomes *and* less total adult time available for work in the home than married-couple families, this trend tends to increase the proportion of families who are “cash-strapped” and “time poor.” Second, families have decreased in size as the average number of children in families with children has declined (see figure 2).

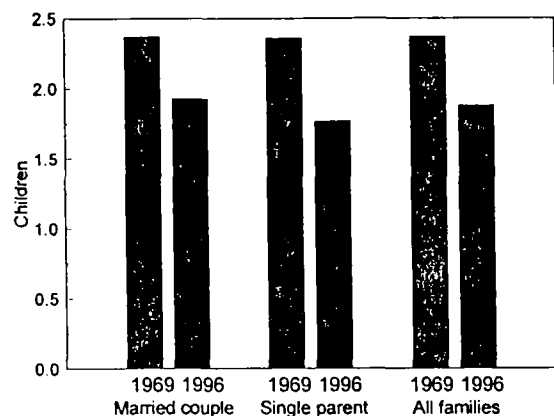
This paper will examine how families with children are faring in the face of all these changes. Key questions to be addressed include:

- How much have hours of market work increased for families?
- How have the extra hours worked by families affected family incomes? How have these trends differentially affected families that differ in skill level, minority status, and number of parents in the household?
- How have these changes in market work and income affected how families use their time in the home? In particular, how have these changes affected parental time available for children?

1. Single Parent Families as Share of All Families



2. Average Number of Children per Family



Some have argued that Americans are facing more and more of a “time bind” as they work longer and longer hours in order to attain an increasing standard of living.¹ Others have argued that, even with increases in hours of paid work, families are not realizing significant income gains, or that families are working harder and harder “just to stay in the same place.”² No such “one size fits all” characterization adequately captures the variety of experience in different segments of the population. Different types of families have experienced different changes in paid work time and income.

II. ECONOMIC OVERVIEW

In general, we find that parents today are spending more time in paid work and have increased resources available to them. For most groups, family income has increased and family size is smaller. The average American child – particularly if he or she is living in a family headed by a married couple – is better off economically today than in 1969.

There are some groups for whom the economic picture is not as rosy. The continuing increase in the share of children living in single-parent families has substantially diminished the economic progress that families with children would otherwise have made, limiting both their income and their time. Less-educated parents, who have not experienced the wage gains of other parents, are working more hours without a commensurate increase in income. It is encouraging to note, however, that most of these families have experienced income gains in recent years during the strong economic expansion of the 1990s, making it somewhat easier for them to combine work and family life effectively.

Underlying and reinforcing the trends toward more paid work time and smaller families has been the long-term growth of women’s wages. Rising wages pull women into the labor market by making it more expensive for them to stay at home, in terms of foregone income. Higher wage levels for women in the labor market, combined with changes in social attitudes toward market work among women, have dramatically changed participation rates among women in the labor force since 1969. There is little indication that this pattern will be substantially reversed in the near future.

¹ Hochschild (1997); Schor (1991).

² Bluestone and Rose (1997).

III. TRENDS IN HOURS OF MARKET WORK

The most dramatic change in the time allocation of families has been in time spent at work for pay. Since 1969, both married-couple and single-parent families have substantially increased their annual hours of paid work. These increases have come almost entirely from the women in these families, who are working more outside the home – more weeks in the year and more hours in the week – than they did thirty years ago. However, while the increase in paid work time has been widespread, the size of the increase has varied considerably across families, depending on the number of parents, their education, whether they have a preschool-age child, and their race or ethnicity.

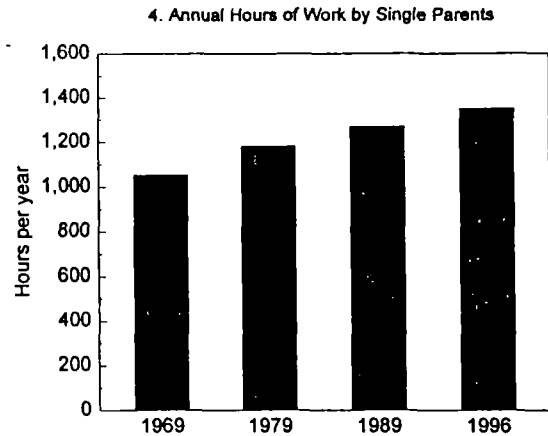
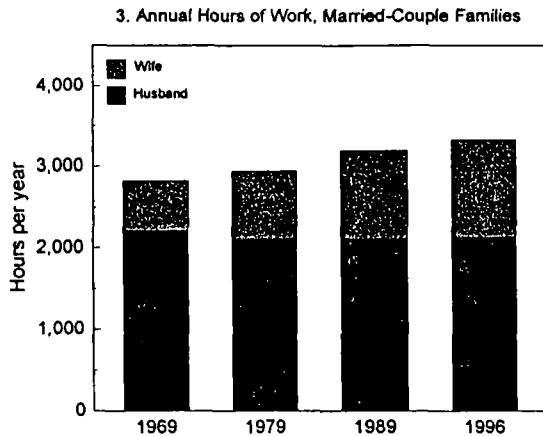
The estimates of annual hours of work presented in this section are based on the March Current Population Survey (CPS), a large representative survey of about 50,000 households each year.³ While the CPS is the only large-scale representative sample which consistently measures hours of work and family incomes on an annual basis and is therefore the standard data set used for labor market analyses, some have argued that the CPS may be inaccurate because individuals may not be able to recall accurately their usual hours of work during the last year.⁴ In section V of this report we discuss alternative estimates of paid work time based upon “time diaries,” which require individuals to maintain detailed accounts of how they spent their time during a day.

For this analysis, we use the same definition of a “family” as the Census Bureau: all related individuals living together in the same household. We restrict the analysis to families whose head is at least eighteen years old and where there is a child under age 18. A mother (or couple) and her (their) children living in a household headed by another family member are part of the head’s family, and an unmarried parent co-habiting with a domestic partner is classified as a single parent. Throughout this paper, unless otherwise specified, the terms “husbands,” “wives,” and “married women” refer only to those with children.

As shown in figures 3 and 4, annual hours of paid work have increased substantially for both married-couple and single-parent families. (All families with children under 18 are included in figures 3 through 6, including parents with zero hours of paid work.) A person who works forty hours a week for 50 weeks a year (a traditional “full-time” job) will work 2,000 hours in a year. For two-parent families (figure 3) annual hours of paid work increased by 497 hours (18 percent) from 1969 to 1996; for single-parent households (figure 4) they increased by 297 hours (28 percent).

³ We are using the March 1970, 1980, 1990, and 1997 CPS data sets. The data collected each March refer to the previous calendar year. Thus we refer to data for 1969, 1979, 1989, and 1996. We chose those years because they represent peak years (or upswing, in 1996) in the business cycle and thus permit valid historical comparisons. For 1979, 1989, and 1996, information on annual hours of work was derived from two questions which ask how many weeks each individual worked in the previous year and how many hours they “usually worked” in the weeks they worked. Multiplying weeks worked by usual hours worked per week provides a measure of annual hours of work. The 1969 data are not strictly comparable to later years due to differences in data reporting. We have developed an imputation procedure to make these data more comparable to information in later years.

⁴ Juster and Stafford (1991); Robinson and Godbey (1997), chapter 4.



Virtually all of the increase in families' hours of market work has come from increases in women's hours. Conceptually, the increase in women's hours can be divided into three components: more women are employed, employed women are working more hours per week, and employed women are working more weeks per year.

The most dramatic change has been in the percentage of women employed. In 1969, 38 percent of married women with children worked for pay, while in 1996, 68 percent did so – a 79 percent increase in employment. The increase in employment for single mothers has been less dramatic: 53 percent worked for pay in 1969 and 66 percent in 1996.

Average annual hours worked by those who worked for pay also increased over time, showing that not all of the increase in hours came simply from more women entering the labor force. This increase was much greater for wives (who experienced a 24 percent increase) than for single parents (who experienced an 8 percent increase). This is not surprising since on average, single parents in 1969 worked more hours per year for pay than wives did in 1996. Both hours worked per week and weeks worked per year increased for wives and single parents, among those who worked for pay. Each of these components of annual hours, like the total, increased more for wives than for single parents. Increases in weeks worked per year were more dramatic than increases in hours worked per week.

While annual hours of paid work by all wives increased greatly – by 576 hours, or 93 percent – husbands' hours of paid work decreased slightly from 1969 to 1996. This is the result of husbands working both slightly fewer weeks per year and hours per week. These trends are consistent with estimates reported elsewhere in the literature, based on a variety of data sources.⁵

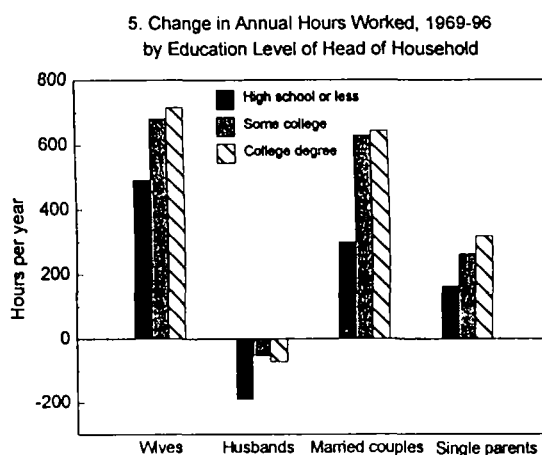
The increase in families' hours of paid work has been widespread throughout the population. All types of families – whether defined by the head's education level, spouse's education level,

⁵ Ellwood (1998), Rones, Ilg and Gardner (1997) and Leete and Schor (1994) used CPS data, Bluestone and Rose (1997) used data from the Panel Study of Income Dynamics, and McGrattan and Rogerson (1998) used decennial Census data. All of these studies show increases in hours of work for women and decreasing or stable hours of work for men when nonemployment is taken into account.

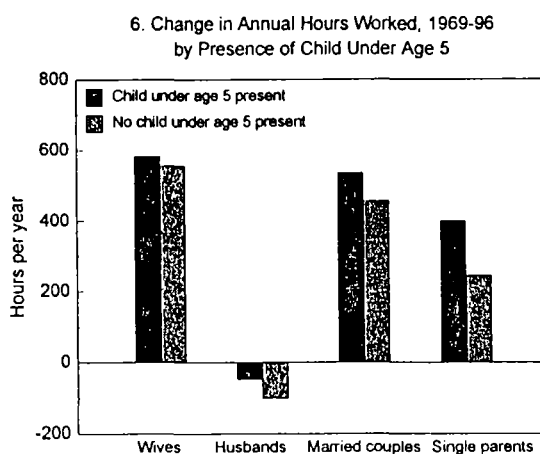
presence of young children, or race or ethnicity of the household head – have experienced substantial increases in hours of paid work from 1969 to 1996. In virtually every case, the increase in family hours of paid work reflects increases by wives and by single parents, rather than by husbands.

While the basic trends have been similar, the magnitude of the increase in hours of paid work has differed substantially across different demographic groups. In part, this is because some groups, such as women with preschool-age children, had lower hours to start with and therefore more room for expansion than others.

- Families whose head had gone to college have increased their hours of paid work much more than those whose head had less education* (see figure 5). For married couples with a college-educated husband, annual hours of paid work increased by 644 hours (23 percent) – more than twice the increase for couples in which the husband had a high school diploma or less. The difference was due to the wives' hours increasing more and the husbands' hours decreasing less in the college-educated families. For single parents with a college degree, hours of paid work increased by 320 hours (20 percent), compared to 165 hours (16 percent) for single parents with a high school diploma or less.



- Families with a young child increased their hours of paid work more than those with only school-age children* (see figure 6). For single parents with a child under age five, hours of paid work increased by 400 hours (50 percent), compared to 246 hours (21 percent) for single parents without a young child. For married couples, hours of paid work increased by 537 hours (20 percent) for families with a child under age five, compared to 457 hours (15 percent) for families without a young child.



Why have parents changed their hours of paid work? Trends in wages and trends in paid work hours influence each other. Rising wages tend to draw more individuals into the labor force, while falling wages tend to reduce participation. In turn, more work experience leads to faster wage growth, and vice versa. As a result, wages and paid work time tend to move up or down together.

Trends in hours of paid work for both men and women have roughly paralleled the trends in their wages since 1969 (discussed in section IV-A below).⁶ However, the magnitudes of the changes in paid work time are still not completely understood, and are not easily explained by changes in key economic variables.⁷ The increases in paid work among women seem to be more closely related to increases in their own wages than to the changes in their husband's wages over this period.⁸ Increased work among women may be affected by such hard-to-measure factors as changes in assumptions about women's role in the family, diminished discrimination against women in the workplace, or falling barriers to women entering non-traditional occupations. Highly educated women have benefited more from diminished discrimination than have women with less education, as higher-level professional and management jobs have opened up to them. Whatever the reason, large increases in market work hours among women have substantially changed the time allocation and income of families.

IV. TRENDS IN FAMILY INCOME

The upward trend in hours of market work raises questions about trends in family well-being. A family's economic well-being is typically measured by its income. Earnings are the largest part of family income, which also includes transfer payments such as welfare and unemployment insurance, interest, dividends, and other unearned income such as child support. Earnings come from wages and/or salary, plus any overtime, tips, or commissions. Rising work hours should lead to rising incomes, but the magnitude of this effect depends on changes in wages and other income sources that might be occurring at the same time.

A. Wages

During the same period in which women's hours of paid work have increased, inflation-adjusted wages have been increasing for women on average. Female college graduates' wages have risen more than wages among the less educated. In fact, female high school dropouts' wages have stagnated or even declined slightly. Men's wages have grown very little on average. They have fallen for men without college degrees and remained virtually constant for men with at least a BA.⁹ Because fringe benefits have grown since 1969, workers' hourly compensation (including the value of fringe benefits) has improved more than their wages alone.

⁶ Blank (1997), chapter 3; Juhn and Murphy (1997).

⁷ Blau (1998); Danziger and Reed (1997).

⁸ Juhn and Murphy (1997).

⁹ Blau (1998). These are the trends in mean weekly earnings of full-time workers aged 25-64. Other wage measures such as average hourly earnings or median weekly earnings show slightly different trends, but all show a similar relationship between education levels.

As we discussed above, these wage changes are positively related to changes in hours of work. More educated women have shown the largest increase in their market work, and their earnings have gone up even faster as wages and hours of work rose together. Less educated men have experienced both declining wages and declining hours of work, leading to earnings reductions.

B. Total Family Income

Putting the trends in wages and hours together, to what extent have increases in hours of paid work within families translated into increases in family income? To answer this question, we present estimates of average family incomes, by income component, to provide one assessment of how the changes in hours have affected the standard of living of families in the United States.¹⁰ Our income measure is based upon before-tax cash income only, including cash benefits such as welfare and unemployment insurance benefits, and does not include other family resources, such as fringe benefits, food stamps, and the Earned Income Tax Credit (EITC). While these other resources and taxes are important, they are difficult to measure accurately or consistently for individual families. Because food stamp use grew rapidly in the 1970s and the EITC expanded greatly in the 1990s, the income measure we use omits more of the resources available to low-income families today than in the 1960s. Our estimates therefore understate the gains made by low-income families since 1969.¹¹

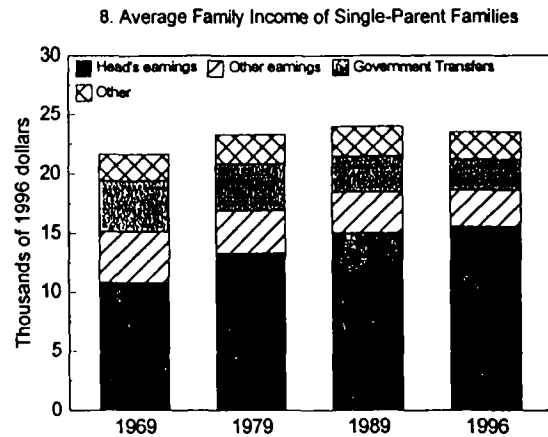
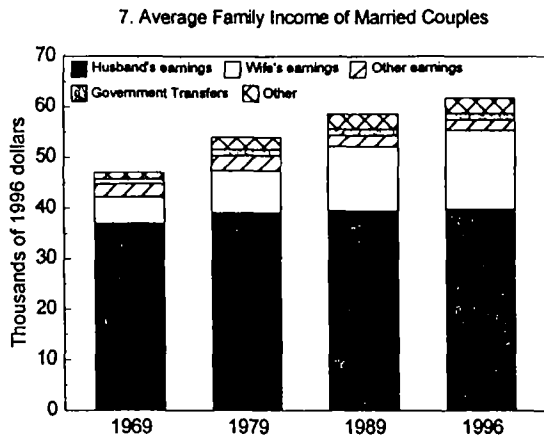
1. Trends in Income by Family Structure

Trends in income and in the various components of income (earnings, government transfers, other sources of income) have varied across different types of families.¹² Both married-couple families and single-parent families achieved increases in inflation-adjusted income from 1969 to 1996 (see figures 7 and 8). However, even though single parents had substantially higher rates of growth in paid work hours, married-couple families experienced a much larger average increase in income.

¹⁰ To adjust for changes in prices over time, these estimates use the CPI-U-X1 price index measure. The CPI-U-X1, an alternative to the CPI-U (Consumer Price Index for Urban Consumers), uses the rental equivalence approach to improve the treatment of home ownership costs.

¹¹ For estimates of changes in family incomes using a broader definition of income, see Levy (1996).

¹² Throughout the following analysis we use mean (that is, average) income, rather than the median or another indicator of the distribution. Changes in mean income can be decomposed into changes in means of the components of income, whereas changes in the median cannot. There has been a more positive change in mean income than in median income, as disproportionate growth in the upper tail of the income distribution pulls up the mean without affecting the median. We multiplied topcoded values by 1.45 before taking the means of the distributions so that the means would not be underestimated.



- *The incomes of married-couple families increased by more than their increase in paid work time.* Their average family income increased by almost a third from 1969 to 1996 (\$14,800 in 1996 dollars), while their annual hours of paid work increased by less than a fifth.
- *For single-parent families, incomes increased by much less than paid work time.* They also increased much less than the incomes of married-couple families over this period, after adjusting for inflation. Average income of single-parent families increased by less than ten percent (\$1,920 in 1996 dollars) from 1969 to 1996, while their paid work hours increased by more than a quarter.

Increases in the earnings of wives and single parents generated most of the income growth from 1969 to 1996. Single parents' earnings increased more than their total family incomes did, as earnings increases were offset by a forty percent decline in average government cash transfer payments. For two-parent families, increases in the wives' earnings represented two thirds of the increase in family income, with the remainder attributable to an increase in the husbands' earnings and an increase in unearned income from sources other than government transfer payments.

Among both wives and single parents, increased earnings reflect an increase in hours of work and an increase in hourly earnings rates. Rising earnings among wives reflected a startling 93 percent increase in their hours and a 52 percent increase in their earnings per hour. For single parents, hours of work increased by 28 percent, while hourly earnings increased by 17 percent.

2. Trends in Income by Other Demographic Characteristics

As with hours of paid work, trends in average family incomes differ substantially across groups of families classified by education, race or ethnicity, or presence of young children. Income growth has been greater for families whose head is highly skilled, for families headed by a non-Hispanic person, and for families with preschool-age children.

- *More highly educated families had greater income growth from 1969 to 1996.* Married couples' income grew by almost a third if the husband had a college education, but less than ten percent if the husband had a high school diploma or less. For single parents, inflation-adjusted incomes grew by eight percent if they had a college degree, but incomes fell by four percent for single parents with a high school diploma or less. Much of this difference in income growth reflects larger hours increases for highly skilled wives and single parents, and earnings declines for low skilled husbands. Erosion of the purchasing power of cash welfare benefits also helps explain why the inflation-adjusted incomes of less-educated single parents fell.
- *Average income growth for whites and blacks was substantially higher than for Hispanics.* Among families headed by a white person, average incomes grew for both married couples (18 percent) and single parents (2 percent) from 1979 to 1996.¹³ For blacks, average incomes grew by 18 percent for two-parent families and by 6 percent for single-parent families. Finally, for Hispanics, average incomes fell for both married couples (4 percent) and single parents (3 percent). The results for single parents are striking, given the relatively large increases in hours worked for pay by Hispanic single parents over this period. The results for married couples are less surprising, given that Hispanic couples increased their hours of paid work only about half as much as white or black married couples. An increasing share of recent immigrants with lower education and wage levels in the Hispanic population also helps explain why Hispanics' incomes fell. In addition, wages and cash welfare benefits declined.
- *Families with a child under age five had greater average income growth than families with older children.* For married couples, average incomes increased by 38 percent for families with a child under age five, compared to 27 percent for families with only older children. For single parent families, mean incomes increased by 17 percent for those with young children, but by just 6 percent for families with only older children.¹⁴

3. Recent Trends in Family Income

Trends in family income from 1992 to 1996 are considerably more favorable than the longer term trend since 1969. Even families headed by single parents with a high school diploma or less, whose real income deteriorated from 1969 through 1992, made income gains from 1992 to 1996 during the sustained period of economic expansion under the Clinton Administration.

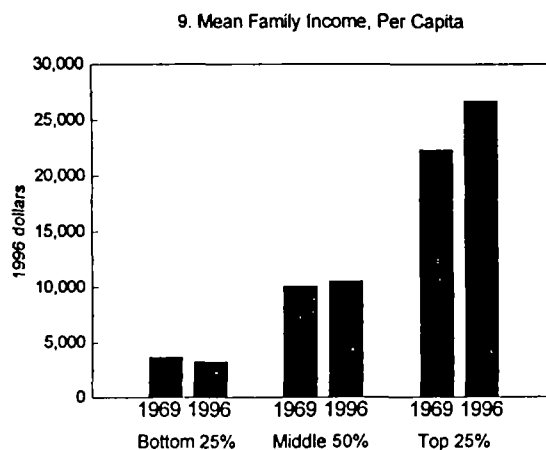
¹³ Our race and ethnicity comparisons begin in 1979 because the CPS did not identify Hispanics in 1969.

¹⁴ Of course, having a younger child often implies being a younger parent. We do not control for the age of the parent in this analysis.

C. The Distribution of Family Per Capita Income

To assess the implications of income growth for families with children, we need to take account of the increasing share of single-parent families, whose incomes are lower and grew much less than the incomes of married-couple families (see section IV-B-1 above). We also need to consider the decrease in family size, because a given family income provides more resources per child when there are fewer children in the family. Moreover, because less-skilled, lower-income parents have had slower income growth than highly skilled, higher-income parents, it is important to consider the trends in income for lower-income and higher-income families, not just the average family.

Figure 9 presents estimates which incorporate the combined effects of the increasing share of single-parent families and decreasing average family size, to assess changes in incomes for families with children. To reflect changes in the share of single-parent families, the diagram shows changes for the *combined* family income distribution of single-parent and two-parent families. In addition, as a crude way of adjusting for the differences in family size between two-parent and one-parent families and for the decreases in family size over time, family incomes are presented in per capita terms. (This is a crude measure because it does not cost twice as much to support two people as one. On the other hand, two do cost more to support than one. The true measure of equivalent income for different family sizes lies somewhere between per capita and total income.) The figure shows the change in average income per person for the lowest quarter, the highest quarter, and the middle half of the distribution of all families' per capita incomes.



These estimates indicate that while there has been substantial growth in income per person for families with high per capita income, income per person has been either stable or decreasing for other families when 1996 is compared with 1969. During the economic expansion from 1992 to 1996, however, families with lower per capita incomes also experienced rising income per person.

- *Since 1969, the top quarter of families gained, while the lower quarter lost and the middle half remained nearly constant in per capita income terms, after adjusting for inflation. The top quarter gained 20 percent (\$4,420 in 1996 dollars) from 1969 to 1996, while families in the lower quarter of the per capita income distribution had declines of 11 percent (\$410). For families in the middle half of the per capita income distribution, average income per person has remained relatively constant, with income gains of 4 percent (\$452).*

Since family size has been decreasing, it follows logically that increases in mean income are less dramatic, and decreases are more dramatic, when calculated on a family basis rather than on a per capita basis.

V. HOW DO FAMILIES RESPOND?

IMPLICATIONS FOR FAMILY TIME USE OUTSIDE THE JOB

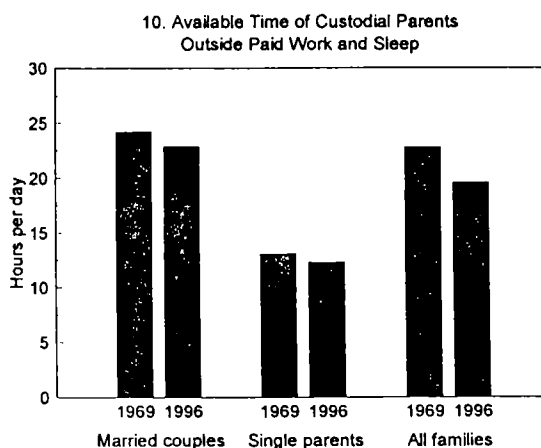
The trends in hours of paid work and family incomes described above have had a major impact on family life. Increasing hours of paid work may mean higher incomes, which provide more resources for parents and children. But increasing paid work time also means less time for other activities. The evidence on time allocation to non-market activities is much more limited than the data on hours of paid work and income, and conclusions must therefore be more tentative.

The CPS, with its larger sample size, only allows us to examine hours spent in paid work (and therefore hours available for other activities) along with changes in family size and structure. We have limited data on what people actually do with the time they do not spend in paid work, mainly from time-use diary studies. These studies have complete data only for a small sample of people. We begin with the CPS data regarding basic trends and then discuss the more detailed time-use diary data.

A. Trends in Current Population Survey Data

What can the CPS tell us about how the changes of the past several decades have affected the number of home hours that families have available for caring for children and maintaining a household? The data indicate that families have less total time to devote to unpaid activities, including time with children, because they are spending more time in the labor market and because the share of families with a single parent is growing.

Figure 10 shows the trends in non-market time that custodial parents potentially had available to spend with all their children, after subtracting time spent at paid work and allowing eight hours per day for sleep. We emphasize the fact that this is only time potentially available in the home; there is no information in the CPS about how parents actually spend their time outside paid work. Figure 10 shows that from 1969 to 1996, both married-couple and single-parent families experienced a decrease in time not spent on paid work. The overall decrease is greater than the decreases within either family type because the proportion of single-parent families increased over this period.



It can also be noted that changes in family size would affect the parental time potentially available per child. Statistics indicate that despite increases in paid work hours for each type of family, the amount of non-market time potentially available *per child* has increased for both married-couple and single-parent families since 1969. This measure is obviously misleading because it

assumes that a single child who spends time with a parent gets twice as much parental attention as each of two children who spend that same time with a parent. In any event, the increasing number of single-parent families has meant that overall, the average amount of family time potentially available per child has remained relatively constant when single-parent and married-couple families are considered as a whole.

B. Time Use in the Home Estimated from Time-use Diaries

Fortunately, we have a supplementary source of data: time-use diary surveys, which ask respondents to keep a detailed diary recording how they spend their time during a specific day. These surveys provide an alternative, more accurate method of measuring paid work time, as well as time spent in various kinds of unpaid activities, such as commuting, housework, child care, shopping, recreation, and personal care. The trends in hours of paid work time and non-market time described above are based on data which report individuals' estimates of their usual hours worked per week in the previous year. Such estimates may not accurately portray the actual hours worked for pay because the question is somewhat ambiguous and respondents may not be able to report accurately on a "usual" week in the few minutes allowed during the CPS interview. Time-use diary measures tend to show shorter paid work hours and sometimes even different trends than the CPS.¹⁵

Unfortunately, such time-use diary surveys are conducted much less frequently and with much smaller samples than the CPS. The latest available data were collected in 1985; results of a survey done in 1992-94 are not yet publicly available. Because of the small samples, time-use diary surveys cannot be used to examine trends for smaller subgroups of the population, such as single parents or blacks. Moreover, the individuals who complete the diaries may not represent the U.S. population as well as the CPS sample does. These surveys do, however, provide information about how much time is spent in different types of unpaid work at home, such as child care and housework, in leisure pursuits, and sleep.

1. Averages

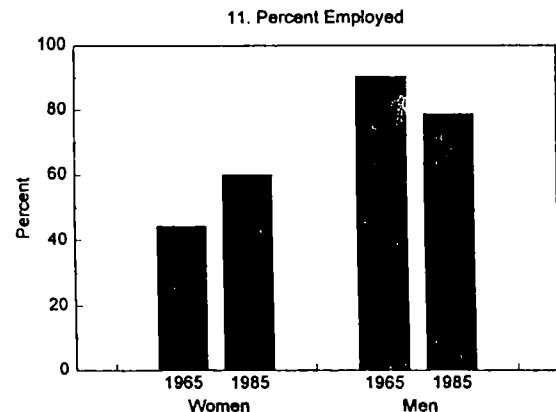
Time-use diaries indicate that the entry of many mothers into the workforce has placed them into what can be termed a "time crunch." While both employed and nonemployed women have managed to keep the amount of time spent with children relatively constant, many more women with children have moved from the "nonemployed" to "employed" category. The "time crunch" is best illustrated by the fact that in any single year, employed women spend over one third less time on child care and household tasks than women without paid jobs, but still have 25 to 30 percent less free time.¹⁶

¹⁵ Robinson and Godbey (1997), chapter 5.

¹⁶ Robinson and Godbey (1997), Tables 3 and 6.

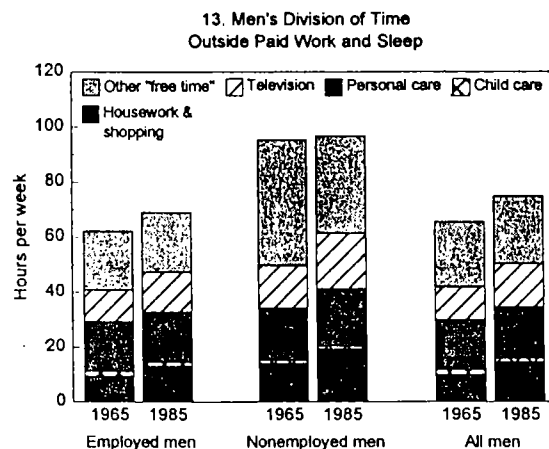
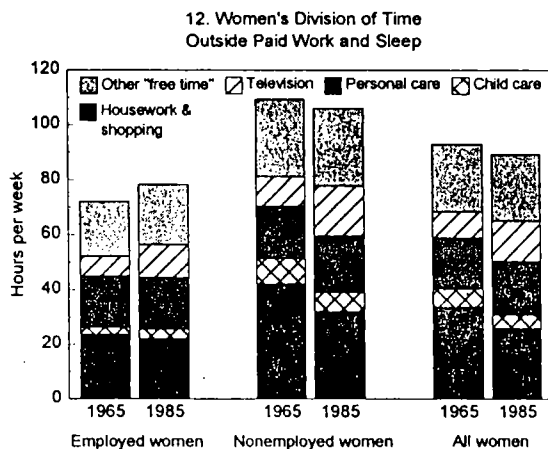
Time-use surveys conducted in the U.S. in 1965 and 1985 show that employed mothers spent virtually the same amount of time taking care of children in 1985 (6.7 hours per week) as in 1965 (6.3 hours per week). Mothers without paid jobs also maintained a consistent amount of time with children, spending 12 hours a week on child care in both years. The child care category in the time diaries includes only time spent on direct caregiving, not time shared with children while engaging in other activities.

When the shift of women into employment (shown in figure 11) is taken into account, mothers' time in child care declined by 10 percent overall, from ten to nine hours per week. Fathers did not make up the difference; their child care time remained about 2.6 hours per week from 1965 to 1985. This suggests that the increase in market work among women has reduced parents' total child care time.



Source: Time-Use Diary Surveys (Robinson & Godbey 1997)

Mothers have reduced their child care time by much less than they have increased their time in paid work because they have cut back on other activities. Women have markedly reduced time they spend on household chores (see figure 12). Men have somewhat increased the time they spend on housework (see figure 13), but it does not make up for all of the reduction by women. Since the "child care" category only captures activities that are directly focused on taking care of the child, any reductions in time parents spend with children while they are primarily engaged in another activity, such as cooking, cleaning, or shopping, are not reflected in the time-use data.



Time spent in commuting to work increased 13 percent (2.5 minutes per trip) between 1983 and 1995, according to a Federal Highway Administration survey.

2. Differences among Families

The effect of women's increased hours in the labor market on families is likely to vary between college-educated parents, whose incomes have been rising because their hours and wages both increased, and less-educated parents, whose incomes may have fallen despite increased work hours because of falling wages. The effect of women's increased hours in the labor market on families is also likely to vary between married couples, who can shift some housework and child care from working wife to husband, and single parents, who cannot. Within married-couple families, moreover, there are likely to be differences across education levels in this shifting of tasks, as child care time by fathers rises with their education. Unfortunately, the time-use diary survey samples are too small to be broken down into these subsamples. Thus, the above-quoted estimates are based on average trends and may miss important distinctions between high- and low-income groups, or between single-parent and two-parent families.

VI. KEY POLICY ISSUES RELATED TO THESE CHANGES IN FAMILY LIFE

The changes in American families and work patterns have created new opportunities, but also present significant policy challenges to private employers and government. In this section we identify four areas of policy that are important in helping families seeking to balance work and family life: increasing the flexibility of market work; supporting income among low-income working families; improving access to high quality and affordable child care; and encouraging the formation and maintenance of two-parent families.

A. Increasing the Flexibility of Paid Work

To an important extent, the effect of parents' market work time on children depends on when and where it is performed. By shifting from work in the home to work in the market, many women find themselves with far less flexibility in responding to family needs. Key employment arrangements that affect hours flexibility for parents include:

- *Flexible work arrangements* (defined as allowing workers to vary the time they begin or end work). These arrangements are an increasingly popular approach to decreasing the tension between work and family. In 1997, 28 percent of full-time wage and salary workers had flexible work schedules. This was up sharply from 15 percent in 1991, the most recent prior year when data were collected.¹⁷

Maintaining high productivity need not be inconsistent with allowing flexibility in work arrangements, as many private sector employers have discovered. The Federal government has led by example, instituting "flextime" which allows employees some discretion in when they work their allotted hours. The President has proposed a flextime initiative that would allow *all* workers to take

¹⁷ Data on alternative work arrangements comes from the 1991 and 1997 May supplements to the CPS.

“time-and-a-half” overtime compensation in the form of compensatory time for family and medical leave purposes or vacation instead of cash.

- *Flexibility in shift work.* This approach enables parents to share child care more easily by working different shifts. In order for shift work to make combining paid work and child care easier, however, the choice of shifts must be voluntary. For those workers who cannot determine their own schedules, the combination of shift work and work in the home is a potential source of stress and expense. Non-standard working hours may make it difficult both to find time to spend with children when they are awake and not in school and to arrange for child care while working. In 1997, 83 percent of full-time wage and salary workers were on regular daytime schedules, 4.6 percent were on evening shifts, 3.9 percent were on employer-arranged irregular schedules, 3.5 percent were on night shifts, and 2.9 percent were on rotating shifts.

This Administration has also played a major role in increasing flexibility among families by helping enact the Family and Medical Leave Act (FMLA), which enables workers to take up to 12 weeks unpaid leave to care for a new baby or ailing family member without jeopardizing their jobs. Since its inception in 1993, millions of workers have taken advantage of the FMLA to spend necessary time with their families. The President has also proposed expanding the FMLA to cover more workers and to allow FMLA-covered workers up to 24 hours per year for parent-teacher conferences or to accompany a child, spouse, or elderly parent for routine medical and dental care.

- *Working at home for pay.* This arrangement can increase parents’ flexibility. In 1997, 3.3 percent of all wage and salary workers were doing work at home for pay, up from 1.9 percent in 1991. An additional ten percent of all wage and salary workers in 1997 were doing work at home without receiving extra pay for it. Nearly 9 out of 10 workers who were paid for work at home were in white-collar occupations.

B. Giving All Parents, Especially Low-Income Parents, More Choices

While incomes have been rising for most people, families at the bottom of the income distribution, particularly the less educated and single parents whose inflation-adjusted incomes were lower in 1996 than in 1969, still face serious economic hardship. Many low-income parents are forced to work harder and spend less time with their families just to make ends meet. Recent policy changes that have helped these families cope include:

- Expansions in the Earned Income Tax Credit (EITC), to ensure that persons who work hard on their jobs can take home enough money to support their families;
- Providing a \$500-per-child tax credit to help offset the expense of raising children;
- Increases in the minimum wage from \$4.25 in 1993 to \$5.15 in 1997;

- Expanded child support enforcement provisions, which help ease the economic burden on single mothers and enforce responsibility for economic support of children on both parents;
- Major welfare reform legislation that has helped single mothers move from welfare to work;
- Employer tax credits to help create jobs for welfare recipients;
- Substantial expansions in support for vocational education, community college, and skill development among persons in lower-income families, including the creation of Hope Scholarships, increases in the maximum Pell Grant, and the passage of the Workforce Investment Act of 1998.

These steps, and the strong economy and steady economic growth of the last six years, have combined to create jobs, reduce unemployment, and raise wages for all workers – especially the less skilled who are most affected when jobs are scarce.

C. Improving Access to High Quality, Affordable Child Care

Most parents adjust to an increase in their paid work time by increasing their use of child care providers. The availability, cost, and quality of child care are crucial to the well-being of our children and the ability of parents adequately to balance the needs of work and family.

The primary child care arrangements for preschool-age children of employed mothers in the fall of 1994 were divided roughly equally among care in the child's home (by a relative or nonrelative), care in another home (by a relative or nonrelative), and care in an organized child care facility. Since comparable data were first collected in 1986, the trend shows a slight increase in the proportion of children receiving care in their own homes, relatively fewer children receiving care in another home, and relatively more children receiving care in an organized facility. In addition, the share of monthly income spent on child care by those purchasing this service rose from 6.3 percent to 7.3 percent between 1986 and 1993.¹⁸

The Clinton Administration has consistently emphasized the importance of child care availability and quality. Since 1993, child care subsidies for low-income families have grown by 80 percent. In addition, the Administration's budget proposal for the fiscal year 2000 includes a variety of proposals to help make child care more affordable and improve its quality, including an investment of \$7.5 billion over five years in the Child Care and Development Block Grant; combined with the funds provided in welfare reform, this new investment would enable the program to serve over one million additional children by fiscal 2004. Also, the President's budget includes \$5.1 billion over five years to increase the Child and Dependent Care Tax Credit for three million

¹⁸ The earliest comprehensive data on families' child care arrangements were collected by the Bureau of the Census in 1977. The earliest data that are compatible with the most recent data are from fall 1986. We use the 1986 data for consistency.

families earning under \$60,000 a year, and \$3 billion over five years in a proposed Early Learning Fund to improve the quality of care children receive.

In addition, the Administration is addressing the need for after-school care for children. Since 1970 the percentage of married couples who work full time, year round and have school-age children has nearly doubled (from 18.7 percent in 1970 to 37.3 percent in 1997). Today, the parents of over 28 million school-age children work outside the home. This has led to a strong demand for quality programs to ensure that children are safe and learning in the hours in which they are not supervised by a parent. In fact, experts estimate that every day roughly 5 to 7 million children are left unattended at home. The Clinton Administration has responded to this demand by increasing its investment in after-school programs from \$40 million to \$200 million in the 1999 fiscal year, which is estimated to reach roughly 400,000 children this year. And the President's fiscal year 2000 budget would triple the investment in these programs to \$600 million.

Together, these initiatives help parents ensure that their children are receiving quality care while they work.

D. Encouraging Two-Parent Families

When two-parent families form and stay together in a supportive relationship, many of the economic and emotional stresses of balancing work and family are eased. Two-parent families have greater earning potential and more potential time to spend with their children than single-parent families. Among the recent policies which have helped maintain married-couple families, the eligibility rules for Medicaid and other programs have been changed so as not to penalize two-parent families for staying together.

VII. CONCLUSION

This study indicates that there has been a large-scale shift of time spent by women from the home to the labor market over the last generation. For most families, this change has led to an increase in family income. The study also indicates that there has been a very large shift from married-couple to single-parent families over the last 30 years, reducing both income and parental time available for many children. While smaller family sizes have helped offset the increase in market work, many parents find it difficult to balance jobs and children.

This report demonstrates that single parents face the most difficulties. They have only half as much total time available as two parents, and single mothers typically have less than half as much earning power as a married couple because women's wages are lower than men's. Lack of income limits most single parents' ability to purchase time-saving goods and services and high quality child care. Thus, they face a severe "time crunch" as well as a "money bind."

Men without college educations have faced declining wages. While increased work by their wives has helped maintain their families' standard of living, it is still difficult for these families to afford child care. Moreover, less-educated workers are less likely to have jobs that permit parents to arrange their hours to accommodate family needs.

More educated parents, whose increased time in the labor market has been rewarded with considerably higher incomes than in 1969, can more easily afford high quality child care, household help, and other time-saving goods and services. Married-couple families, particularly those where the husband has a college degree, have seen substantial improvements in their economic situation over the last three decades. Even these couples, however, face the stress involved in balancing increased work and family.

While it is beyond the scope of this study to speculate about the causes of changing work and family patterns, what is clear is the magnitude of the change and the importance of the challenge. There is no more vital task for our society than raising our children well. Parents in all different income brackets and settings face every day the extraordinary task of dividing their time to maximize familial, economic and personal well-being.

It is the responsibility of employers and public policy-makers to continue the search for methods to help productive workers function as effective parents and responsible family members. If children, families, and our communities are going to withstand the stresses of the trends of the last 30 years, employers and public policy makers have a responsibility to do everything they can to help parents balance work and family. Workplaces and work hours must become more flexible, parents need more supports and more choices, and more children need to live with solid families in their lives.

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THE WHITE HOUSE
WASHINGTON

September 10, 1999

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: NICOLE RABNER
ANN O'LEARY
RUBY SHAMIR

CC: MELANNE VERVEER
PATTI SOLIS DOYLE
MARSHA BERRY
SHIRLEY SAGAWA

SUBJECT: MESSAGE EVENT OPPORTUNITIES

We understand that your schedule for late next week will likely not allow you to add to your schedule. The purpose of this memorandum, however, is to outline a few opportunities for official message events late next week. While not definite, September 17th (Friday) will likely be the day that the President vetoes the Republican tax cut proposal (the Republicans have not yet sent us the bill); if it happens, you may want to consider joining that ceremony.

- **Minimum Wage Event.** As you know, Kennedy's minimum wage proposal is expected to be considered as an amendment to the bankruptcy bill next week (prospects for passage reportedly have improved). To engender support for his proposal, on the morning of Wednesday, September 15, Senator Kennedy, Rep. Bonior, and Secretary Herman will release a new report on the effects of the minimum wage on women. The report will show that the majority of beneficiaries of an increase in the minimum wage are women (58 percent of the 11.8 million workers who would receive a pay raise), and that about 7 million women nationally, 12.6 percent of all working women, would be directly affected by an increase in the federal minimum wage. The report will also feature state-by-state data on the numbers of women impacted by an increase in the minimum wage. Senator Kennedy has invited you to join this event. Since you will be in New York on Wednesday, however, we are exploring a message event there that would highlight the new report and urge passage of the minimum wage increase. Senator Kennedy also plans to pen an op-ed next week on the minimum wage and has offered to share a byline with you. Let's discuss this offer.

- **Children's Health: Health Care Coverage Report and Initiative.** On the morning of Thursday, September 16th, Secretaries Shalala and Riley and Attorney General Reno are participating in an event at Eastern High School in Washington D.C. which will serve as a national kickoff for community CHIP enrollment events in 25 communities during the last two

weeks of September. They will launch a series of radio PSA's that will air in 21 cities and announce HHS's commitment of \$1 million for a radio campaign to promote CHIP outreach event and the 877 KIDS information line. They have invited you to join the event. If you are unable, you might consider joining the President for a likely CHIP event in mid-October, where the President and you could release a new Families USA report stating: that enrollment in the new CHIP program is increasing; enrollment in some states is lagging behind; and that that we still face some challenges in Medicaid enrollment, especially in regards to welfare reform. In addition, you both could (1) release a new TANF regulation establishing financial incentives to enroll eligible individuals in the Medicaid program; (2) announce a new Back to School campaign to distribute applications for and information about CHIP through school systems around the country; (3) release the second Federal Interagency Task Force Report on Children's Health Insurance Outreach, including new outreach efforts by the Postal Service, Americorps and the Department of Transportation; and (4) direct the Department of Education and HHS to develop a plan to make school-based screening for health insurance a standard part of school enrollment, like immunizations.

- **Education: Teacher Quality Conference of Higher Education Presidents.** On September 15-16, approximately 150 college presidents will meet in Washington D.C. to develop recommendations for reforming schools of education. The two-day summit will also include other education leaders, foundation representatives, and Congressional staff. You could join the Secretary in challenging the college presidents to take a strong leadership role in improving teacher education to ensure that all children are taught by high quality teachers. Senators Jeffords and Kennedy will speak to the group from the Indian Treaty Room on Wednesday evening, September 15, and, if you were able, you could address the group at lunch on September 16 or later in the afternoon for closing remarks.

- **Education: Charter Schools.** You have expressed interest in visiting a D.C. charter school to highlight your commitment to the issue. Two charter schools in particular could serve as good vehicles for this message. The Maya Angelou Public Charter School in Ward 1 helps young people who have been in the juvenile justice system re-enter the educational system. Another charter school, the Cesar Chavez Public Charter High School in Ward 2, focuses on getting young people involved in public policy. This event could serve as a follow-up to the day long meeting and workshop that you hosted for D.C. public charter schools last year, and a celebration of the successful start-up of the schools. You could also hold this event at another time – perhaps during the Holiday season.

THE WHITE HOUSE
WASHINGTON

September 10, 1999

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: NICOLE RABNER
ANN O'LEARY
RUBY SHAMIR

CC: MELANNE VERVEER
SHIRLEY SAGAWA
PATTI SOLIS DOYLE
MARSHA BERRY

SUBJECT: ISSUES UPDATE

The purpose of this memo is to provide you with brief updates on a variety of issues. Attached please find a compilation of *strategy memos* from the policy councils to the President, which include the Presidents comments.

Bankruptcy. Next week, Senator Lott is expected to take up the bankruptcy reform bill. As you know, the Senate bill, S. 625, is an improvement over the House-passed bill (which the Administration said his senior advisors would recommend he veto), but not enormously so. We have been working closely with Senate Democrats (principally Senators Schumer, Kennedy, Feingold, Durbin, Leahy, and Dodd) to devise an amendment strategy for the Senate floor. Currently, the Democrats have about 50 amendments to offer – many of which represent the Administration's specific proposals to improve the bill – and no time agreement has yet been struck. Amendments which are likely to pass include a deal on curbing coercive reaffirmations, some (fairly insignificant) new credit card disclosure requirements, a cap to the homestead exemption, and some, limited improvement to the means test formula. The challenge will be for these improvements to survive conference (last year, as you'll recall, the final conference report stripped all balancing provisions gained by Senate Democrats). Unfortunately, the numbers don't look good – by the latest whip count, 80 plus Senators (and as many as 90) plan to support the underlying bill. Currently, the President's senior advisors are waiting to watch the bill's progress on the floor early next week before signaling our position. Many foresee passage with a veto-sustaining margin, and hope that the marginal improvements will allow him to sign the bill, while stating his reservations. (For additional information, see page 14 of the NEC report, which is tagged.)

Importantly, many Senators see the bankruptcy bill as the only remaining vehicle for legislative action, and Senate Democrats are considering offering a host of non-germane amendments such as minimum wage, guns, Patients Bill of Rights, etc. Senator Kennedy's minimum wage proposal will certainly be offered and debated – reports suggest that a deal may be in the works to allow it to be attached to the bankruptcy bill.

Crime. Yesterday, at a meeting with Mayors and Police Chiefs from around the country, the President urged Congress to pass common sense gun legislation. The President also unveiled new reports and initiatives aimed at keeping guns out of the wrong hands and reducing gun violence.

The President released a report by the FBI and the ATF showing that in its first seven months of operation the National Instant Criminal Background Check System (NICS) has conducted over 4.7 million background checks and blocked an estimated 100,000 prohibited guns sales, bringing the number of gun sales blocked to felons, fugitives and other prohibited persons to over 400,000 since the Brady Law took effect in 1994. The report showed that the vast majority of NICS checks are completed very quickly – 75 percent within 30 seconds and 95 percent within two hours. It also indicated that of the sales denied by the FBI, 76 percent were based on a felony conviction, and 11 percent for domestic violence misdemeanors or restraining orders. Finally, the report showed that if the FBI had only 24 hours to complete background checks, instead of three business days under current law, 20,000 prohibited purchasers – over 41 percent of FBI denials – would have received guns.

In addition to the report, the President announced a \$15 million HUD initiative to help public housing authorities partner with local law enforcement departments to establish gun buyback programs – removing up to 300,000 guns from circulation by the end of the year. Additionally, the President released \$146 million in COPS grants to fund nearly 1600 new officers. \$61 million will be provided to 151 state and local law enforcement agencies to hire over 850 new officers for our streets; and \$85 million will be awarded to 319 state and local police departments to put over 750 police officers in schools. Please see attached for a listing of the local grantees for the COPS grants.

Education. ESEA: The reauthorization of the Elementary and Secondary Education Act is progressing slowly. In May the President transmitted his proposal to Congress – the Educational Excellence Act for All Children of 1999. As you know, the main focus of the Administration bill is: a firm commitment to high standards in every classroom; the improvement of teacher and principal quality; strengthened flexibility coupled with accountability; and a guarantee of safe, healthy, disciplined, and drug-free learning environments for all children.

The House leadership has chosen to break apart the ESEA by considering and voting on the proposal one Title at a time instead of offering an alternative comprehensive package or considering the Administration's omnibus bill. The House first took up the issue of Teacher Quality through HR 1995, Title II of ESEA – the Teacher Empowerment Act. This bill would consolidate Title II, Class-Size Reduction, and Goals 2000 into one program. It would provide formula funding to States and school districts and require the funds to be used for both professional development and class-size reduction. The professional development aspect of the

bill includes similar language to the Administration's proposal – calling for on-going intensive on-site professional development for teachers. The Class-Size reduction provision, however, does not include a dedicated funding stream for class-size reduction nor does it include a focus on reducing class-sizes in the early grades. It would not allow the President to meet his goal of hiring 100,000 teachers to reduce class-sizes in grades 1-3. The House passed HR 1995 in July and the President has threatened to veto the bill if it comes to his desk. The Senate has introduced this bill, but is not expected to vote on it.

The House is currently considering Title I – Helping Disadvantaged Children Meet High Standards – and is expected to mark-up Title I at the full-committee level on September 23rd. A bipartisan working group is using the Administration's proposal as a base and drafting an alternative proposal. Possible hot button issues include: Republicans would like to dilute the targeted funding to our highest poverty areas; neither side has come to an agreement on how to ensure that failing schools receive the additional resources needed to improve; and, the issue of increasing the training and education of paraprofessionals and ensuring that they are placed in appropriate roles has not been resolved. Democrats and Republicans agree with the Administration that that students should be taught by highly qualified individuals and that paraprofessionals should have additional requirements for education and training, but Democrats are very concerned that these requirements will result in massive job displacement.

The Senate is expected to take up the entire ESEA package as one bill. Currently, Senator Jeffords is drafting a bill, but it is not expected to be completed until the end of the month at the earliest. In the meantime, Jeffords continues to hold hearings on issues throughout ESEA.

In both the House and the Senate, the Administration expects to have difficulty passing the President's Educational Accountability Act. The Republicans continue to claim that the provisions amount to Federal intrusion and heavy handedness, while some Democrats are concerned that there are not enough supports and resources in place to effectively implement the provisions.

Recent Research on School Finance, including call for Voucher Experiment: On September 10, the National Research Council released a study on school finance, "Making Money Matter: Financing America's Schools" arguing that money can and should be used more effectively to make a difference in improving U.S. Schools. The study outlined three goals as a framework under which to improve school finance: promoting high-achievement for all students in a cost-effective way; reducing the nexus between student achievement and family background characteristics; and, raising revenue fairly and efficiently.

The report supports many of the same types of investments that the Administration has proposed: investing in professional development of teachers throughout their careers; promoting comprehensive educational reforms; reducing class-sizes; and modernizing school buildings.

It also, however, calls for a ten-year large-scale voucher experiment to determine if vouchers can successfully empower schools and parents to make better decisions about public funds and improve student achievement in a cost-efficient way.

U.S. News & World Report and *Education Week* are expected to pick-up this report and cover the voucher angle. Secretary Riley is prepared to respond by lauding the recommended investments and stating that we do not have ten-years to wait to find out what we already know from small-scale experiments that vouchers are not a magic-bullet solution to comprehensively fixing our failing schools.

District of Columbia: The DC College Access bill, HR 974, passed the House by voice vote in May and is now being considered in the Senate. The Senate Committee on Government Affairs reported it out of Committee on September 9, 1999. The Administration is currently working with a bipartisan group (including leadership from Senators Voinovich and Durbin with Representatives Norton and Davis) to develop a compromise bill that could be passed by unanimous consent in both the House and Senate. Currently, \$17 million is included in the President's FY 2000 budget to support DC College Access. H.R. 974 would: (1) allow the Federal Government to pay the difference between in-State and out-of-State tuition at public colleges and universities in Maryland and Virginia (or in other States under certain circumstances) on behalf of qualified D.C. residents; (2) provide grants to D.C. residents who choose to attend private colleges and universities in the Washington, D.C. area; and (3) authorize financial support to the University of the District of Columbia (UDC). The Administration supports the bill, but is concerned about provisions in the bill that would phase-in eligibility over time. The Administration is concerned that this phase-in would postpone the true cost of the program, thereby encouraging the D.C. Mayor to expand the program in its early years (by awarding grants for attendance at institutions in States other than Maryland and Virginia), which may result in serious funding constraints and dashed student expectations in future years. The phase-in could also skew initial program evaluations and understate operational requirements.

National Campaign Against Youth Violence. In this week's radio address (for broadcast, Saturday, September 11), the President highlighted the prevention of youth violence by announcing grants to local communities. The President announced the award of \$180 million in Safe Schools/Healthy Students grants to 54 communities. These grants are the result of a joint effort between the Departments of Justice, Education, and HHS to promote coordinated policies and programs at the local level between schools and community, health, and law enforcement agencies. Funds can be used for three purposes: to hire law enforcement personnel to provide security in schools; for early intervention and prevention programs designed to make schools and students safer and free of drugs; and for mental health services and early childhood development programs.

On Tuesday, September 14, 1999, Senator Specter is holding a hearing on youth violence. Secretary Shalala, Secretary Riley, Secretary Herman, and Deputy Attorney General Eric Holder will all testify at the hearing. Their testimonies will focus on the work of their respective agencies on preventing youth violence.

New Markets. All three components of the New Markets Initiative that require legislation have Democratic sponsors. For the most part the bills reflect the Administration proposal, with a few modifications. The New Markets Tax Credit, a tax credit worth 25 percent for investments in a wide range of vehicles to help spur \$6 billion in equity capital for investment in New Markets (likely to be folded into our tax bill), is being sponsored by Rep. Rangell and Senator

Rockefeller. America's Private Investment Companies (APICs), modeled after our Overseas Private Investment Corporation to encourage private investment in America's untapped markets, is being sponsored by Rep. Lafalce and Senator Sarbanes. The New Markets Venture Capital (NMVC) Firms, which would make both capital and expert guidance available to small business entrepreneurs in inner-city and rural areas (most likely to be introduced next week), is being sponsored by Rep. Velasquez and Senator John Kerry.

In November the President will lead a second New Markets tour. The NEC is looking eagerly for thematic and geographical suggestions that will distinguish this tour from the previous trip.

POTUS Week Ahead

Following is a list of upcoming POTUS message events for next week.

Friday, 9/10 - Wednesday, 9/15	New Zealand Visit
Saturday, 9/11	Radio Address (taped at WH Thursday 9/9) Topic: Safe Schools, Healthy Students/COPS grants
Thursday, 9/16	Arrive WH -- No Event Planned
Friday, 9/17	No Event Planned

NOTE: The message schedule for Sept. 16 and 17 may change pending Hill activity – i.e. the GOP tax cut veto.

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- E.) OSTP Long-Term Strategy for Science and Technology

THE WHITE HOUSE
WASHINGTON

August 17, 1999

MEMORANDUM FOR JOHN PODESTA, DOUG SOSNIK, STEVE RICCHETTI,
MARIA ECHAVESTE, KAREN TRAMANTANO

FROM: GENE SPERLING

SUBJECT: NEC's Long-Term Policy Announcements and Message Ideas

The overarching theme of our economic message is President Clinton as protector of the economy. President Clinton has had a three-part economic strategy since he took office in 1993: fiscal responsibility; investing in people; and opening foreign markets. This strategy has led to the creation of over 19 million new jobs, the first budget surplus in a generation, low inflation, low interest rates, and strong economic growth. And now, President Clinton will not let the congressional Republicans or anyone else threaten this economy.

- He will insist on a responsible fiscal plan and will veto any tax bill that would lead to higher interest rates and hurt the economy.
- He will not sign appropriations bills that harm priorities such as education and health care, and he will ensure that we do not leave any communities behind.
- He will fight to open markets around the world, resist protectionism, and ensure vigorous, timely enforcement of our trade laws.

We have structured this strategy memorandum in the manner you requested, listing message ideas and policy announcements for the President and Vice President. It is organized as follows:

Strategic Theme: President Clinton as Protector of the Economy

- Preventing a Bad Tax Cut that Would Hurt the Economy
- Saving Social Security and Strengthening Medicare
- Ensuring that Everyone Participates in the Growing Economy
- Fighting to Open Markets Abroad
- Reforming the International Financial Architecture

Upcoming Challenges Requiring Administration Response

- Timing; Responses; and Presidential Action

Executive and Other Non-Legislative Actions

STRATEGIC PLANS

I. PREVENTING A BAD TAX CUT THAT WOULD HURT THE ECONOMY. Perhaps our most important objective for the remainder of the year is to ensure that we are able to keep a harmful tax cut from becoming law. The President will continue to make statements and hold events that present him as the protector of the economy and as a strong fiscal hawk on this issue.

Veto the Tax Bill with Constructive Offer. When Congress returns from recess in September, we will receive the tax legislation from the Hill for the President's veto. We need to consider how we want to handle the actual veto in early September. Clearly, we want to present this veto as a necessary step for the President to take to protect the economy from fiscal recklessness. We should make news and policy by making a veto statement -- or the next day make a specific announcement on Medicare. *Timing: early September*

Final Budget Surplus Numbers. At the end of the fiscal year, we will receive the final budget surplus numbers for FY99. We should, as we do annually, hold an event where the President and Vice President can tout the successes of fiscal discipline and of our economic strategy -- and warn that we cannot abandon the strategy that has created the strong current fiscal situation. *Timing: September 22*

Highlight Threat to Interest Rates Increasing. We could highlight the threat that the Republican tax plan and higher interest rates pose to ordinary Americans by holding an event focused on the benefits of low interest rates (e.g., highlight homeowners, college students, small business owners).

II. SAVING SOCIAL SECURITY AND STRENGTHENING MEDICARE. We need to continue to create an environment in which the President's Social Security and Medicare reform proposals can be enacted this year. By presenting President Clinton as a leader willing to address the twin fiscal challenges -- maintaining budget discipline and addressing long-term entitlement reform -- we can continue to promote the image of the President as protector of the economy.

A. *Specific Agenda Items*

Medicare. I am working with Larry Stein on a strategy memo on how to both engage internally and publicly on Medicare, with a possible public offer to work together after the veto or with the veto.

Continuing Legislative Process on Our Social Security Framework. Archer may do a mark-up of his bill in September. We need to decide between the following four approaches:

*if I like to
if other Democrats
do*

- Stay where we are
- Put out lock-box legislation
- Put out lock-box legislation without "mirroring"
- Seek to work on negotiations with Archer/Democrats

We need to explore whether the House Democrats feel it is helpful to have an administration legislative proposal.

B. *Possible Presidential Actions*

Call for Process to Achieve Medicare Reform. When the Hill completes work on its Medicare bill, the President could call for a process whereby the Administration would work together with both parties on the Hill to achieve meaningful Medicare reform.

Release the Social Security Actuaries Memo. The Actuaries memo will show that the President's Social Security plan extends the solvency of the Social Security program to 2053. This event will give us the opportunity to reiterate our commitment to the Social Security program and provide further details about our plan. We could use this event to signal our willingness to work with Congress in a bipartisan fashion to further extend the solvency of the program.

How should

Release Further Details on Reducing Widow Poverty and Earnings Test. At this point the economics team is still analyzing several anti-widow poverty initiatives and the repeal of the Social Security earnings test. A key issue is whether to release such details even though we said in the State of the Union that we would only do this with bipartisan reform.

Good idea

Conduct Event around First Mailing of Social Security Statements to American Workers. On October 1, SSA will begin mailing annual Social Security statements to American workers age 25 and older. The statement provides workers with estimates of benefits they can expect to receive when they retire or become disabled, or what their family can expect from Social Security if the worker dies. These mailings (125 million per year) represent the largest customized mailing ever by the federal government. *Timing: end of September, early October*

Medicare State by State. We are working on compiling state-by-state information on Medicare, for a possible event early in September. It would mostly include basic information like the number of beneficiaries by gender, race, etc. by state -- not very specific to the proposal. The idea would be to bring in regional press for a day-long White House event with briefings, an event with the President, etc. (modeled on the climate change/weathermen event a couple years ago). *Timing: early September*



Children's Health Outreach Event. In late September, we are hoping to get a POTUS event to: (1) announce the new Federal Interagency Task Force report, that includes new actions like getting AmeriCorps involved in kids' outreach; putting posters on public transportation with the toll-free number; and putting the information on stamps or change of address cards through the postal service; (2) ordering HHS and Education to develop a plan to institutionalize school-based enrollment in CHIP; and (3) more private actions including a multi-million dollar foundation effort to promote outreach. *Scheduling request is pending for late September*

C. *Republican Agenda and Likely Response*

The Hill Republicans are trying to sell their tax cut agenda over the August recess. After the veto, they may seek a new tax cut compromise. We must make Medicare the next step. Come the end of the fiscal year, they intend to send one short continuing resolution at last year's levels after another, hoping that these Spartan levels will coerce us into agreeing to tax cuts. Diminished and diminishing expectations limit the credibility of large-scale responses. As the year progresses, the size of the initiative that the Administration can credibly advance will decline.

D. *Timing and Strategy*

Toward the end of the fiscal year, we need to remind observers of the government shutdown scenarios of the past and highlight the inability of Hill Republicans to govern.

III. ENSURING THAT EVERYONE PARTICIPATES IN ECONOMIC GROWTH. The President will continue to promote economic opportunity for all Americans by promoting economic development in New Markets, expanding worker training, increasing mentoring opportunities for pre-college students, and pressing for other initiatives for working families. *This is particularly important through the fall Appropriations process.*

A. *Specific Agenda Items*

Appropriations Process. We need to ensure that over the course of the fall, we are holding events regularly that show the President as protecting our domestic economic priorities by highlighting issues like education, health care, and other priority initiatives that he will not allow to be cut from the budget.

✓ New Markets Initiative Legislation. We will continue to push forward this legislation, parts of which were formally introduced the week of August 2. The New Markets Legislation includes the New Markets Tax Credit and the America's Private Investment Companies which were introduced on Thursday August 5. We anticipate that the

remaining major component of the legislation, the New Markets Venture Capital Firms will be introduced immediately following the recess.

Bipartisan New Markets Effort. We are working on the following steps to get a bipartisan agreement. First, Larry Stein and I will meet with Danny Davis, a lead co-sponsor with Talent and J.C. Watts on the Republican American Community Renewal Act. Second, we could do a possible "offer" letter from the President to Hastert saying that there are some elements of the American Community Renewal Act with which we could live.

New Markets Regulatory Changes. Several elements of the New Markets Initiative do not involve statutory changes. These include, Small Business Investment Companies targeted to Low and Moderate Income areas. SBA will propose these regulatory changes this fall.

Manufacturing Task Force. The presidents of the industrial unions have raised concerns about recent slippage in manufacturing employment and softness in the manufacturing sector associated especially with a downturn in exports. The President and Vice President recently committed that we would undertake an Administration-wide process to develop a comprehensive plan for the manufacturing sector. The plan should encompass technology, training, offsets/outourcing, small and medium enterprise, and export promotion policies. We would work towards consultations with labor and industry on an initial proposal by mid-Autumn and then work to finalize the plan as part of the State of the Union/Budget process in the winter.

Highlighting Education Priorities in Appropriations Process. The President could release a list of ten key education items that are critical priorities and that we expect to win on during the Appropriations process. We could present these items as the types of things that must be in any budget for the President to sign it. This will set up clear "wins" for us on our education agenda. *Timing: Fall*

Possible Presidential Actions

A Second New Markets Trip. Focusing on economic development needs in North Carolina, Hartford, Newark, and other locations, we will prepare for a second trip in early November. *Timing: October-November*

Announcement of the Community Development Financial Institutions Fund Awards. Possible announcement of the CDFI Fund announcements of awards to groups around the country. This event could take place at the White House or off campus. *Timing: August - September*

Executive Order on Market Research for New Markets. Possible announcement

Should do
be involved
or UP

Must do - 1st priority
eg. Thursday

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& Washington

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superior
of course

interagency task force that will be responsible for assembling and publishing data helpful to the private sector in their evaluation of investment opportunities in untapped markets. The task force might also work to coordinate a conference with leading practitioners and academics that do work on new markets and related community development. *Timing for EO: September; Timing for Conference: November*

Highlighting the Census Study: Poverty in the United States: 1998. The President could roll out the Census Bureau study on poverty in the United States on September 30. Each year the Census Bureau releases the study. Given the strong economy, low unemployment and low inflation, the numbers should be extremely good. In addition to the statistical findings of the study, the President could highlight the Clinton/Gore policy accomplishments in this area and then say that more needs to be done and that is why he is doing another New Markets trip to highlight the pockets of poverty that remain.

Timing: September 30

Addressing the Skills Gap and Training American Workers for American Jobs. One recent survey found that over 60 percent of corporate leaders say that the number one barrier to sustained economic growth is the lack of skilled workforce. The President and Vice President could meet with a number of CEOs to discuss the current skills gap and what needs to be done to close it. We have a number of ideas, but the Vice President may want to take the lead on this.

Adult Literacy Initiative. We could help to highlight the Adult Literacy Initiative by focusing on the importance of Graduate Equivalency Degrees (GEDs). This could be done by having a graduation ceremony at which the President could distribute diplomas to 50 recent GED graduates – one from every state. We could announce a new Administration initiative, possibly an Executive Order designed to further education and training opportunities to GED graduates. One student could play a valedictorian role and tell a personal story. Secretary Riley and Secretary Herman could participate, and students from every state might encourage members of Congress to attend. *Timing: September or October, or anytime*

Making College Available to All Through the GEAR UP Mentoring Initiative. We could follow up on this week's announcement of the \$120 million in GEAR UP grants by further addressing the initiative through the appropriations process. We could hold an event where the President will make several announcements regarding GEAR UP, including: the Ford Foundation's partnership with the Administration to provide technical assistance to applicants and grantees, doubling of the Ford Foundation's funding to their own grantees, the creation of the High Hopes for College Leadership Group, the President's letter to all College Presidents urging them to participate, and the unveiling of the GEAR UP application package. He will also obviously push for his proposal to double funding for the GEAR UP mentoring program.

Focus on the Minimum Wage. Obviously, this is an issue we want to coordinate closely with the Hill. One possibility would be to have the Labor Department write a short report on the impact of the 1996/1997 minimum wage increase on job growth, unemployment, and wages. *Timing: TBD*

C. ***Republican Agenda and Likely Response***

The Republicans will have a limited training and economic development agenda. Nonetheless, there have been some indications that key Republicans may want to move on some of our legislation. For example, Rep. Goodling made some very positive statements about our entire workforce initiative on the day the President announced it in late January. And Reps Watt and Talent have moved forward on a New Markets-style initiative of their own. We will continue to try to forge bipartisan support around as many of these initiatives as possible.

D. ***Timing and Strategy***

✓ We would like to focus a great deal of attention on our worker training agenda and our community empowerment agenda over the next four months. In some instances, our timing on these issues will be dictated by movement on the Hill (e.g., when Kennedy moves on minimum wage).

IV. **FIGHTING TO OPEN MARKETS AROUND THE WORLD AND RESIST PROTECTIONISM.** We need to use Presidential leadership to build a new consensus in favor of opening markets and resisting protectionism, as it delivers on his commitment to uphold our trade laws and to put a human face on the global economy.

A. ***Specific Agenda Items***

Launching a New WTO Round: The President announced the launch of a new Round at the Seattle WTO ministerial in December. This will provide an opportunity to set ambitious objectives on opening agricultural and services markets and to advance "new consensus" issues, such as increasing the accountability and openness of the WTO and securing a forum for consideration of the effects of trade on labor and environmental standards. We are also seeking important outcomes at the Ministerial, including an extension of the WTO prohibition on e-commerce duties (especially relevant in the Seattle area), a procurement transparency agreement, and an accelerated tariff liberalization (ATL) agreement on key sectors where the U.S. is quite competitive. However, many of our foreign partners will pursue opposing agendas, such as attempting to place U.S. anti-dumping laws on the table or to reopen the controversial area of investment -- non-starters for us. We will seek strong endorsement by APEC Leaders of our key priorities for the WTO Ministerial. However, the ministerial also presents a

convenient target for domestic opponents of trade, and a coalition of opposition groups is organizing now to get their message across loudly in Seattle.

*Wingnut
a pillar
the - draft
for China, Singapore
Australia & Japan*

China WTO Accession/MFN: This issue is both an opportunity and a challenge. We continue to push hard to conclude a WTO accession agreement with China in the run-up to the Seattle WTO ministerial – using the bilateral meeting between the President and Chinese President Jiang to make progress. Such an agreement would be applauded by the multinational segment of our business and agricultural communities and would significantly bolster our bilateral relationship. The associated need for permanent NTR status will also load up our trade legislation agenda with a potentially tough fight; organized labor has already signaled strong concerns.

Securing Passage of the CBI and Africa Trade Bills: Senate floor consideration of a trade bill including CBI and Africa trade preferences is likely by late September. The goal is to marry the Senate product, which could include an extension of the Trade Adjustment Assistance and Generalized System of Preferences programs and possibly a wool tariff reduction favored by UNITE and the domestic wool suit industry, with the House-passed Africa bill in conference. We will seek to promote compromises in conference sufficient to ensure Congressional passage while preserving adequate trade benefits and improving worker protections for CBI and African countries.

Securing Passage of a Southeast Europe Trade Initiative: We will also work with Senator Moynihan and others to identify an appropriate vehicle for the trade initiative proposed by the President at the Southeast Europe Stability Pact Summit in Sarajevo.

Articulating a Strategy to "Level Up" Labor and Environmental Standards: The President's Chicago and ILO speeches expanded upon the SOTU call for a new consensus on trade policy based on a process of leveling up labor and environmental standards as the liberalization of trade and investment rules proceeds. Our efforts to promote a successful Seattle WTO ministerial and lay the groundwork for a potential Congressional vote in connection with China's WTO accession would benefit by further policy advances in this regard. We will need to continue articulating and elaborating a clear, comprehensive policy including both long-term objectives and specific, near-term initiatives to help blunt labor and other domestic criticism of our efforts in Seattle and improve the climate in the House Democratic Caucus for trade legislation. Staff is developing additional policy options and themes addressing public concerns about the "race to the bottom" concerns, which will focus primarily on initiatives outside the traditional boundaries of trade policy and on applying carrots rather than sticks.

New Arm at the ILO to Strengthen International Labor Standards: We are working with the AFL and others to design and fund a new program at the ILO that would provide assistance to developing countries to enforce core labor standards such as collective bargaining. We are seeking FY'00 appropriations of \$25 million for the ILO ...

million for DOL to advance this initiative.

Bilateral Trade Agreement with Vietnam: We are aiming to conclude a bilateral trade agreement with Vietnam for possible signature at APEC. The business community will be very enthusiastic about the terms we have secured so far. However, we will need to nail down a strong textiles agreement (with labor conditions) before submitting legislation to Congress granting Vietnam NTR.

B. Possible Presidential Actions

Opening or Closing Address at WTO Ministerial Meeting. The President should give a speech at the ministerial in order to highlight his leadership in the launch of the new global round, emphasize the core U.S. agricultural and high tech interests at stake, take credit for implementation of the WTO reform agenda he laid out two years ago, and discuss his vision of how the globalization process must become a mechanism for leveling up as we move into the 21st century. *Timing: November 30 - December 03.*

Presidential Speech at the APEC CEO Summit: The President is scheduled to give a speech to the CEO Summit at APEC in New Zealand. Although this speech will not get a lot of attention at home, it provides a good opportunity for the President to lay out a strong pro-trade agenda going into the WTO ministerial - which would be welcomed particularly by domestic agriculture. Depending on what happens in our trade negotiations with China, it could also provide an opportunity for making a strong case for a possible trade agreement with China. *Timing: September 12.*

Presidential Witnessing Signing of Vietnam Bilateral Trade Agreement at APEC: We are working hard to wrap up negotiations with Vietnam on a trade agreement by the time of the APEC leaders meeting. The President could join with the President of Vietnam in witnessing the signing of the trade agreement when both are in Auckland. Obviously, such an event would invite some criticism as well as strong support from the business community and some other groups. *Timing: September 11-12.*

Presidential Speech on "Leveling Up": The President could give a speech outlining a broad policy framework to guide our efforts to promote broad-based improvements in living standards through parallel trade liberalization (WTO/China/regional agreements) and "leveling up" (economic democracy institutional building) agendas, per above. The speech could be presented before a major international affairs audience in the autumn a few weeks before the Seattle ministerial. It could include, but would preferably be separate from, an articulation of our specific goals for Seattle (see separate entry).

Africa Trade Bill Event: The President should do an event highlighting his strong commitment to passage of the Africa trade bill this year prior to any Senate floor action. Such an event would highlight the diversity and breadth of international and domestic

push. Had to see for CB for Florida?
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support for this legislation – and the President's personal commitment, which has been less visible of late. The thrust of the event should be limited to an appeal to Congress to work together in a bipartisan fashion to send a bill to the President this year. It should steer clear of bill specifics, which remain somewhat in dispute. Also, given that Senate Finance is likely to move the Africa trade bill in a package with CBI enhancement, which is much more controversial with Labor, we will need to navigate the politics carefully.

Timing: Early October.

C. **Republican Agenda and Likely Response**

CBI/Africa Omnibus Trade Bill. The Senate is likely to consider by late September a trade bill including CBI, Africa, GSP, TAA and perhaps other items. Senators Lott and Roth will try to discourage amendments to the CBI and Africa provisions, arguing that conference is the best place to consider compromises. Nevertheless, Gramm is likely to offer House-like Africa textile provisions, which we support, and lose. And Jeffords may offer a compromise between the House and Finance Committee textile texts depending on assurances from Lott and Roth as to what they would support in conference. Feingold may offer Jesse Jackson, Jr.'s bill as an amendment but should attract limited support. Helms' and Hollings' ultimate posture is unclear.

Trade Authority. Whereas the House is unlikely to initiate any legislation to renew fast track trade negotiating authority, Senator Roth may conduct a Finance Committee markup of a bill in late September. His intention would be to report a modified version of last Congress' bill with bipartisan support as a signal to our trading partners in Seattle that the U.S. is likely to have negotiating authority in place when it needs it. He is not interested in pressing for a vote by the full Senate in this session. Discussions on a potential Administration response have been pessimistic, although there is some interest in exploring the possibility of a "new consensus" WTO-only approach. We may want to develop a set of principles for the treatment of labor and environment that could demonstrate broad Democratic unity – as opposed to the much more difficult task of crafting a "Democratic" bill. If instead we remain silent, we may send Finance Committee Democrats again into the hands of their Republican colleagues out of frustration with a lack of Presidential leadership, cleaving the Party further on trade. The endgame may be an attempt by Roth to draft a Senate or Concurrent Resolution limited to an expression of support for certain WTO trade negotiating objectives.

D. **Timing and Strategy**

Trade Authority. Should Senator Roth proceed with a mark-up in late September, the Administration could make a policy statement on the treatment of labor and environmental objectives that commands broad Democratic support – as described above. This statement could take the form of a broader policy speech focused on "levelling up" labor and environmental standards as discussed above. *Timing: September/October.*

CBI/Africa. In anticipation of a likely Senate consideration in late September, we are preparing for a debate on textile and apparel trade and conducting Hill and private sector outreach. It may also be advisable to make a high-level appeal to the Congressional leadership in early September to place this bill on a schedule that would permit it to be sent to the President by mid-October. The goal would be to prevent it from being backed up against the end of the session, when opponents have used their enhanced leverage in the past to block passage of CBI and Africa. *Timing: September/October.*

V. REFORMING THE INTERNATIONAL FINANCIAL ARCHITECTURE AND RELIEVING THE DEBT BURDENS OF HIGHLY INDEBTED POOR COUNTRIES. Continue to work with the G-7 and others to implement the debt relief plan and international financial architecture agenda agreed to at the G-7/8 Summit in Cologne.

A. *Specific Agenda Items*

New Debt Policy. The NGO community and primarily African beneficiary nations are pressing for radical debt relief as a demonstration of our commitment to a relationship of partnership and equality with the poorest nations as we enter the new millennium. Under the Cologne Debt Initiative, which we championed, the U.S. is responsible for providing financing for substantial additional bilateral and multilateral debt relief. Our share of these costs is estimated to be approximately \$850 million over 5 to 10 years. In addition, we had planned to seek Congressional authorization for the use of a portion of the IMF's gold reserves to fund its debt reductions – although that plan is now in doubt with the Congressional prospects worsening. We will seek authorization for the full \$850 million this year and appropriation of a significant share in FY 2000 (depending on budget constraints) in order to give the Initiative international credibility and attract early financing from other countries. Treasury will also work with Congress to authorize a modified approach to tapping the market value of the IMF's gold reserves.

New Social Safety Net Policy. G-7 countries are discussing ways to encourage the implementation of better social safety net policies in developing countries, particularly those hit hard by the world financial crisis. An internationally accepted set of best practices or principles could be established to guide the policies of poor countries and the lending practices of MDBs. In addition, the need for crisis-stricken countries to protect budgets for social programs should be emphasized in IMF and World Bank programs per the recent agreement by G-7 leaders to place greater emphasis on poverty alleviation in economic reform programs. Finally, we are exploring with the international financial institutions whether they might play an expanded role in helping emerging market economies launch unemployment insurance and other social insurance programs.

Implement G-7/8 Reforms of the International Financial Architecture: We continue work

to implement the international financial architecture reforms agreed in Cologne, to further strengthen international financial institutions, such as the Financial Stability Forum, and to institutionalize a finance ministers process that includes key emerging markets along with the traditional G-7 industrial economies.

B. Possible Presidential Actions

✓ Speech at Africa Economic Conference to Roll Out New Debt Policy. In an event this fall, the President could propose a budget amendment representing part or all of the costs of the Cologne Debt Initiative, while appealing to Congress to pass an authorization that includes authority to support use of the IMF's gold to finance its debt reductions. Interagency staff is reviewing appropriations and IMF gold policy options as well as potential event ideas. *Timing: Early September for World Literacy Day or Late September in advance of IMF/World Bank annual meeting.*

✓ Speech on Strengthening Social Safety Nets in the Developing World. Either separately or as part of a broader speech on leveling up labor and environmental standards (see above under Building a New Consensus on International Trade), the President could articulate a U.S. strategy to promote implementation of basic social safety programs in the developing world. He could challenge the international financial institutions to play a more deliberate role in this area as part of their efforts to redeploy and better coordinate their energies and financial resources, particularly with respect to middle income countries that no longer require large amounts of official international financing and whose social safety nets proved woefully inadequate during the financial crisis. *Timing: September/October.*

UPCOMING CHALLENGES REQUIRING ADMINISTRATION RESPONSE

End of Fiscal Year. As the October 1 deadline for enactment of appropriations bills approaches, Hill Republicans will likely ratchet up the blame game, attempting to place the onus for appropriations deadlock on the President.

Emergency Agriculture Spending. As the President and Vice President have both noted, farmers have been hurting this year due to low prices, and the absence of a sufficient safety net in the Freedom to Farm Act has exacerbated their pain. In working with the Congress on emergency agriculture spending, we should emphasize the need to ensure additional spending is directed to those in the greatest need, and not according to existing formulas that would direct a large portion of the funds to large farms that are weathering the current situation. The NEC agriculture working group recommended a counter-cyclical income assistance program that would do just that. We should work to see that such a program is the most prominent feature of any emergency agriculture spending. *Timing: September.*

Yes
to
announce
by Jan 2000
Computer Export Controls. Computer industry CEOs will be in town on January 20, 2000, asking for export relief again. This will be needed because of a new powerful microchip that Intel will be shipping called the Merced. In the announcement that the President made in July 1999, he agreed to a six-month review. An announcement in this area could show the President's continued commitment to maintain America's high-tech leadership while protecting our national security. NEC and NSC should start a working group process in September so that we can have a decision by January 2000. We should also consider getting a few computer industry execs cleared so that they can have classified discussion of long-term implications of Merced. *Timing: January 2000*

Yes - July
to announce
Encryption. The Administration should announce new steps to eliminate some restrictions on the export of encryption (e.g., 64-bit globally, unlimited exports to Europe, and exports of "recoverable" encryption to most countries and end-users). This will be particularly important if the House and Senate move legislation that is unacceptable to the Administration. *Timing: September-October*

He likes to get it done
Electricity Restructuring: Under electricity restructuring, state regulated utilities would no longer have the exclusive right to sell electricity in their geographic territories. Instead, consumers could purchase electricity from any generator that served their market, just as they currently choose their long distance telephone carrier. The bill is expected to generate \$20 billion of savings and to provide important environmental benefits.

- A. *Timing.* The Department of Energy submitted the Administration's bill to Congress on April 15th. Both the House Energy and Power Subcommittee and the Senate Energy Committee have held hearings, although there is more momentum in the House. Chairman Barton plans to mark up a bill by late

September, and Chairman Bliley plans for the full committee to consider the bill shortly thereafter. There is little likelihood of a bill passing this year, but a small chance that one could pass before Easter 2000.

- B. **Responses.** We are monitoring the bill's progress, and are working with Energy and committee staff as they move forward on the legislation.
- C. **Presidential Action.** None.

Bankruptcy. In May, the House passed its bill 313 to 108, a margin sufficient to override a Presidential veto. Unless privacy or another unrelated issue sidetracks Senate floor debate, the bill is expected to pass the Senate by a comparable margin sometime this fall. The Senate Republicans have agreed to adopt on the floor an amendment on reaffirmations that we believe offers significant new consumer protections in this one area. It also will adopt an amendment providing limited new credit disclosures and protections, although far less than we believe is appropriate. However, if these provisions survive conference, they provide some balance to a bill that we have long criticized as grossly unbalanced.

- A. **Timing.** Majority Leader Lott promised Senator Grassley that the bill would go to the Senate Floor the first week that Congress returns from recess if a time agreement can be reached. Democrats believe a time agreement is unlikely. If not addressed early when they return, it could be delayed until October.
- B. **Responses.** We are exploring whether recent overtures present a genuine opportunity for some movement in our direction. Meanwhile, we are working with Democrats on amendments that would be difficult to oppose (e.g., exceptions for sympathetic debtors like victims of domestic abuse and displaced steel and agricultural workers).
- C. **Presidential Action.** Given strong support from Democrats for the bill, we will not do anything more to escalate our public opposition and will avoid issuing a veto threat on the Senate bill. If the bill that results from Conference does not contain even the few improvements achieved in the Senate but commands strong support in both chambers, the President will have the option of allowing it to go into law without his signature.

Financial Modernization. The President has threatened to veto the Senate-passed version, which we believe would weaken CRA, limit choice in bank operating structure, and provide inadequate consumer protections. The Administration strongly supports the House bill, although we would like to see its financial privacy provisions strengthened and its weak medical privacy provisions eliminated. The Conference Committee has not begun serious deliberations. Everyone is waiting for a signal from Senator Gramm about how far he will be willing to compromise in order to get a bill that the President will sign. We are working very closely with House Banking

Committee Republicans and Democrats and Senate Democrats as their views and ours are most closely allied.

- A. **Timing.** Uncertain. Some believe that the Conference could last months, spilling over until next year. The Conference Committee is so large that effective negotiations will be difficult. Others expect that Senator Gramm will quickly put an offer on the table and a deal will be cut quickly with just a few around the table.
- B. **Responses.** The Administration is taking every opportunity to reiterate that we will hold firm on CRA and choice in bank operating structure. There is some fear that our supporters might be too eager to compromise with Senator Gramm on our core concerns in order to get a bill. We have the option of elevating the public attention to the CRA and privacy issues, if need be.
- C. **Presidential Action.** Nothing foreseeable at this time.

Class Action Reform. This bill is the highest priority of the industry tort reform coalition for this year. They hope to build on momentum from the Y2K bill, which contained comparable provisions for Y2K actions. The House Judiciary Committee completed mark-up of its bill, which could go to the House floor this fall. The Senate Judiciary Committee has held hearings, but Senator Hatch is reluctant to move the bill without stronger bipartisan support. Our allies (consumer groups and trial attorneys) will be looking for us to continue to demonstrate our strong opposition. We will continue to work to strengthen our case against the bill and find opportunities to express our concerns.

- A. **Timing.** House floor action could come in September if there is time on the calendar. Senate mark-up is unlikely soon, unless additional Democratic sponsors are found or until after House floor action puts pressure on the Senate to act.
- B. **Responses.** We will hold a series of outreach meetings with affected constituencies and State government groups that might be concerned about the federalism implications. We will work closely with Democrats in the House and Senate on strategy.
- C. **Presidential Action.** We may reiterate last year's veto threat when the bill gets to the House floor. Nothing else foreseeable at this time.

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EXECUTIVE AND OTHER NON-LEGISLATIVE ACTIONS

I. Building the New Economy and Advancing Technology

Technology Training for Tomorrow's Teachers. The Department of Education will soon be ready (after August 16th) to announce \$75 million in grants to help train new teachers to use technology effectively. This is a key component of the President's Educational Technology Initiative, since getting schools connected to the Internet will not improve educational performance unless teachers can use technology in the classroom. Currently, Riley is scheduled to announce these grants sometime during an August 23-26 trip to California. The Department would like to announce the grants in August. The Vice President is not available. *Timing: Sometime in August*

White House Conference on the New Economy. We could bring together top economists to meet with the President and Vice President on this issue. High profile panelists such as Alan Greenspan and a substantive discussion of major, cutting edge issues would ensure significant press coverage. Topics could include the impact of information technology on productivity, the business cycle, and inflation; the changing relationship between unemployment and inflation; and the changing relationship between regulation and international trade. *Timing: open*

Research Funding in a Post-Cold War World. Although there is strong support for biomedical research, there is little public or congressional understanding of the importance of investing in other research areas, such as physical sciences and engineering. In the past, DOD conducted much of the research in this area, but it has been cutting back on long-term research for the last ten years. The Administration needs to define and fund a set of research challenges for the 21st century (e.g., sustainable development) and the President could do so, just as he did at the MIT commencement in June 1998 in the context of the information revolution.

E-Society Initiative. In 1997, the Administration pulled together a set of public policy activities under the umbrella of "e-commerce." We believe that there is a value to organizing a similar effort on the social benefits and dimensions of the Information Revolution. By launching an "e-society" initiative, the President and Vice President can reinforce the message that the Information Revolution is not just about commerce, it is also about enabling Americans with disabilities to lead more independent lives, improving the way we educate our children, allowing adults to acquire new skills at a time, place and pace that is convenient for them, making government more open, efficient, and responsive, and expanding access to quality health care in rural communities. The Administration's budget makes significant contributions in this direction. We could potentially issue an Executive Order -- like the e-commerce EO -- to

and closing the Digital Divide
Very important

delegate the Administration's e-society agenda to the appropriate government agencies.
Timing: November-December

II. International Economic Initiatives

Executive Order on Sanctions Reform. Sanctions reform remains a critical priority for our agriculture and business communities. The President could announce an Executive Order imposing discipline on the imposition of economic sanctions under executive authority to broaden our policy on food and medicine sanctions announced this past spring. This action could provide leverage for a broader deal for similar self-restraint by Congress. We have already indicated support for sanctions reform legislation sponsored by Dodd, and are attempting to work with Helms and Lugar on their alternative proposals. However, it appears that the Helms legislation, which is most likely to move, will not contain our key priority (freestanding national interest waiver authority for the President) and may be more restrictive of the Executive Branch than Congress. As a fall-back, we would issue the Executive Order, challenge the Congress to get their own House in order, and then work with the Congress on a food and medicine sanctions bill that parallels the President's recent policy change. (There is an Ashcroft/Hagel amendment on food and medicine sanctions attached to the agriculture appropriations bill) *Timing:*

September — Assess the situation — Shore up

International Child Labor. The President recently sent the new ILO convention on the worst forms of child labor to the Senate. All indications are that Senator Helms and the Foreign Relations Committee will respond favorably to the convention, but there is no guarantee. We hope that Helms will hold hearings in September and move the Convention to the floor for advice and consent this year. We need to find a balance, pressing him to move forward without antagonizing him and making ratification more difficult. If the Senate gives its advice and consent, we can use the occasion of U.S. ratification to celebrate the President's leadership in efforts to eliminate abusive child labor. At the same time, we will be monitoring and pressing for full funding for our international child labor budget initiatives: (1) continued full funding (\$30 million) for the ILO's International Program for the Elimination of Child Labor (IPEC); (2) \$10 million in new funds for "Schoolworks!" – USAID's new program to help provide educational opportunities to remove children from abusive child labor; and (3) increased funding for customs and domestic child labor law enforcement.

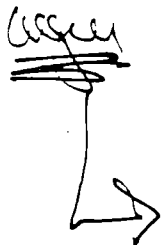
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personally*

Meet with Ex-Im and OPIC to Promote Manufacturing Exports. The President and Vice President could sit down with Jim Harmon at Export-Import Bank and George Munoz of OPIC to discuss everything that the two agencies are doing to address the global economic situation and to promote our initiative to boost manufacturing exports.

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III. Protecting Consumers

Financial Privacy and Other Forms of Privacy. Through a radio address or Vice Presidential event, we could focus on privacy issues before Congress returns or around that time. We do not need to identify it with either the bankruptcy bill or financial modernization. However, it will create uncertainty about our intent in both contexts and raise our leverage without committing us to insist on it in any specific context. We would not be making much policy news -- as on May 4 when the President outlined our view and two weeks ago when Gensler reiterated it before the Senate Banking Committee. Our message would be that Congress has an opportunity this fall to provide financial privacy protections to Americans, and that with so much change in the financial industries and with new technologies, we should not let the opportunity pass to make clear that financial privacy is a high priority. *Timing: early September.*



IV. Addressing Key Industry Challenges

Balancing Industry, Consumer, and Environmental Interests in Biotechnology: We have the strongest biotechnology industry in the world -- and enjoy enormous economic and environmental benefits. However, concerns about biotechnology are increasingly stymieing our agricultural trade, especially with Europe, and domestic environmental and consumer groups are becoming more critical and outspoken. Unless managed carefully, the biotechnology issue could grow to similar proportions as climate change. We are in the process of an Administration-wide review of our posture toward biotechnology that should culminate in the rollout of a coherent policy plan, following extensive consultation with key outside groups. We are considering addressing the consumer's right to know through voluntary labeling, placing greater emphasis on public education, and expanding scientific assessment in those areas where there are legitimate questions. On the trade side, given the strength of EU consumer antipathy, we are examining a shift in emphasis away from trade confrontation toward winning consumer acceptance through public education and science-based regulation. We will have to navigate a shift in our posture delicately, given strong Congressional interests in this issue and divisions among the diverse elements of our own industry. *Timing: late October.*

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Strengthening the Domestic Oil & Gas Industry. In 1998 and early 1999, the oil and gas industry suffered unusually low prices. Small independent producers were hit particularly hard, and 50,000 jobs were lost. At the request of Secretary Richardson, the NEC initiated a process to identify steps to assist the industry. The industry is primarily interested in tax cuts, reduced environmental regulation, and greater access to federal lands -- each of which is opposed by the relevant federal agency. Moreover, OMB, CEA and Treasury believe that no real crisis exists, and point out that prices have rebounded. The President's decision to sign the Byrd/Domenici loan guarantee bill goes some distance in addressing the industry's concerns. Commerce will shortly send the results of a Section 232 trade investigation to the President that will recommend that we implement

the existing national energy strategy, which was developed in response to an earlier Section 232 report on oil. We will need to determine whether we want to take additional steps to address DOE's concerns. *Timing: September-October.*

V. Other Initiatives and Announcements

School Modernization. There are more kids in school today than ever before. The growth of the school age population increases the need to build more new schools. In addition, existing schools are, on average, over forty years old and in need of modernization and repair. This is particularly true in urban and rural areas. The President's School Modernization proposal addresses this issue by providing tax credit bonds to help finance the building and repairing of over 6,000 schools. Representative Rangel, the House sponsor of the President's proposal, recently filed a discharge petition to force the House to consider this issue. The petition already has 190 of the 218 signatures necessary to force the House to vote on the issue. There are two upcoming opportunities to highlight this issue:

- On August 19th, the Department of Education will release the Baby Boom Echo report on the growing school age population.
- The labor movement has organized a series of school construction events throughout August, and has **agreed to make school construction a focus on Labor Day**. The President is scheduled to do a Labor Day school modernization at a site to be determined, near Camp David.

DoL
Domestic Child Labor Law Changes. We are analyzing with DoL legislation sponsored by Senator Harkin to enhance protection of child laborers in agriculture. Currently, U.S. law bars DoL from providing the same protections from hazardous work and from limiting hours of work for children in agriculture as they provide for children in manufacturing and all other workplaces. Administration support for this legislation now might prompt agricultural employers to oppose U.S. ratification of the ILO Convention on the worst forms of child labor, even though we argue that convention does not require any change in U.S. law for ratification. If, however, the Senate gives its advice and consent to the ILO Convention, we may then wish to announce our support for Harkin's bill, perhaps coupled with a budget initiative to fund training to allow children to work **more safely on farms.**

DoA
Domestic Agricultural Labor Laws. We *may* have an announcement about new policy on domestic agricultural labor laws -- but we probably want to spend a few months making the case that there is a problem, before we suggest the solution. Labor is working on a plan. *Timing: Fall*

Report on New Markets for Environment and Energy Technologies: The President's

Committee of Advisors on Science and Technology (PCAST) has completed a report examining the development of energy and environmental technologies. The report concludes that trillions of dollars of investment in this sector will be made worldwide over the next 50 years, including over \$100 billion in electricity generating capacity in developing countries over the next decade. This presents a giant export opportunity for U.S. companies. The report recommends \$250 million in additional federal spending in FY 2001, ramped up to \$500 million by FY 2005 in support of this effort. We could plan an event at which the President acknowledges receipt of the report, and announces that the FY 2001 budget will have funds to implement PCAST recommendations (DOE, USAID are ready to say this, according to OMB). The President could also challenge Secretary Daley to develop a plan to double environmental technology exports in 4 years, a challenge that he is prepared to accept. Industry leaders who helped draft the report (Bechtel, Hewlett Packard, Enron) would attend the event. This message is that we are supporting an effort to increase exports of new technologies, creating jobs for the 21st century in the process.

VI. Upcoming Economic Releases that May Provide Message Opportunities

August 17	CPI, Housing Starts, Industrial Prod & CU
August 19	Trade
August 25	Advance Durable Goods
August 26	GDP-II (rev)
September 2	Productivity
September 3	Employment numbers (August)
September 22	Surplus for FY99
September 30	Census: Income and Poverty Numbers
October 8	Employment numbers (September)

September 2, 1999

MEMORANDUM TO THE CHIEF OF STAFF

FROM: Bruce Reed
Eric Liu

SUBJECT: Possible Policy Announcements

EDUCATION

1. **Safe Schools Grants** (mid-September): The President can award \$300 million in grants to 50 communities that will have won a nationwide competition to develop youth safety partnerships between schools and community, health, and law enforcement agencies. He also can announce \$32 million in grants for anti-drug middle school coordinators. In addition, we are preparing an executive order to improve coordination of federal school safety efforts.
Possible September 11 radio address.

2. **Teacher Quality Partnership Enhancement Grants** (September 7): The President will award \$75 million to fund projects to promote comprehensive and lasting change to teacher preparation programs and help prepare excellent future teachers for America's classrooms.
POTUS announce at Sept. 7th class size event.

3. **Tenth Anniversary of the Charlottesville Summit** (September 26-27) and **NGA Palisades Meeting on Standards** (October 1-2): The 10th anniversary of President Bush's Education Summit, which set ambitious, largely unmet goals for educational achievement by the year 2000, will attract considerable press attention. The President has expressed interest in commemorating the event, perhaps with a major speech on the future of education. Also, the governors will be meeting in Palisades, NY a few days later, to discuss their progress since the 1996 standards summit in Palisades where the President first called for ending social promotion. We may be in a position to announce the progress states are making in adopting their own version of a national test in 8th grade math. *Week of Sept. 27 - Oct. 1.*

CRIME

1. **NICS Report** (early September): The President can release a report on the results of the FBI's National Instant Check System (NICS) over the past 6 months. The report will detail how many (and what types of) prohibited purchasers have been stopped from buying guns under the NICS, how long it takes the FBI to complete NICS checks, and how law enforcement is responding to NICS denials. *Sept. 9 meeting with mayors.*

2. **HUD Gun Buyback** (early September): The President could announce a \$15 million gun buy-back program run by HUD, which is part of their larger Drug Elimination Grant program. *Sept. 9 meeting with mayors.*
3. **Report on Gun-Related Commerce** (after September 20): The Treasury Department is preparing a report on gun-related commerce in the U.S, which will include information on the overall number of guns bought and sold, as well as other information.
4. **Annual Report on School Safety** (mid-October): The Departments of Education and Justice will be ready to release the 2nd Annual School Safety Report, as well as a new web-based version of the Early Warning Guide.
5. **1998 Uniform Crime Report** (October): The FBI will likely release the final version of the 1998 Uniform Crime Report sometime in October. We will consult with the Justice Department to see if we can time the release of the UCR with any other crime announcements (i.e., COPS grants), or perhaps to make it the topic of a radio address.
6. **Housing Authority Lawsuit** (sometime this fall): A coalition of public housing authorities is considering a lawsuit against the gun industry. We are working with HUD, Justice, and Treasury to determine the Administration's role.
7. **Youth Tolerance Event** (October 26): A public-private partnership (AT&T, Court TV, the National Middle School Association, the Anti Defamation League, and Cable in the Classroom), along with the Departments of Justice and Education, will hold a national student dialogue on tolerance and diversity. Approximately 25 middle school students will assemble in Littleton, Colorado with interactive links to students in three other locations. The President announced this partnership in April and could speak at the event.
8. **Hate Crimes – Community Mobilization Event** (this fall): In November 1997, the President announced the creation of hate crime working groups led by U.S. Attorneys across the country. The President could host a roundtable to highlight what these working groups are doing. He could also demonstrate the Anti-Defamation League's "HateFilter" which protects children by blocking access to hate sites on the Internet.
9. **Domestic Violence Screening** (October): The Family Violence Prevention Fund is holding events around the country, including in Washington, D.C., to further educate and encourage health care providers to routinely screen for domestic violence. We could take this as an opportunity for the President to speak about our efforts on this issue.
10. **Gambling Package** (Sept/Oct): We are completing an interagency review of the Gambling Commission report. By September, we may be able to submit legislation to prohibit Internet and underage gambling and release a Treasury study on gambling and bankruptcy.

11. **Postal Fraud Prevention Event** (October): During the week of October 25, the Postal Service is planning to mail to every home in America – approximately 120 million addresses – a card containing valuable fraud prevention tips, including a new toll-free number that will connect callers with the FTC's Consumer Sentinel phone bank. We are checking to see whether the President could make this announcement.

HEALTH CARE

1. **Report on HMO Withdrawal in Medicare** (late September): In addition to events like the Sept. 8 speech, which underscores legislative priorities (Medicare, PBOR, and the bipartisan Work Incentives Improvement Act), the President can release a new report detailing HMO withdrawals and benefit limitations (including limits on prescription drugs) in Medicare managed care. This event would highlight the need for managed care reimbursement reforms such as those proposed by the President, and should be timed to follow the budget veto.
2. **State-by-State Medicare Report** (mid-September): The President can release a report with new state-specific information on Medicare, including detailed demographic information and statistics on statewide managed care penetration. We could do special invitations to regional press for local coverage. The Vice President is interested in releasing this report.
3. **Rural Health Grants** (September): The President or VP could announce a grant program (\$125 million over four years) to promote the development of rural health networks and enhance the delivery of emergency medical services. Funds will also be used to help convert qualified local hospitals to "critical access hospitals," which are eligible for higher reimbursement rates under the Medicare program.
4. **Organ Donation** (September): The President or VP can announce new efforts to increase organ donation: (1) \$5 million in grant funds; (2) an executive memorandum to increase the amount of paid leave available to a Federal employee who serves as an organ donor for seven days to thirty days a year; and (3) a new guidebook for health care professionals on counseling families about organ donation. Both have indicated their interest in this event.
5. **Health Care Coverage Reports and Initiative** (late September/early October): The President and First Lady could release a new Families USA report on enrollment in the CHIP program. The President and the First Lady could then: (1) release a new TANF regulation establishing financial incentives to enroll eligible individuals into Medicaid; (2) announce a campaign to distribute applications for and information about CHIP through school systems around the country; (3) release the second Federal Interagency Task Force Report on Children's Health Insurance Outreach, including new outreach efforts by the Postal Service, Americorps and the Department of Transportation; and (4) direct the Department of Education and HHS to develop a plan to make school-based screening for health insurance a standard part of school enrollment, like immunizations.

6. **Privacy Regulation** (October): The President can release a major new regulation providing comprehensive privacy protections for electronic medical records. We are pressing HHS to complete the regulation by October.

WELFARE

- ✓ 1. **Housing Vouchers** (September): We should be ready to award contracts to communities for 50,000 new housing vouchers for welfare recipients who need housing assistance to get or keep a job. The VA/HUD appropriations bill fails to fund the President's request for an additional 100,000 additional vouchers, 25,000 of them for welfare to work.
- ✓ 2. **Bonuses to Reward Reduction in Out-of-Wedlock Births** (by September 15): We can award \$100 million in bonuses to up to five states that have had the largest decrease in the percentage of births that are out-of-wedlock, and also decreased their abortion rates. The likely winners are California, Michigan, Massachusetts, Alabama, and D.C.
3. **Welfare to Work Competitive Grants** (September): The Labor Department will be ready to release over \$200 million in Welfare-to-Work competitive grants to non-profit, community, faith-based, and business groups. In September, Labor also will announce a grant to set up a program to help as many as 10,000 former welfare recipients we hire to take part in the 2000 Census find permanent employment when the Census is over.
4. **Teen Pregnancy Prevention** (September): We should be ready to release: (1) preliminary national data showing the teen pregnancy rate in 1998; (2) a best practices toolkit for communities; and (3) a report to Congress on teen pregnancy prevention efforts to date.
5. **High Performance Bonus** (late September): We should be able to award \$200 million in high performance bonuses to states that have been the most successful in helping people move from welfare to work and remain in the workforce, and issue a draft rule that could expand the bonus to reward states for increasing Medicaid and food stamp coverage.
- ✓ 6. **Individual Development Accounts**: (by September 15th): We can award nearly \$10 million for the first IDA demonstration grants under the new Assets for Independence demonstration program that the President signed into law last October. Grants are going to 35 community-based organizations in about half the states. This would also be an opportunity to highlight our FY 2000 budget request to double IDA funding to \$20 million.

CHILDREN AND FAMILIES

- ✓ 1. **Introduce Legislation to Prohibit Discrimination Against Parents** (September): The parental discrimination legislation the President called for in the State of the Union, which received a flurry of press attention this spring, will be ready to introduce in September.
2. **Adoption Bonuses** (September): The President and First Lady can announce HHS figures showing a substantial increase in adoptions since 1996, and award financial bonuses to states

 for their adoption increases. This is also an opportunity to push Congress to complete foster care legislation which passed the House and is pending in the Senate. *Sept. 24th event.*

-  3. **Announce Proposed Rule on Paid Leave for New Parents** (October): In his commencement speech at Grambling State, the President directed the Labor Department to propose new regulations to help states use the Unemployment Insurance (UI) system to support parents taking leave to care for a newborn or adopted child. The new regulations would authorize an expansion of the UI system, allowing states that wish to use unemployment insurance to assist new parents to put their plans into effect.

TOBACCO

1. **Justice Department Lawsuit** (later this year): While the Department completes the preparation of its case, we can expect a high-profile fight with Congress over the \$20 million appropriation we requested.

SERVICE / PHILANTHROPY

-  1. **Americorps Fifth Anniversary** (October 20): This is an opportunity to build up bipartisan support for Americorps to ensure its survival in future years. We can develop a slate of policy proposals to this end, ranging from service learning initiatives to voucher-style proposals to spur citizen service.
2. **Philanthropy Conference** (October 22): At this White House Conference led by the First Lady, we could unveil a package of proposals to encourage giving.

September 2, 1999

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed
Eric Liu

SUBJECT: Strategic Overview – Fall 1999

This brief memo provides an overview of our congressional and executive strategy for the coming months. We have also attached a lengthier memo that details a range of possible policy announcements and events for the fall. And we will at a later date be sending you a slate of other non-legislative policy initiatives that we could undertake in the balance of the term.

I. Congressional Action

In addition to the budget debate, the major legislative activity when Congress returns will center around four substantive areas:

- **Patients Bill of Rights:** The House should pass it in mid-September. We should press for a quick conference, and set this up as the bill that panicked members turn to when they realize they have to pass something before Congress goes home.
- **Juvenile Justice:** An agreement on gun shows is not out of the question, but more likely the conference will founder or produce a stripped-down bill that dies with a Senate filibuster or veto. We should keep the pressure on throughout the fall; conceivably, we could tell them not to go home without getting it done right.
- **Jeffords-Kennedy:** This bill, the Work Incentives Improvement Act, is waiting for offsets and House passage. It is a good candidate to wrap into any year-end vehicle, like an extenders bill. (The foster care bill, which passed the House, is another contender.) One note from Chris Jennings: we should when possible acknowledge other sponsors (Jeffords-Kennedy-Roth-Moynihan, Lazio-Waxman-Bliley-Dingell).
- **Education:** The House will probably pass a Title I bill we won't like; the Senate may mark up ESEA reauthorization in committee. Our best chance to fight for education reform this year is to insist on the \$200 million for Title I accountability we asked for in the Labor/HHS bill. Class size will be the key partisan battle on that bill.

Must
to
get

Must
discuss

II. Executive Action

We have attached a list of actions – regulations, reports, grants, etc. -- the President can take on his own over the next three months, with or without help from Congress. These include:

- ✓ **Education:** We can award a series of grants that will: (1) give us a platform to highlight the budget battles over class size, school construction, and our Children's Education Trust Fund; and (2) reassure parents, through grants, reports and speeches, that we're doing all we can on school safety.
- ✓ **Youth Violence:** We will be able this month to do a formal kick-off of the grassroots National Campaign Against Youth Violence, and issue an executive memorandum creating a DPC Task Force to coordinate federal efforts on this problem.
- **Crime/Guns:** We will have two newsworthy reports on guns, charter commitments on the youth violence campaign, and after Congress has left town, the possibility of a housing authority lawsuit on gun violence.
- about this!* ✓ **Tobacco Lawsuit:** While we're battling with Congress over funds to bring the suit, Justice may soon be ready to be more explicit about the nature and timing of its complaint.
- **Health Care:** We'll keep generating reports to keep the spotlight on Medicare and other legislative priorities, and issue the privacy regulation after Congress goes home.
- GA!* ✓ **UI/Paid Leave:** Following up on the President's promise at Grambling, we have a regulation in the works that gives states the flexibility, on an experimental basis, to use their unemployment insurance programs to support paid leave. The Labor Department will soon be issuing proposed rulemaking on this.
- ✓ **Other Executive Actions:** Another new proposed regulation should also get press attention: a new welfare rule to reward states for boosting Medicaid and Food Stamp coverage (so-called high-performance bonus). We can also find an opportunity to push a good initiative buried in our budget request: a \$70 million program that combines ESL and civics education to help new immigrants become full participants in our society. In addition, we could launch a high-profile commission: on boosting voter participation, especially among the young (raised by Rep. Bernie Sanders); or on healthy parenting. And finally, the First Lady's conference on philanthropy could give us an opportunity to unveil some new policies to encourage giving.

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D C 20503

August 11, 1999

MEMORANDUM TO KAREN TRAMONTANO

FROM: DANIEL SAKURA 
CHIEF OF STAFF, COUNCIL ON ENVIRONMENTAL QUALITY

SUBJECT: EVENT PROPOSALS

The attached list responds to your request for information about possible events and announcements in September, October and November.

At this point, our highest priorities include the roadless announcement with the U.S. Forest Service, Headwaters forest and a budget message.

We are working to identify additional event possibilities relating to clean air, clean water and other EPA issues.

If you have any questions, I can be reached at 456-6144.

cc: Roger Ballentine
Elliot Diringer
Beth Viola
Brad Campbell

8/11/99

POSSIBLE ENVIRONMENTAL EVENTS/EXECUTIVE ACTIONS

September

✓ Announce draft rules for the National Forest road system and roadless areas with USDA/Forest Service in response to a letter from Members of Congress. Announcement could be in Washington, D.C. (John Podesta has participated in these discussions.)

✓ Visit Headwaters forest in Northern California to announce possible release of draft management planning guidance for the newly acquired area, in conjunction with the State of California. A visit would provide an opportunity to highlight one of the Administration's most visible conservation achievements. (Event could also be in October.)

✓ Highlight Lands Legacy with announcement of acquisition of sensitive lands using Land and Water Conservation Funds (LWCF). The President could announce permanent protection of Civil War site by the National Park Service at the Chancellorsville Battlefield, near Fredericksburg, Virginia, with a possible tie in with FY 2000 budget. (We are working with Roger Ballentine on this.)

- (Vice President is tentatively planning to announce release of Oceans Report. on September 2 in Boston.)

October

✓ Announce veto of appropriations bill(s) which contain highly objectionable riders (e.g. Interior appropriations and Energy and Water) or deep funding cuts for environmental programs (e.g. Interior and Commerce, Justice, State).

- Participate in the National Wildlife Refuge Week (October 10-16) with the U.S. Fish and Wildlife Service to highlight importance of Lands Legacy at a National Wildlife Refuge. There are many opportunities for events in the mid-Atlantic/East Coast, along with a possible tie in with the FY 2000 budget relating to Congress' deep cuts in Lands Legacy and possible shutdown of National Wildlife Refuges during hunting season.
- Consider announcing a possible directive to U.S. Army Corps of Engineers to reevaluate proposed navigation projects in eastern Arkansas in the White River National Wildlife Refuge. Conservation groups support reevaluating the projects, while Rep. Marion Berry has expressed strong reservations.

November

- Announce Duck Stamp award winner (early November) in conjunction with U.S. Fish and Wildlife Service at the Interior Department in Washington. Proceeds from the sale of Duck Stamps are used to acquire wildlife habitat. As an alternative, a photo-op with the ~~winner~~ at the White House would likely receive substantial press coverage.
- Announce completion of the Final Environmental Impact Statement (EIS) for the Hanford Reach of the Columbia River in Washington State with the Department of Energy and the U.S. Fish and Wildlife Service. The EIS is currently considering the management of 90,000 acres of land at DOE's Hanford Nuclear Reservation in south central Washington State. Senator Murray has actively supported the process.
- Recycling event with corporate leaders who have made major commitments to recycling.
- USDA/Conservation Reserve Enhancement Program (CREP) river announcement, with rivers to be determined.

STRATEGIC/MESSAGE PLANS

Office of Environmental Initiatives

August 10, 1999

Achievements and priorities given to the environment have distinguished this Administration from those past and continue to demonstrate clearly the differences between Democrats and Republicans. We have an opportunity to leave two indelible environmental legacies, as 1) the first Administration to address seriously the threat of global warming; and 2) the Administration that made environmental conservation a true and *permanent* national priority, through our Lands Legacy proposal.

1. LANDS LEGACY

A. **Objective** – In addition to securing as much of our relevant FY2000 budget as possible, we are working toward enacting authorizing legislation that would create permanent funding for the Land and Water Conservation Fund and other environmental priorities.

B. Possible Presidential Actions –

if it works

- Announcement and perhaps appearance at site of significant LWCF land acquisition (e.g. Baca Ranch).
- Radio Address on using this time of economic prosperity to secure long-lasting natural prosperity for future generations, perhaps announcing proposed acquisitions.
- ✓ Opening of historic section of Civil War battlefield in Fredricksberg saved from development with LWCF funds.
- Visit to site where public-private partnership, without federal land acquisition, preserved valuable and threatened land. Our LL initiative is about more than land acquisition by the federal government, as we have numerous programs to assist private landholders to work with government and non-profits to do the right thing.
- Possible veto of Interior Appropriations bill.

C. Republican Agenda and Response

The Republicans are united in not wanting to give the President a legacy, but divided on the substance. Several bills which establish permanent funding for

environmental priorities are bipartisan (Murkowski, Lott, Don Young, etc.). While these bills do contain some provisions we support, their emphasis is on "coastal impact assistance" to states that produce offshore oil and gas. The promise of large sums of money to a number their states is the primary Republican motivation – not environmental protection. Some Republicans, mostly Westerners and conservatives, are deeply opposed to these bills, because they believe such legislation will lead to more federal ownership of property. Our agenda will be criticized from this perspective.

D. Timing and Strategy

Relevant bills have not passed committee in either house. Even when they do, floor action is unlikely, or at least unlikely to be successful. Budgetary points of order and opposition from the House leadership are problems. The strategy then is to insert acceptable legislation into an end-game/omnibus situation. This will need to remain a top priority for the President in that context, and Senator Lott has similar interests in trying to include a bill acceptable to him.

Thus, we face several hurdles: 1) keeping this a top priority for us; 2) finding common ground on language with Lott/Young; 3) overcoming objections from House leadership as well as appropriators like Stevens and Domenici; and 4) convincing our supporters that whatever deal clears these tests is worthy of their support.

It is not at all clear that a sharp, partisan message from the President will be the best tool for increasing our chances of reaching a deal. Our message should be to the American people and it should be mostly positive.

2. CLIMATE CHANGE

- A. Agenda** – Promoting domestic actions to reduce greenhouse gas emissions while expanding political support for both strong domestic and international measures. Our focus will be on public education, securing funding for our Climate Change Technology Initiative budget and Clean Air Partnership Fund, legislation to give companies credit for reducing emissions, and ongoing diplomatic efforts.

B. Specific Initiatives/Possible Presidential Actions

- ✓ • *Bioenergy.* This week, the President will sign an executive order and participate in an event promoting the development of this clean energy source for the 21st century.
- ✓ • *Utilities.* We are working on a major initiative which if successful would result in a significant portion of the electric power-generating sector to announce voluntary reductions in greenhouse gases. This would be an

Good

appropriate announcement for the President and the Vice President, most likely in September or October.

unjust

- *Federal Fleet.* We are working on an Executive Order that would demonstrate federal leadership in the effort to reduce petroleum consumption, to purchase efficient and alternative vehicles, and to save taxpayers money. We hope to have this done in October or November.
- *Science/Budget.* In conjunction with new information regarding the science of climate change, the President could deliver a strong message to Congress on their failure to fund our climate priorities.
- *Veto.* Several appropriations bills may contain very serious climate change riders.

Good

Economic Event. In conjunction with NEC, we are exploring an economic event that would highlight the economic opportunity for American business in producing and exporting the technology that will help the world fight global warming.

C. **Republican Agenda and Likely Response**

Republicans have for the most part given up on the strategy of fighting over whether or not climate change is real. Instead, they characterize our proposals and economically unsound, a threat to U.S. sovereignty, and extreme. Some of our opponents have introduced legislation that is extremely modest but which could serve as an excuse for doing nothing else. We will continue to be criticized for negotiating a treaty that some studies show would be costly to implement.

D. **Timing and Strategy**

Over the next two months, we need to keep the pressure on Congress vis a vis our budget and the riders. Public opinion is supportive of our position, and many see the Republican opposition as a function of powerful special interests. We should press that theme. At the same time and beyond, we need to continue to educate the public on the science, and to keep stressing "win-win" domestic proposals that will help us fight climate change and provide economic opportunity to farmers, small businesses and others.

Roger Ballentine

RB

Cc: George Frampton

THE WHITE HOUSE
WASHINGTON

August 10, 1999

What about
cuts in NASA budget
Academy Research -
an unbalanced one?

fx

MEMORANDUM FOR KAREN TRAMONTANO

FROM:

NEAL LANE

Neal Lane

SUBJECT:

Long-term Strategy for Science and Technology

A focus on American leadership in science and technology would be an excellent strategy for the next six months since it offers opportunities for bipartisan cooperation and achievement.

STRATEGY FOR SCIENCE AND TECHNOLOGY

The President has increased the S&T budget in each year of his presidency. The Research Fund for America -- an unprecedented proposal for support of S&T in the FY 1999 budget request -- fared extremely well in Congress. The President has helped to persuade the American people that continued American leadership in the world, a healthy economy, a strong defense posture, and a better quality of life for all Americans depend on our enduring commitment to research and to technology. We are following through on that commitment with strong support for research and development appropriations bills and for the specific agenda items and possible Presidential actions that follow.

Legislative Agenda

1. IT² Authorization Bill. The President's FY 2000 Budget requests funding for an initiative for Information Technology in the Twenty-First Century (IT²). We are working with the House Science Committee and the Senate Commerce Committee to develop legislation that endorses this strategic initiative in three areas: a) long-term fundamental research in computing, information, and communications; b) increased investment in high-end computing to support particularly challenging research in science and engineering; and c) increased research to identify, understand, anticipate, and address the socioeconomic effects of information technology, including education and workforce issues.
2. Reauthorization of the Office of Educational Research and Improvement. We are working with the Department of Education (ED), DPC, and OMB to create a permanent authority for ED's research arm. The proposal offers a bold new vision for carrying out educational research that focuses on a small set of priorities, improves the rigor, quality, and utility of educational research, insulates the agency

from political influence, and bolsters its institutional capacity. Much of the proposed structure for the new research agency draws on the NIH and NSF models.

3. International Technology Transfer: We are working with both the House and Senate on legislation that directs a review to improve international technology transfer policies and practices at the Federal laboratories, particularly with respect to cooperative research and development agreements. The purpose is to ensure that defense and economic security issues are appropriately assessed in these international partnerships. H.R. 209 (Technology Transfer Commercialization Act) passed the House and a similar version is expected to pass the Senate in the near future. The National Science and Technology Council has an effort underway that would be responsive to the legislation.
4. Food Safety: At the request of the President, his Council on Food Safety prepared a response to a National Academy of Sciences report that called for a major restructuring of our federal food safety system. The Council's response to this report committed the federal food safety agencies to a strategic planning exercise including exploring various administrative and legislative options to improve the system's efficiency and effectiveness. Over the next few months, this planning process will create an environment suitable for additional White House leadership to proposed new food safety legislation or take administrative actions that address issues such as overlapping jurisdiction (e.g., eggs) or structural improvements (e.g., consolidation of the inspection force).

Possible Presidential Actions

Science and technology underpin all of the major policy areas identified for development of the strategic plan. The following actions (listed in estimated chronological order) often support multiple priorities (which are identified in parentheses).

1. Nobel Laureates Letter Supporting CTBT (S&T; Strong America). The American Physical Society is ready to provide this letter to the President for release **anytime** the Administration decides to make a major push on the treaty.
2. *National Bioethics Advisory Commission Report on the Ethical Use of Human Embryonic Stem Cells* (S&T; Ethics). NBAC will deliver its report to the President at the end of **August**. NIH plans to publish its draft guidelines for public comment in the Federal Register in **September**. The President could meet privately with the NBAC Chairman and the NIH Director in August, to receive the report and charge NIH to use the NBAC recommendations in drafting its guidelines. The President could use the public release of the draft NIH guidelines as an opportunity to call for support for biomedical research, prior to the appropriations markup of Labor/HHS.
3. *Federal Policy on Research Misconduct: Protecting the Integrity of the Research Record for Federally Funded Research* (S&T; Ethics). This policy will be published for comment in the Federal Register in **September**. The policy underscores the President's emphasis on sustaining public trust in the scientific enterprise, and its release offers an opportunity for the President to make a

statement on that topic, as does an **October 14** workshop at the National Academy of Sciences.

4. State-Federal-Industry Partnership for K-12 Math and Science Teacher Recruitment (S&T; Education). In **September** we will be ready to announce the pilot program (10 school districts) that will provide core funding for establishing partnerships with local industries to ensure year-round, high-wage employment for math and science teachers.
5. *Creating the 21st Century U.S. Scientific, Technical, and Engineering Workforce* (S&T; Education; Economy). The President directed the NSTC to produce this report, which deals with the participation of women, minorities and the disabled in the science and technology workforce. The report should be ready for release in **September or October**. The President and Vice-President could meet with executives of high-tech companies that rely heavily on the science, technology, and engineering workforce to announce these companies' commitments to increase diversity in the workforce, while also releasing the report.
6. Presidential Summit with CEO's (S&T; Economy; Education). In **September**, the President should meet with CEO's and University Presidents to discuss the impacts of current appropriations measures on the long-term prospects for the Nation's S&T enterprise.
7. *PCAST Report on Contributions of S&T to the New Economy* (S&T; Economy). In **September** the President's Committee of Advisors on Science and Technology will produce a report that documents the payoff from the Federal investment in science and technology that the President should transmit to Congress and many other audiences.
8. Interagency Education Research Initiative grants (S&T, Education). The first round of research grants under the IERI will be made in **September**. Inspired by PCAST, this ED-NSF-NICHD initiative will fund large-scale, rigorous research focused on improving key K-12 educational outcomes through technology. The President could use this opportunity to voice his support for educational research funding.
9. *Report from the IWG on Launch Range Review* (S&T; Economy). This report, which will be released in **October**, will make recommendations concerning the civil, commercial, and national security roles and responsibilities for operation, maintenance, improvement, and modernization at U.S. space launch bases and ranges, which the President could announce and implement.
10. Mentoring Awards (S&T; Education). The President established these awards for mentors of underrepresented groups in S&T in 1996 and could make presentations to the new awardees in **October** and make a statement about the importance of diversity to a strong, national S&T enterprise.
11. Dedication of the Relativistic Heavy Ion Collider (S&T ; Economy). On **October 4** the Relativistic Heavy Ion Collider, or RHIC will be dedicated at Brookhaven National Laboratory on Long Island. This new \$600 Million particle physics facility will allow experiments designed to turn back the clock to a simulate conditions right after the big bang and test basic theories about what the universe is and how it got that way. The dedication ceremony would be an opportunity for the President to emphasize the need for stable, substantial investments in S&T.

Sharon
Source

12. Young Scientists Awards (S&T; Education). Each year approximately 60 scientists in their early careers receive Presidential awards for excellence, which the President could present in **November**. The President could use the opportunity to announce new commitments to recruiting a talented, diverse S&T workforce.
13. Institute for National Information Infrastructure Protection (S&T; Economy). The President's Committee of Advisers on Science and Technology have endorsed establishing a private, non-profit federally funded institute to address the vulnerability of increasingly interconnected U.S. information networks through research, engineering testing, "best practices" research, and vulnerability studies. We have overseen a study of the proposal whose preliminary findings are positive on establishing such an institute. There appears to be significant private sector support for it as well. This could be rolled out as early as **November**.
14. Executive Order on International Energy Cooperation (S&T; Environment; Energy; Economy). Following on the recommendations of the just-released PCAST report, *Powerful Partnerships*, the President could issue an Executive Order in **November** that would create a strategic management process to develop a vision and a plan for international energy research, development, demonstration, and deployment (RD3) activities. The EO could create an NSTC working group with representatives from each of the primary agencies associated with international energy RD3 needs. The working group would conduct a portfolio assessment of **energy RD3 needs**, building on the work of PCAST, and help coordinate the final FY2001 budget proposals for international energy RD3 areas. The EO would also establish an external Advisory Board to help closely link activities with the private sector and to systematically develop effective partnerships. In addition, the President could use the EO to direct related policy actions at the various federal agencies and the Multilateral Development Banks.
15. Regional Meetings on the Government-University Research Partnership (S&T; Education; Economy). On **November 4-5** at Purdue (IN), **December 1** at Stanford (CA), and in **January** at Georgia Tech OSTP will convene regional meetings to discuss the principles of the Government-University research partnership. The meetings would be opportunities for the President to call for renewed support for university-based research and greater integration of teaching and research.
16. Symposium on Enhancing Innovation (S&T; Economy). OSTP, DOC, DOD, DOT, the Council on Competitiveness and the Industrial Research Institute will sponsor this meeting **November 30/December 1**. The symposium will look at nonbudgetary items that will further enhance the U.S. innovation engine. The best opportunity for the President would be a speech on the afternoon of November 30.
17. Medal of Science/Medal of Technology (S&T; Economy). In **December**, the President should present the Medals of Science and Technology (the American equivalent of the Nobel Prize) to the most outstanding scientists and engineers in the country, using the opportunity to renew the Nation's commitment to stable, substantial investment in S&T.

18. Executive Order on International Technology Transfer at the Federal Laboratories (S&T; Economy). In **January**, the President could issue an E.O. (under development by the National Science and Technology Council) clearly defining procedures to ensure thorough assessment of national security and economic competitiveness concerns, primarily with respect to cooperative R&D agreements and licenses.
19. International Conference on Integrated Nano/Microtechnology for Space Applications (S&T; Economy). The President could roll out the Nanotechnology Initiative for the FY 2001 budget on **January** 23-28.

Timing and Strategy

The President should undertake some public events supportive of science and technology investments this Fall to underscore his continued support for his R&D budget request and to indicate a strong commitment to substantial and stable funding for R&D. These events would lead up to a strong FY 2001 budget and SOTU statements.

DRAFT DOMESTIC AGENDA

5/22/99

WORK AND FAMILY

- Create tax incentives for companies that offer flexible hours, compressed work weeks, part-time work with benefits, job sharing, extended parenting leave, and telecommuting.
- Continue to champion child care agenda, particularly subsidies for low-income families and improved training, monitoring and compensation for caregivers.
- Expand Family and Medical Leave Act -- either by lowering threshold further, lengthening time period, or creating new category for allowable leave.
- Introduce paid leave proposal -- perhaps beginning with demonstration programs to support pending state proposals to use unemployment insurance or temporary disability insurance systems.

ECONOMIC SECURITY

- Continue to champion minimum wage increases.
- Defend EITC against rollback.
- Increase the availability of section 8 housing vouchers for low-income families -- building on a policy shift already begun in the Clinton Administration to allow families to choose where they will live rather than force them to live in public housing projects.
- Continue to protect Social Security as an important support for women and as part of a plan to address high poverty rates among elderly women.
- Continue to champion equal pay.
- Build on existing microcredit programs including CDFI and SBA microlending program.
- Champion broad consumer protection initiative, including protecting privacy, strengthening disclosure requirements, expanding access to financial services, educating consumers, and preventing fraud and abuse.

WELFARE

- Child support: (1) require fathers to work off their child support obligations; (2) reform family court system; (3) create national system of child support enforcement (Hyde-Woolsley bill already exists).
- Welfare to Work: (1) continue to insist on the importance of work, but ensure adequate supports, including child care, job creation/job placement services, health care, English language training; (2) offer greater tax credits to businesses who hire hard to place workers from welfare.
- Continue to work to restore benefits for legal immigrants.

EDUCATION

- Teacher Quality: (1) increase teacher salaries; (2) institute testing of new teachers and recertification requirements every 5 years; (3) create "teacher corps" of new college graduates, and offer incentives for people to switch careers and obtain certification to become teachers; (4) provide additional support for ongoing professional development to prepare teachers for higher standards required of their students.
- Failing Schools. Propose to give failing schools tools (e.g., additional funding, teacher training) and a limited period of time to improve, and reconstitute those unable to do so.
- Smaller Schools. Propose that school construction money be used for the construction of smaller schools.
- Choice: (1) continue to support public charter schools with strong accountability; (2) support intra district choice to allow students in low-performing schools to chose to attend better schools in the district.
- After-School. Propose universal access to after-school programs.
- School Safety. Support school uniforms, discipline codes, and alternative schools for problem students.

EARLY CHILDHOOD DEVELOPMENT

- Continue to support Head Start expansion and set new goal for number of children served beyond 2002.
- Continue to be spokesperson for Prescription for Reading Partnership.

CHILD WELFARE AND ADOPTION

- Develop court reform proposal to improve data collection and tracking, and to train and support judges and court-appointed advocates.

CRIME/GUN CONTROL

- Continue to support community policing, including commitment to reach 100,000 new police officers.
- Continue to support efforts to restrict youth access to guns, including raising the age of the youth handgun ban to 21, banning juvenile possession of semiautomatic assault rifles, holding adults responsible for children's access to guns, and requiring safety locks for guns.

YOUTH VIOLENCE

- Support greater investments in prevention, including mentoring, peer mediation and conflict resolution, and after-school programs.
- Push for increased number of hours of children's programming on television.
- Continue to champion National Campaign to Prevent Youth Violence.

DRUGS

- Require testing of people in criminal justice system and condition parole on results.
- Provide parity in health insurance for substance abuse services.
- Increase funding for substance abuse services.

HEALTH CARE

- Continue to monitor implementation of Health Insurance Portability and Accountability Act and Children's Health Insurance Program.
- Continue to advocate for Patients Bill of Rights.
- Continue to advocate for long-term care proposals.
- Continue to advocate for coverage expansions, e.g. 55-65, CHIP for parents of low-income children.

- Develop privacy protection proposal.
- Develop proposal for long-term support for academic medical centers, e.g., building on current GME proposal, or proposing to tax private health insurance (Moynihan bill exists).
- Continue to advocate for women's health improvements including: access to clinical trials; funding for research for breast cancer, ovarian cancer, osteoporosis, heart disease and other diseases affecting women; prohibiting genetic discrimination; protecting family planning funding and abortion rights; increasing efforts to combat domestic violence; continuing campaign to reduce teen pregnancy; and requiring health insurers that cover prescription drugs to cover prescription contraceptives (Snowe bill exists).
- Continue to strengthen Medicare and remain spokesperson for Medicare Mammography Initiative.

SERVICE

- Continue to expand Americorps.
- Support "Teacher Corps".
- Introduce proposal to involve school-age children in service activities, both building off of "Learn and Serve" for high-schoolers and expanding it to include younger children.

Planning Meeting

Domestic Issues

Social Security:

- guaranteeing women's benefits
- Town Hall Meetings

Education:

- preserving public education
- DC charter schools
- millennium community

Family Agenda:

- highlight various initiatives

Health Care

Medicare

- patient's bill of rights
- HMO liability
- children's hospitals

AmeriCorps

- promotional effort
- 5 year anniversary (Sept.)

Foster Care

- aging out

Hispanic Youth

- developing strategy and improving awareness

Florida + NY in April

April 19 Hispanic Health Symposium

Youth

Violence

John to Nicole re:
coordinated
services for kids

John re: HS curriculum
Home visits

major ~~to~~ Priorities

Child ~~care~~ Dev.

child
concordance - Prescriptions

Home v.s. &

~~Foster Care~~
FMLA

Digital Camera

~~NS~~

NS

Education

charter
Title I/ESEA
Teachers

Q & Security

Banking
(Financial Literacy)

Soc Sec

Minimum Wage

Legal Services

Microenterprises - market

Pay Equity

VAWA

Health Care

Pediatric Specialists

Immunization

Asthma

Tobacco

Q of Health - center and
Gay/lesbian illness

Diseases

HRC Scheduling -- Issues Proposals

February 17, 1999

I. FAMILIES ~~AGENDA~~

- Major Event: Town Hall Meeting or Roundtable Discussion with Testimonials and Discussion on the Families Agenda: child care, long-term care, after-school care, FMLA, and Social Security
- Child Care / Adoption Speech to Jewish Child Care Association 175th Anniversary Event (4/19 in New York)

II. EDUCATION

- Major Event: Address on education reform and support for public education (possibly PENCIL event in NY, 4/29)
- DC Charter School Visit
- *Public Education as an American Treasure*

III. HEALTH CARE

- Major Event: -Hofstra Speech with emphasis on Medicare (April 19)
- Event Promoting 15% Set-Aside of Surplus
- Long-Term Care Event, possibly packaged as part of a roundtable on aging issues including Medicare and Social Security

IV. CHILDREN *+ ym*

- Major Event: Speech on the State of the Child in America (possibly timed with release of Indicators of Child Well-Being Report in June/July) *Pres. clubs*
- Brookings Symposium Speech on Early Childhood Development: Focus on Child Care, Release of Consumer Product Safety Commission Report (date TBD)

V. ~~SOCIAL SECURITY~~ *Women's Economic Security*

- Major Event: Roundtable Discussion on Women and Social Security with the Vice President or Solo
- *microcredit - application for*
- *9 magazines*

- Continued events with POTUS

V. OTHER

- Hispanic Roundtable at White House, with leaders in academia, business and non-profit organizations to both highlight issues affecting Hispanic youth and showcase effective initiatives, in order to galvanize further activity to address these problems in the future.
- Grants announcement with POTUS that promotes comprehensive community-wide initiatives to address youth violence (early April)
- Reach Out and Read Anniversary event in Boston (June)
- Hand Gun control Event
- Intergenerational Roundtable Discussion on Equal Pay underscoring the cost of the pay gap to America's families (possibly event on Equal Pay Day or Column)

Children + youth

Children + youth

Children + youth

Children + youth

Q & A sec.

ISSUES PROPOSALS

February 18, 1999

I. FAMILIES AGENDA

- Major Event: Town Hall Meeting or Roundtable Discussion with Testimonials and Discussion on the Families Agenda: child care, long-term care, after-school care, FMLA, and Social Security
- Jewish Child Care Association 175th Anniversary Event (4/19 in New York)

II. EDUCATION

- Major Event: Address on education reform and support for public education (possibly PENCIL event in NY, 4/29)
- DC Charter School Visit
- Public Education as America's Treasures -- Millennium Event

III. HEALTH CARE

- Major Event: Hofstra Speech with emphasis on Medicare (April 19)
- Long-Term Care Event, possibly packaged as part of a roundtable on aging issues including Medicare and Social Security
- Living Will / Aging with Dignity Event

IV. CHILDREN AND YOUTH

- Major Event: Speech on the State of the Child in America (possibly timed with release of Indicators of Child Well-Being Report in June/July)
- Brookings Symposium Speech on Early Childhood Development: Focus on Child Care, Release of Consumer Product Safety Commission Report (date TBD)
- Hispanic Roundtable at White House, with leaders in academia, business and non-profit organizations to both highlight issues affecting Hispanic youth and showcase effective initiatives, in order to galvanize further activity to address

these problems in the future.

- Grants announcement with POTUS that promotes comprehensive community-wide initiatives to address youth violence (early April)
- Reach Out and Read 10-year Anniversary event in Boston (June)
- Event on Children and Guns, with Handgun Control and others, launching a new parents' group devoted to blocking children's access to guns

V. WOMEN'S ECONOMIC SECURITY

- Major Event: Roundtable Discussion on Women and Social Security with the Vice President or Solo
- Continued Social Security events with POTUS
- Women's Magazines Briefing on Social Security
- Domestic Microcredit Event (Appalachia)
- Equal Pay column/remarks

ISSUES PROPOSALS

February 18, 1999

I. FAMILIES AGENDA

- Major Event: Town Hall Meeting or Roundtable Discussion with Testimonials and Discussion on the Families Agenda: child care, long-term care, after-school care, FMLA, and Social Security
- Jewish Child Care Association 175th Anniversary Event (4/19 in New York)

NJ on
April 14

dinner

II. EDUCATION

- Major Event: Address on education reform and support for public education (possibly PENCIL event in NY, 4/29) *no*
- DC Charter School Visit *5/12*
- Public Education as America's Treasures -- Millennium Event

* NY AFT
Niagara Falls
Shawnee
evening

III. HEALTH CARE

- * • Major Event: Hofstra Speech with emphasis on Medicare (April 19)
- Long-Term Care Event, possibly packaged as part of a roundtable on aging issues including Medicare and Social Security *Florida*
- Living Will / Aging with Dignity Event

Patient's Bill of Rights

- nurse 4/20

IV. CHILDREN AND YOUTH

- Major Event: Speech on the State of the Child in America (possibly timed with release of Indicators of Child Well-Being Report in June/July)
- Brookings Symposium Speech on Early Childhood Development: Focus on Child Care, Release of Consumer Product Safety Commission Report (date TBD)
- Hispanic Roundtable at White House, with leaders in academia, business and non-profit organizations to both highlight issues affecting Hispanic youth and showcase effective initiatives, in order to galvanize further activity to address

April 12
w/ charter
school event

In 450

April 26

these problems in the future.

- Grants announcement with POTUS that promotes comprehensive community-wide initiatives to address youth violence (early April)
- Reach Out and Read 10-year Anniversary event in Boston (June)
- Event on Children and Guns, with Handgun Control and others, launching a new parents' group devoted to blocking children's access to guns

V. WOMEN'S ECONOMIC SECURITY

- Major Event: Roundtable Discussion on Women and Social Security with the Vice President or Solo *March 15th?*
- Continued Social Security events with POTUS
- Women's Magazines Briefing on Social Security *March 15*
- Domestic Microcredit Event (Appalachia)
- Equal Pay column/remarks *March 15*

w/ Refugio day

19 ~~th~~ *March* Sacajawea

* *Female-
Union &
Gay Worker
UNITE
June*

To: Hillary
From: Patti
Date: 3/19/99
Re: Long-Term Schedule

MISCELLANEOUS

yes 1) Sandy Thurman would like to come in and brief you on her trip to South Africa, Zambia, Zimbabwe and Uganda.

yes video 2) Walter Kaye is having a huge 80th birthday bash on 6/4 at Ft. McNair. You will be in Boston for reunion. Video?

photo of 3) Eve Ensler, who wrote the Bosnia play that you went to at Kennedy Center is in town on 4/5. Would you like to see her?

APRIL

ok 1) The National Campaign to Prevent Teen pregnancy will hold an Honoree Reception in Indian Treaty Room on 4/28. They would like you to drop by.

no 2) National Youth Service Day is 4/16 & 17. You have been invited to help build a playground w/Kaboom and National Service on Saturday 4/17.

yes 3) Mrs. Frei is in town 4/7-8. She would like to see you.

option 4) Camille Cosby is inviting you to attend the showing of "Having Our Say: The Delaney Sisters first 100 Years" The premiere is at the Smithsonian on 4/16. Everyone wants you to do this.

ok 5) Chicago on 4/14. We could do Northwestern Memorial Hospital; raise money for park; and do Families Agenda Round table

yes 6) POTUS is likely to do an Equal Pay event on 4/7. Would you like to participate.

yes 7) On 4/12 or 13 Handgun Control and other gun control groups is launching Mothers Against Senseless Shootings (MASS). MASS will be devoted to informing parents of the need to keep guns safely. They would like you to participate in their launch.

4/19 and 20

4/19	11 am	Lewis & Clark Trails Event
	12:30 pm	Matrix Awards
	2 pm	Ellen Levine drop-by

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. memo	Patti to Hillary re: Long-Term Schedule [partial] (2 pages)	03/19/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Shirley Sagawa
OA/Box Number: 23244

FOLDER TITLE:

Issues Memos

2013-0124-S
rc1089

RESTRICTION CODES

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

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

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

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

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

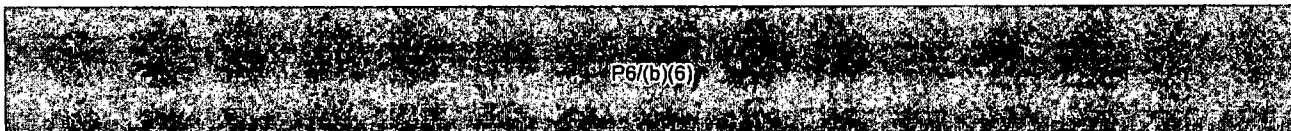
Long-Term Schedule
Page 2

3 pm Columbia Teachers College -- TENTATIVE (9)
6:30 pm Children of Chernobyl
7:15-8 pm Nadler Event
8:30 pm Pratt Institute drop-by-- T
9:15 pm Jewish Child Care Assoc. Drop by -- T
Ron Long Island

4/20 9 am School -- T
10:30 am Hofstra University
12:30 pm Long Island Women's Agenda
4 pm Kohl Event

MAY

1) Allergy and Asthma Network/Mothers of Asthmatics is inviting you to participate in Asthma Awareness Day on Capitol Hill on 5/5. They plan to hold a press conference w/Congressional co-chairs of Asthma Awareness Day, nurses and children with asthma. Neera thinks this is a great way to highlight your asthma budget initiative.



JUNE

1) UNITE's first Constitutional Convention is inviting you to speak to them in Miami Beach, FL on 6/28-7/1. Sounds good. What do you think?

2) We need to give Biden a date to go to Delaware to promote the need for the Violence Against Women act. I'm thinking about June if we can surround other things around it like a Rothman \$.

3) Gerry McEntee has invited you to speak at AFSCME's Eastern Regional Women;s Conference on 6/27 in New York. Harold recommends. It's a Sunday.

4) Juvenile Diabetes Foundation Children's Congress. Melanne said you agreed to do an event for them here in the house. They need a date in June. How about 6/3 or 7.

University of California, Berkeley - May 19 - can't do

Invitation to be commencement speaker comes from the Berkeley Women's Studies Department.

Yale Medical School - May 24

Invitation was forwarded by David Kessler.

Harry S. Truman College, Chicago, IL - May 13 - can't do

One of the City Colleges of Chicago. Largest enrollment of any community college in Chicago: 38,000 students. Very diverse - with students from 111 different countries. School motto - "This College must be for everyone". Invitation issued by Clifton Truman Daniel, Harry Truman's grandson.

Northeastern University, Boston, MA - June 19 - can't do

Founded in 1989 at the Boston YMCA as a school for working adults. 7 colleges, 9 professional schools. Typically, students alternate classroom time with paid professional experience relevant to their studies.

Exeter High School, Exeter, NH - June 11

Milli's brother - Ronald Chapman

Wells College, Aurora, NY - May 22 - can't do

Aurora, New York (upstate)- small liberal arts women's college. Wells College mission: to teach women "to think clearly, to reason wisely and to act humanely". Lisa Marsh Ryerson, college president, is also vice-chair of the Commission on Independent Colleges and Universities of New York State, where she "works to advance a proactive policy agenda for New York State Higher Education". She spoke with HRC at the December People For The American Way Dinner. She was a guest of Arthur Bellinzoni, a member of the Board of Directors of People For The American Way.

Long Island University - May 20 - can't do

Fashion Institute of Technology, New York, NY - May 25

Part of the State University of New York. 81% female student body. Carl McCall's wife is F.I.T.'s President, Dr. Joyce Brown. Graduation ceremony would take place at the Paramount Theater at Madison Square Garden.

The City College, New York, NY - June 2

President, Yolanda Moses, met HRC during Renaissance Weekend. Educating a diverse student body for over 150 years. If HRC is unable to attend the commencement, the City College would like to extend an invitation to visit any other time during the academic year. At that time she would be designated the Samuel Rudin Distinguished Visiting Scholar.

Syracuse University, Syracuse, NY - May 16

(can't do)

June 3 Bethesda/Cherry Chase H.S.

February 18, 1998

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: Jennifer Klein
Nicole Rabner
Neera Tanden

CC: Melanne Verveer
Marsha Berry
Patti Solis-Doyle

Subject: Domestic Policy Planning

The purpose of this memorandum is to serve as a basis for our discussion tomorrow, in which we hope both to brief you on key domestic policy issues and to receive guidance from you on planning and strategy. The memorandum first explores the theme of "what works" as a possible area for sustained focus, and then addresses the following issue areas: (1) child care, early childhood development, and at-risk children and youth; (2) child welfare and adoption; and (3) children's health.

UMBRELLA ISSUE: "WHAT WORKS"

The theme "what works" has great potential as an organizing tool for our overall efforts. As you have pointed out, there are so many promising efforts across the country in each of these policy areas, yet very few attempts to bring these models to scale. There is also remarkably little discussion about how to do this effectively.

Your leadership role to date in this area has been largely to bring visibility to promising initiatives around the country through writings, speeches, and public appearances. An important and logical next step is for you to lead a national dialogue to encourage collaboration and replication of best practices. This dialogue would involve a range of perspectives and experiences -- academic, advocacy, government, foundation, community-based, grassroots, etc.

We propose convening small, issue-specific meetings on this subject, leading up to a "prayer-breakfast style" discussion at the White House with a broad group to explore (1) why it is that we do not effectively learn from and replicate proven models, and (2) how we can do better. The small meetings will provide an

opportunity to work on specific issue areas (*i.e.* how can we bring Smart Start and other early childhood models to scale?) as well as to plan for the broader “what works” discussion. A large meeting at the White House would be an important way to share what was learned at the smaller meetings, to engage the nation in a serious discussion on this subject, and, possibly, to signal your intention to dedicate yourself to this issue, in a formal or informal way.

Another related idea is to host a dinner or luncheon at the White House to honor a broad-based group of “Champions for Children” and use that as a vehicle to begin the “what works” message.

CHILD CARE, EARLY CHILDHOOD DEVELOPMENT, AND AT-RISK CHILDREN AND YOUTH

At Friday’s meeting, we hope to update you on legislative developments on the child care initiative, and to solicit your advice both on overall strategy and on specific opportunities for your involvement in meetings or events in the areas of child care, early childhood development, and at-risk children. Specific opportunities for your involvement include:

1. Continuing to be a leading voice for the child care initiative and for action on child care

- **Meetings with Members of Congress:** Convene (1) the Congressional Women’s Caucus and/or the Democratic Women’s Caucus (on child care and other issues), and (2) the leading child care bill sponsors.
- **Meeting with Child Care Advocates:** Meet at the White House with key advocates for women and children to discuss child care strategy.
- **Department of Treasury Working Group on Child Care:** Participate in the April meeting of the Treasury Working Group on Child Care as the working group presents its findings on ways businesses can play a role in child care and why it makes economic sense for them to do so. As you know, this working group was announced at the White House Conference on Child Care, and presents a good opportunity to spotlight the proposed tax credit for businesses. (POTUS may also participate in this event.)
- **Health Outreach in Child Care Settings:** Release a new HHS Medicaid Outreach Manual for child care workers and highlight the importance of health linkages in child care. (POTUS may also participate in this event.)
- **Town Hall Meetings:** Participate with (1) key Members of Congress and (2)

organized labor (AFL-CIO) to spotlight the need for greater investment in child care.

- **Reiner Child Care Campaign:** Announce (with Rob Reiner and Rosie O'Donnell) a new private sector child care effort, which includes: (1) a new brochure ("Making the Right Choice for You and Your Child) and its ambitious circulation strategy, with assistance from Child Care Aware, the NGA, Toys R Us, and Fisher-Price; (2) a new child care video to be distributed similarly to the brochure, as well as through Blockbuster stores nationwide, and (3) a new interactive web site on child care, developed by *Yahoo!*, a major Internet company, where parents can get child care information. As you know, Reiner is particularly eager for your participation in this formal announcement, as his foundation began this campaign to advance the goals of the White House Conference on Child Care, and he sees this as a tangible result from the meeting.
- **Parents Magazine Child Care Awards:** Participate in Parents Magazine's child care awards event (which also stemmed from the White House Conference on Child Care).
- **Smart Start Best Practices:** The North Carolina Partnership for Children, the National Governors Association, the Families and Work Institute, and the National Center for Children and Poverty are working together to hold a conference on best early learning practices, and to bring together Governors and other state leaders to learn from Smart Start. This opportunity dovetails well with the "what works" theme, and with our child care initiative, which, as you know, borrows a great deal from Smart Start.
- **Business and Child Care -- Honor Roll Report/Awards:** Announce new "Honor Roll" companies that offer good child care services to their employees, as well as good pay and benefits. This event could take place at a company, and would highlight both the great demand for on-site child care as well as the need for the proposed tax credit for businesses.
- **Travel to States with Innovative Initiatives:** States such as North Carolina, Indiana, Georgia, Ohio and Missouri are implementing programs that link child care and early learning, through such initiatives as universal pre-school, parent education, and other efforts to improve the quality of child care. Visits would spotlight initiatives that dovetail with our national proposal.
- **D.C.'s Child Care System:** We know that D.C. has not claimed a portion of the federal subsidy available, and that, in general, its child care system is in disarray. We are currently working with OMB and HHS to help bring some level of organization to the child care system here. While we will continue to

work internally, we are seeking your guidance as to whether you want to become involved more publicly.

- **Stay-at-Home Parents/Maternal Leave:** The Administration is struggling with a response to initiatives that help stay-at-home parents. At the same time, recent studies indicate how far the United States lags among nations in its maternal leave policies and the benefits it provides to new mothers. We are seeking your guidance on how these issues interrelate and what course of action we should pursue.

2. Continuing to be a Leading Advocate on Early Childhood Development

- **Decade of the Brain Award:** Next month, you will be honored by the Society for Neuroscience with its Decade of the Brain Award. This presents an important opportunity to link the brain research with the call for greater investment in quality child care and early learning efforts.
- **Prescription for Reading Effort:** The Prescription for Reading effort is a example of the “what works” model in practice. Next steps include:
 - **Dr. Seuss Birthday “Read Across America” Effort:** On March 2, you are scheduled to highlight a the importance of reading to young children in honor of Dr. Seuss’ birthday. The American Booksellers Association has donated 200,000 copies of *Read to Your Bunny* by getting health care providers to give their youngest patients coupons to redeem at bookstores. The redemption period ends on March 1st, and your event on the 2nd will spotlight the success of this project and the donation of the unredeemed books to a local hospital.
 - **Prescription for Reading Launch in Chicago:** In April, you are scheduled to launch the Prescription for Reading partnership throughout Chicago. Since April marks the one-year anniversary of the national launch of this effort, the Prescription for Reading partnership could present to you a report on its significant progress nationwide.
 - **Children’s Books Awards:** In June, the annual Newbury-Caldicott Children’s Book Awards will be given in D.C., bringing together the country’s leading authors of children’s books. The group has offered to work with you to donate 1998 award winning books to a D.C. hospital or health center, joining the Prescription for Reading effort.
- **Convening on What Works in Early Childhood Development:** If we move forward on our proposed strategy to engage in a dialogue on “what works,” one of the smaller convenings could focus on model efforts in the field of

early childhood.

3. At-Risk Children and Youth

- **Report on Safe Places and Quality:** Release a report by the Departments of Education and Justice outlining the benefits of after-school programs both in terms of education-enhancement and crime-prevention. (POTUS may also participate in this event.)
- **Announcement of 21st Century Community Learning Center Grants:** Announce the award of \$40 million this year in grants to create public-school based community learning centers. (POTUS may also participate in this event.)
- **Announcement of Pilot Cities for Coordinated Federal Program:** Announce the cities and communities selected for the coordinated, agency-wide technical assistance effort on supporting after-school opportunities for at-risk children and youth (D.C. will be one of the sites selected).
- **Neighborhood Cohesion and Crime Report:** The National Institute of Justice (NIJ) is releasing a report on neighborhood cohesion and whether it reduces violence. The report finds that mutual trust among neighbors and a willingness to support children appears to reduce crime. This report is an outgrowth of a major multi-year study of Chicago's neighborhoods and is scheduled to be released in early March.
- **DOJ-Sponsored Summit on Safe Havens.** The Department of Justice has secured \$12.5 million for this year to "improve the safety of elementary and secondary school children and reduce crime on or near elementary and secondary school grounds," and is considering convening a summit to promote best practices in this area, as well as providing targeted, non-competitive assistance to needy communities. DOJ is beginning to develop a strategy for the use of these dollars, and welcomes input and your leadership. This effort also dovetails with the "what works" theme.
- **Report on Best Practices for Prevention:** The Department of Justice will issue a report in late April which focuses on exemplary partnerships between the police and other community organizations to reduce juvenile crime and delinquency. It will also contain suggestions for police chiefs and officers to promote and support efforts to provide positive alternatives for children when they are not in school.
- **Convening on What Works for At-Risk Children and Youth:** If we move forward on our proposed strategy on a dialogue on "What Works," one of the

smaller convenings could focus on model efforts in the field of intervention for at-risk youth through after-school opportunities and other efforts.

- **Juvenile Justice Bill:** Legislation on juvenile crime has passed the House and awaits floor action in the Senate. Both the House and Senate version of the bill contain a provision which loosens the federal requirement to separate juveniles from adults in state prisons. A broad array of groups, including the Children's Defense Fund, are opposed to this provision because they believe it will increase the suicide rate of juvenile offenders as well as increase the chances they will be abused while in custody. We are seeking your guidance on what, if any, course of action we should take.

ADOPTION / CHILD WELFARE

As you know, there is a continued need for your leadership on child welfare and adoption issues on a number of levels. We plan to call weekly meetings with HHS to carefully monitor their implementation process.

Options for your immediate and long-term involvement include:

- **Internal meeting with HHS:** As we have discussed, invite Shalala and other HHS officials to a meeting at the White House for a discussion on: (1) implementation of the Adoption and Safe Families Act of 1998; (2) monitoring of the MEPA legislation and other related issues; and (3) the D.C./ABA child welfare project.
- **Court Improvement and Support Meeting:** Convene a White House meeting with judges, association and foundation leaders, and advocates in this area to discuss implementation of the new law and the needs of the courts.
- **Foundation Leaders Meeting:** Follow-up on your meeting with Foundation leaders (8/2/96) by calling a meeting to discuss the implementation of the new law, best practices, and next steps.
- **D.C. Child Welfare Meeting:** Meet with the new D.C. child welfare receiver and the ABA leadership on child welfare for an informal briefing on their plans and progress. The ABA and the D.C. receiver met for the first time last month and plan to work together on two issues: (1) recruiting greater pro bono legal assistance from D.C. attorneys, and (2) the drafting of D.C. law to implement the new federal law. This collaboration is underway but not formally announced.
- **Next Step Issues:** We have been exploring with HHS and Congressional staff what the next steps are for child welfare, and have identified a few for

possible focus and leadership: (1) supports for children who age out of the child welfare system; (2) services for children in foster care, i.e. priority for Head Start enrollment; and (3) identifying and breaking down geographic barriers to adoption. In the context of implementation of the law, child welfare is also a candidate for a small convening on the "what works" issue, with foundation leaders and others.

CHILDREN'S HEALTH

- **Children's Health Outreach Implementation:** As you have said, CHIP will only succeed with a sustained effort from the private sector, the non-profit sector, the states and the federal government to reach out to eligible children and families.
- **Engaging the States:** While we will work with HHS to better monitor the process, it may also be beneficial for you to meet directly with the NGA or state legislators to discuss implementation. In addition, continual exhortation to the states to develop their plans is necessary.
- **Public Service Announcements:** Once the Bell Atlantic toll-free number is established, we will move forward with recruiting private sector support for PSAs to reach eligible families through television, radio and print ads.
- **Engaging Schools:** The NEA has already announced its intent to educate teachers. We will also encourage principals, school coaches, school nurses, and others within schools to get involved as well. This could be done during a visit to one of the states coming on line with CHIP that intends to use schools (e.g., Connecticut, Pennsylvania, Florida).
- **AmeriCorps Reauthorization:** The legislation to reauthorize AmeriCorps will be announced in the next few weeks. We could add to the legislation explicit encouragement of volunteers to engage in children's health outreach. Some volunteers (e.g., in Utica, NY) already do so.
- **Mobilization of the Non-Profit Sector:** Convene a meeting of foundations involved in health issues to mobilize more commitments to outreach. Any new commitments that we receive will generate events around their announcement.
- **Late May / Early June Announcement of Federal Outreach Plans:** To comply with the President's recent directive to form agency plans for outreach, HHS will release a report in late May / early June describing

all of the agency actions.

- **New Goals on Asthma:** An interagency task force was recently formed, in which we participate, to develop policy proposals on different aspects of children's health. Asthma is central to its agenda. The task force intends to set clear goals on asthma -- such as reduced hospitalizations or reduced fatalities -- in order to measure progress over a defined 4-year period. You could participate in the announcement of these goals in April.
- **Environment and Learning Disabilities:** EPA is holding a conference on the connection of learning disabilities to environmental pollutants in the early fall.
- **Environmental Health Risks to Children:** Senator Boxer has introduced legislation that would require EPA to develop standards on environmental health risks to vulnerable sub-populations, particularly children. It also requires the EPA to identify pollutants commonly found in areas accessible to children and establish guidelines on reducing these pollutants. We could do events surrounding our support for this legislation.
- **Health Care Quality:** We need your guidance on the extent to which you want to be involved in the debate around federal standards to improve the quality of health care.

OTHER ITEMS FOR DISCUSSION

- **Appalachia and/or Indian Country:** Visit could highlight women and children's issues, particularly child care and microcredit.

DRAFT 11/19/98

**Future Focus of
The First Lady on
Domestic Issues**

Over the next year, the First Lady will continue her work on behalf of America's families through events, speeches, and advocacy of important issues. Her priorities include:

Children and families: Mrs. Clinton will continue her leadership role in support of child care quality and affordability, including helping to shape a Presidential child care initiative. She will also focus on promoting home visiting, improving the foster care system, and encouraging community-wide efforts for children. She will continue to be a spokesperson encouraging adoption and will lead the development of an initiative to assist children aging out of foster care to become self-sufficient. She will advocate for the expansion of the Family and Medical Leave Act and for incentives to encourage employers to help employees balance work and family life. Finally, she will continue to work to expand afterschool and summer programs for children and to increase opportunities for young people to serve their communities through AmeriCorps and other programs. [Upcoming events include:]

Education: Because a child's early years are so critical to a child's future, Mrs. Clinton will continue her advocacy for high quality early childhood development opportunities, including expanding and strengthening Head Start. As a strong supporter of public education, Mrs. Clinton will continue to advocate for innovations that improve student learning, including charter schools. The reauthorization of the Elementary and Secondary Education Act presents opportunities to strengthen public schools, particularly for children living in high poverty areas. [Upcoming events include:]

Economic security: As the Administration works to save Social Security, Mrs. Clinton will work to see that women's economic security is not jeopardized. She will continue her advocacy for an increased minimum wage, and to highlight programs like microenterprise that help women move from welfare to work.

Health care: The First Lady will continue her efforts to reform the health care system, including advocating for the Patients' Bill of Rights, a new tax credit for long-term care, and to expand opportunities to buy-into Medicare, Medicaid and federal employee health plans. She will lead an outreach effort for the Children's Health Insurance Program (CHIP), support funding for immunizations, and advocate for assistance to educate new pediatric specialists. Finally, she will continue to push for tobacco legislation and for support for research and prevention of specific diseases.

DC: As she has in the past, Mrs. Clinton will be a strong advocate for the District of Columbia within the Administration. She plans to continue her support for efforts to improve the DC Public Schools, including the new charter schools. She looks forward to working with the new mayor on this and other issues.

**Proposal to Highlight Priority
Domestic Policy Issues and
Raise Awareness of Best Practices**

Once we have clarified HRC's priorities for the next two years we will probably be able to divide them into several categories: budget; authorizing legislation action; implementation; and "bully pulpit." We may be able to get greater impact and visibility for these issues by focusing activities over a period of several days or weeks on issues that are ripe for action. We might frame these plans as "best practices tours," similar to Treasures tours or foreign travel, even if the activities are conducted locally.

For example, we might select one issue (or group of related issues) per quarter to emphasize through a variety of tactics:

- Over a relatively concentrated period of time, conduct site visits to several programs that exemplify best practices. Use these visits to draw attention to the programs and to gather good stories for speeches/column.
- Hold a White House event or deliver a major speech on the issue, emphasizing best practices and good programs.
- Meet with key advocates on the issue to energize them and ask for their help.
- Include the issue in any press interviews or write a magazine piece on the topic.
- Dedicate one or more columns to the issue.
- Ask the agencies to prepare best practices materials on the topics and to suggest resource material. Package with copies of speeches, column, press coverage, etc. into a booklet that can be distributed to practitioners and opinion leaders.
- Create email list of people interested in the issue and provide them with periodic information (such as text of speeches or updates on legislation).

Of course, we have done most (if not all) of these things before on issues we care about. The key is to plan in advance so we can proactively schedule events or speeches that make sense and coordinate all part of our operations to support the message.

We might, in conjunction with our efforts to help DC, arrange for the programs we have visited to participate in working sessions or a conference designed to help the District address the needs of children.

DRAFT 11/18/98

First Lady Hillary Rodham Clinton

Domestic Policy Accomplishments

Since taking on the role of First Lady, Mrs. Clinton has made the concerns of America's families her top priority. To advance these issues, she has traveled across the country, spoken out about key concerns, and convened national leaders. She has been an advocate and strategist within the Administration on domestic policy. She has also highlighted issues in her syndicated column, *Talking It Over*. Some of Mrs. Clinton's most important contributions include:

Children and families

Early childhood development: Promoted children's healthy development in the earliest years of life by co-hosting the White House Conference on Early Childhood Development and speaking widely about recent developments in early brain development research. Worked for Head Start quality improvements and successfully advocated for increased funding for programs serving young children.

Child care: Co-hosted the White House Conference on Child Care and played a leading role in the development and championing of the President's Child Care Initiative. Was a major proponent of the 1993 Family and Medical Leave Act.

Child welfare and adoption: Served as major administration champion on adoption and foster care improvement through the development of the Adoption 2002 Initiative, the Adoption and Safe Families Act of 1997, and by speaking widely to encourage adoption and improvement of the child welfare system.

Youth: Successfully advocated for increased funding for after-school programs, participated in the White House Conference on School Violence, and spoke in support of national service throughout the country.

Children's television: Hosted a White House Conference on Children's Television, advocated for increased educational children's programming, and led a roundtable discussion with the President and Vice President on the V-Chip.

Education

Charter schools: Supports innovation in the public schools and advocates for the support of charter schools, including securing funding for DC Charter Schools.

School reform: Worked on behalf of the President's education agenda, visiting schools around the country in support of public school improvement.

Prescription for Reading: Launched the "Prescription for Reading" project to link health professionals with book publishers as a means to encourage reading to young children.

Arts education: Hosted Arts Education Call to Action at the White House. Launched President's Council on Arts and Humanities report *Coming Up Taller* on arts programs for at-risk youth and sponsored the Coming Up Taller awards at the White House.

Family economic security

Bankruptcy: Worked to ensure that bankruptcy reform legislation does not adversely impact child support collection.

Minimum wage: Strongly supported an increase in the minimum wage to ensure that working families do not raise their children in poverty.

Legal services: Works to provide low-income people with access to legal resources while preventing cuts in the Legal Services Corporation budget.

Microenterprise: To help low-income people become self-supporting, promoted expansion of microenterprise in the United States.

Women

Women's rights/history: Participated in numerous events to celebrate women's history and promote equal rights for women.

Family planning: Worked with the National Campaign to Prevent Teen Pregnancy to support a broad-based effort. Called for budget increases for family planning and supported legislation to require federal employee health plans to cover prescription contraceptives.

Working Women Count: Helped launch "Working Women Count!" to bring the concerns of working women to the forefront of policy development in the Administration.

Health

Universal health coverage: Chaired President's Task Force on Health Care Reform and played a continuing leadership role in support of universal health coverage. Advocated for the Kennedy-Kassebaum Portability legislation to extend hospital stays for new mothers.

Children's health: Opposed cuts in Medicaid, worked on behalf of the Children's Health Insurance Program (CHIP), and donated proceeds from *It Takes a Village* to children's hospitals.

Immunizations: Launched a Childhood Immunization Initiative and secured passage of the Vaccines for Children program. Spoke widely on the importance of children's immunization.

Tobacco: Advocated for comprehensive, national tobacco legislation and campaigned for California's tobacco tax ballot initiative.

Breast cancer: Launched the Medicare Mammography campaign and advocated to extend hospital stays for mastectomy patients. Promoted research and awareness of breast cancer through numerous events and columns.

Gulf war illnesses: Visited VA and Department of Defense hospitals, listening to veterans concerns. Worked to establish the Presidential Advisory Committee on Gulf War Veterans Illnesses and participated in events relating to the Committee's work.

AIDS: Promoted increased funding for AIDS research and prevention. Played a leadership role in pediatric aids, including work to encourage pregnant women to get tested and treated for HIV.

Disease Prevention and research: Advocated for Medicare preventive benefits and for increases in research budgets, including funding for epilepsy research. Worked to raise awareness of colon and ovarian cancer and to call attention to dramatic increases in asthma among children.

DC

As the leading advocate within the Administration on behalf of the District of Columbia, worked to apply the energy and expertise of the federal government to help the District's women, children, and families and to revitalize the city.

List of Issues

NOTE: Person listed first has primary responsibility

Children and Families

Overall Families Agenda -- Nicole and Neera
Child Care --Nicole, Neera
Family Leave -- Nicole, Neera
Parental Discrimination -- Neera, Nicole
Early Childhood Development/Head Start --Nicole
Child Welfare and Adoption --Nicole
Military Families --Nicole
Children's Television --Neera

Youth

At-Risk Youth --Neera, Nicole
After-School --Neera, Nicole
Hispanic Youth --Neera, Nicole, Shirley
National Service --Shirley

Education

Public School Reform --Neera, Nicole
Charter Schools and Public School Choice --Neera

Family Economic Security

Social Security --Nicole, Neera
Bankruptcy --Nicole
Minimum Wage --Nicole
Welfare Reform --Neera, Nicole
Fighting Poverty --Neera, Nicole
Legal Services --Melanne/Katy, Nicole, Neera
Microenterprise --Melanne/Katy, Nicole

Women

Women's Rights --Nicole, Neera
Abortion/Family Planning --Nicole, Neera
Domestic Violence --Neera

Health

Health Care Reform (Patients Bill of Rights, Long Term Care, etc) --Neera, Nicole
Children's Health --Neera, Nicole
Immunizations --Nicole, Neera
Asthma and Environmental Health --Neera

Tobacco --Neera, Nicole

Women's Health --Neera, Nicole

Gulf War Illnesses --Nicole

AIDS --Neera

Disease Prevention and Research (Epilepsy, Colon Cancer, etc.) --Neera

Food Safety --Nicole

Physical Fitness and Nutrition --Nicole

DC

Child Care --Nicole, Neera

Education (including after-school, charter schools, public school choice) --Neera

Child welfare --Nicole

D.C. Revitalization --Melanne/Katy

SHORT AND MEDIUM TERM SCHEDULING PROPOSALS

I. Social Security

- A. Internal Briefing with Ken Apfel, Administrator of the Social Security Administration (this week or next)
- B. Internal Briefing with Gene Sperling, NEC (this week or next week)
- C. Satellite Conference: announcement of HRC engagement in issue (January 23rd)*
- D. Meeting with women Members of Congress (February or March)
- E. Meeting with advocates (February or March)
- F. Visibility events around the country (TBD)

II. Education

- A. Public school tour on effective methods to improve public education for the 21st Century, highlighting effective public schools and amplifying the ESEA reauthorization proposal in budget, culminating in a national public education convening or major speech (March)

- B. Visit D.C. public charter school and regular public school (February or March)

III. Families Agenda

- A. Amplification of SOTU families agenda (including child care, long term care, FMLA, after-school care, etc.) (Immediately following SOTU)
- B. Other after-school events (Chicago and other events TBD)
- C. Meeting with child care advocates at White House (following SOTU)
- D. FMLA anniversary event (anniversary is February 5)

IV. Health Care

- A. Internal meeting with Ron Pollack and others (next week)
- B. CHIP outreach initiative announcement with POTUS at White House (mid-

February)*

C. Events to promote Patients Bill of Rights and long-term care proposals (TBD)

D. Event on coverage expansion (TBD)

V. Other Budget Roll-Out and SOTU Amplification

A. Asthma announcement with the VP (January)

B. Children's hospitals announcement (February)

C. Foster care emancipation announcement (January)*

* D. Microcredit announcement and CDFI awards with POTUS (January)

E. Family planning meeting with advocates (before NARAL speech, 1/22)

VI. Youth

A. Mentoring event at White House event to announce grants and Save the Children ~~Plans~~ (January)*

B. Hispanic youth roundtable discussion in White House (~~February~~ March)

C. Event to highlight DOJ-led Safe Schools/Safe Communities initiative which awards grants to comprehensive community prevention strategies

VII. Other

A. Major speech on the status of children in the U.S. (March or April)

B. Microcredit tour of Appalachia and/or Indian country (TBD)

* HRC has agreed to event

DC-
reception for Mayor +
City Council
Kent Amos School
Burrman / Phil Alliance
Child Care

To: Hillary
From: Patti
Date: 1/7/99
Re: Long-Term Schedule

MISCELLANEOUS

- 1) Social Security briefing w/Gene
- 2) Speaking at Columbia University's Teachers College for Jill and Ken Iscoll.
- 3) Honoring Headmistress at Madiera School in Maryland.
- 4) Family Planning Meeting with advocates
- 5) Meeting w/Jill Iscoll ON 1/12
- 6) Meeting w/Philip Gold -- Renaissance Weekend / *wait*
- 7) Meeting w/Ambassador Roatin on 1/27
- 8) InterAgency Council Meeting at State Department on 1/22
- 9) Meeting w/Dick Moe re: Millennium campaign *12 or 14*
- 10) Reception for new DC Mayor
- 11) ESEA Briefing w/Riley *memo-Brichman at posh 1/5 12 or 14*
- 12) Fred mack is asking that you be the keynote speaker at the Inaugural Gala of the 92Street Y's Family Center for Youth and Family in New York. Steve Grossman is pushing. They will work with you on date.
- 13) Buddy/Socks book-signings *after impeachment*
visitors center Feb 4

JANUARY

- 1) The City First Bank of Washington, DC is having their Inaugural gala. Gene Sperling really wants you to do. The date is set for 1/20. This event depends on SOTU. If you travel, we can offer City First a video. *SOTU event no dinner - community event*

To: Hillary
From: Patti
Page 2

2) Jo Oberstar wants you to speak at his cancer lecture series at Georgetown University. He is pushing for January. *Feb 4*

3) Ramadan Event -- 1/18, 19 or 20.

4) Going to the Gala Inaugural Dinner for the Cantor Center for Visual Arts on 1/21 in Palo Alto, California. We could conceivably combine this with post SOTU travel. *video*

5) Paul Glazer is asking you to present the next round of Elizabeth Glaser Scientist Awards on 1/28 here in Washington. *short*

Post State of the Union

- o Travel w/POTUS on 1/20 (Options Include: crowd events in Buffalo, NJ, OH, VT) *no*
- o Possible Town Hall on Families Agenda on 1/21

Week of 1/25

- o Asthma Announcement *-VP*
- o Foster Care Emancipation Announcement *-VP*
- o US Conference of Mayors/Millennium Communities 1/29
- o Children Hospitals Announcement *Rockwell*
- o Save the Children Mentoring Grants Announcement *Great Hall*
- o Microcredit Awards w/POTUS *2/22*

FEBRUARY

1) Governor's Spouses lunch. We have a choice this year. You can either have it here on Monday, 2/22 or on Sunday 2/21 at Mount Vernon.

2) Buddy/Socks Book Party on 2/3? *video*

3) Rock The Vote would like to give you their first ever Rock the Nation Award at an event in Los Angeles the day before the Grammys.

4) Central America

To: Hillary
From: Patti
Page 3

MARCH

- 1) Millennium Lecture focus on women
- 2) Reach out and Read in Boston

APRIL

- 1) Congressional Club Luncheon on 4/30
- 2) Millenium Lecture -- Ellie Wiesel

MAY

- 1) Treasures Tour

JUNE

- 1) The American Academy of Achievement has invited you to be the guest of honor at the 38th annual Salute to Excellence in Washington 6/17-20.

THE WHITE HOUSE
WASHINGTON

June 22, 1999

MEMORANDUM FOR HILLARY RODHAM CLINTON

FROM: NICOLE RABNER
NEERA TANDEN
RUBY SHAMIR

CC: MELANNE VERVEER
SHIRLEY SAGAWA
PATTI SOLIS DOYLE
MARHSA BERRY

SUBJECT: ISSUES UPDATE

Crime -- Juvenile Crime/Gun Bills. As you know, last week the House leadership divided the juvenile crime bill the Senate had passed into two bills – a gun bill and a juvenile crime bill. The gun bill was defeated by a vote of 147 to 280, with almost all Democrats voting against it. The bill contained a number of amendments throughout the process, including provisions to: (1) ban the importation of large capacity ammunition clips (voice vote); (2) require child safety locks for handguns (311-115); (3) ban juvenile possession of semiautomatic assault weapons (354-69); (4) ban violent juveniles from owning guns as adults (395-27); (5) allow current and former law enforcement officers to carry concealed weapons (372-53); (6) revise background check requirements for guns redeemed at pawnshops (247-181); and (7) allow D.C. residents to keep handguns in their homes (213-208). However, Democrats decided to oppose the final bill after the House passed the Dingell gun show amendment, which would weaken existing requirements for background checks, late Thursday night by a vote of 218-211, and rejected the McCarthy gun show substitute by a vote of 235-193.

Since the overall gun bill failed, the juvenile bill passed by the House (287-139) will proceed to conference without significant gun provisions. Before completing work on the juvenile crime bill, the House approved a number of amendments including an amendment which would allow states to post the Ten Commandments in public buildings, including schools (248-180); an IDEA amendment allowing schools to expel disabled students for bringing weapons to school; and a bipartisan Goodling amendment on juvenile prevention. In addition, they adopted the McCollum amendment by a vote of 249 to 181, which contained revisions of the federal juvenile justice system, such as increased mandatory minimums for such criminal activities as using kids to sell drugs and selling drugs to kids, amongst other prohibited activities.

The President is likely to make a public statement this Friday that will call on the Congressional Leadership to move the bills to conference. The President's senior advisors are also considering whether the President should eventually issue a veto threat against the bill if it does not contain a provision on gun shows.

Bankruptcy. The Senate will not take up the bankruptcy bill for floor action until after the July 4th recess. (Senator Lott pulled the bill to focus on various appropriations bills and other measures.) This delay, which means that the earliest floor action will be in mid-July, represents great news to opponents of the bill, who feared that the bill would be rushed through the Senate floor with Senators eager to break for recess. This delay also gives us time to polish the op-ed by you which highlights the flaw in the bill and look for a strategic placement. While you've been away, there has had some behind-the-scenes movement on the bill. Senator Torricelli continues to negotiate with Senators Grassley and Hatch, the key Republicans, on changes to be included in the manager's mark. Senator Torricelli, however, has been able to make only minimal improvements to the bill through this process. The one issue on which he has made some gains, however, is on credit card disclosures. Senator Torricelli has reached a deal with the credit card companies and the Republicans that is not sufficient to gain the Administration's support but is a move in the right direction.

In addition, Senators Grassley and Sessions have offered the Administration a deal on another important issue – reaffirmations. Under their proposal, we would agree to indicate support for an amendment that Senator Sessions will offer to include part of the Administration's reaffirmation proposal in exchange for eliminating from the current Senate bill a provision that Senator Sessions abhors. The language deleted bars creditors from threatening to do something they have no intention of doing, thus eliminating one basis for bringing suit to end abusive creditor practices. However, the language gained would help almost every debtor who is pressured to reaffirm a debt, by giving the court an analysis of whether they have the capacity to repay that debt before the court approves the reaffirmation. The Administration working group has concluded that the trade-off is a net gain for consumers. However, we are seeking a member-level commitment to preserve both parts of the deal in conference. Grassley and Sessions meet with Senators Lott and Hatch this Friday to see if they will agree to protect the agreement in conference. In general, however, continued meetings with Grassley and Hatch staff have not been productive. Although they have politely listened to our concerns, they have not moved on any of our key issues other than the reaffirmation proposal.

New Data on Bankruptcy and Women. On Monday, Harvard Law professor Elizabeth Warren released new data demonstrating that women are resorting to personal bankruptcy more frequently than men and married couples. Her data show that 39 percent of bankruptcy court filings in the 12 months ending March 31 were made by women. That compares with 28 percent for men and 33 percent for married couples, according to the study of filings in eight of the 94 federal bankruptcy districts. Warren and other opponents of the pending legislation are using this data to demonstrate that the bill's new restrictions will disproportionately affect women.

Foster Care. We expect that the Foster Care Independence Act, sponsored by Johnson-Cardin, will reach the House floor this Thursday and pass easily. The White House will issue a Presidential statement on its passage. Similar to the proposal in the President's FY 2000 Budget that you unveiled in January, this bill would provide youth leaving foster care with access to health care and would expand and improve educational opportunities, training, housing assistance, counseling, and other support and services for these youth. We will forward to you a detailed memo about the bill's provisions shortly.

Adoption. There are three adoption-related events that we hope to schedule in the coming months (perhaps in tandem): (1) the release of the new adoption numbers and bonus dollars to states (with the President) in late July or Early August; (2) the unveiling of the new adoption stamp with Dave Thomas and the Post Master General in October; and (3) a follow-up meeting with foundation leaders on adoption issues. Unfortunately, we are not able to schedule the first two announcements for the same event (the bonuses must be released before October 1st, and the stamp must be unveiled mid-October). We can, however, schedule the foundation leaders meeting in tandem with either of the two announcements, and therefore invite the leaders to the event and the discussion.

Dean Ornish. Dean Ornish was successful with HCFA in securing a Medicare reimbursement demonstration project for his nutrition therapy.

Proposed Rule Change for Federal Procurement Regulations. You asked about a Washington Post article that charged that the Administration had not acted on a promise the Vice President made to the AFL-CIO that the Administration would require businesses contracting with the government to "maintain a safe workplace and respect civil, human, and union rights." Under current law, government contract officials have fairly wide latitude to decide which companies receive government contracts, but they must ensure that the business has a "satisfactory record of integrity and business ethics." The proposed rule change, expected to be released for public comment later this month or in early July, will clarify that phrase giving the contracting official the opportunity to make contracting determinations on the basis of tax, labor, health, safety, environmental and other laws. Opponents of this rule change charge that the contracting officials would not have the ability to determine objectively a business's level of compliance and that some businesses would be effectively "blacklisted."

New Markets. From July 5 to 8, the President will lead a bipartisan delegation of CEO's and Members of Congress to untapped markets in six U.S. cities to highlight his New Markets Investment Initiative and to identify the economic potential for investment in these underserved areas. The President will begin his trip in the Kentucky Highlands, to discuss investment in Appalachia. Then the President will proceed to Clarksdale, Mississippi, a rural community in the Mississippi Delta, East St. Louis, which is an empowerment zone community, and the Pine Ridge Indian Reservation in South Dakota, which is the first Enterprise Zone on a reservation. On Wednesday, July 7, the President will travel to South Phoenix, Arizona, an Enterprise Community with a large Hispanic population, and then to the Watts neighborhood in Los Angeles, where he will discuss the need to provide job training to disadvantaged youth, and the new market potential of a new, productive workforce. The President will end his trip at a CEO

Conference in Anaheim, California, to encourage private sector workforce investments in disadvantaged youth. Now that the sites have been determined, the President's staff is working to solidify commitments from the business community to announce during the trip. Cabinet participation in making announcements in other regions is expected.

Father Absence in Black America. A politically diverse coalition of black and white scholars, community and religious leaders, joined together last week to release a compelling report and call to action on the crisis of fatherlessness in the black community. Seventy percent of African American children are born to unmarried mothers, up from one-third when Senator Moynihan released his then-controversial report 34 years ago. They called for significant investments to improve the economic prospects and marriagability of black men, federal support for community-based fatherhood programs, and changes in policies which discourage marriage (such as the marriage penalty in the EITC). They also called on the black leaders to give the same priority to reuniting fathers and children as they have to civil rights, asked churches to focus on family healing, recommended that communities support faith-based marriage education and mentoring programs, and urged the criminal justice system to help reconnect fathers and children.

This report is especially significant because the participants managed to find substantial areas of common ground on both the significance of the problem and proposed solutions, despite historical differences regarding the role of marriage and competing theories of socioeconomic versus cultural factors in the breakdown of the black family. The report grew out of a conference last Fall sponsored by Morehouse College, with diverse participants including Bill Raspberry, William Julius Wilson, David Blankenhorn, and Wade Horn. Our FY 2000 initiatives address some of the recommendations in the report, including the enhanced focus on fathers in our Welfare-to-Work reauthorization that the President announced in January. The DPC will carefully review the recommendations to see what else we might do.

Young Child Poverty Rate. A report released recently by the National Center for Children in Poverty highlighted positive trends in both the number and rate of young children (under six) in poverty. Consistent with data we have highlighted before, the young child poverty rate declined from a high of 26 percent (6.4 million children) in 1993 to 22 percent (5.2 million children) in 1997. This decline came after a 52 percent increase between 1978 and 1993. With a higher proportion of poor young children with working parents and a declining percentage receiving public assistance, the study also confirms earlier findings that families are relying less on welfare and more on work. The report also finds: (1) without our 1993 EITC expansion, the 1997 young child poverty rate would have been 24 percent higher; (2) key determinants of young child poverty are single parenthood, low educational attainment, and part-time or no employment; and (3) the gap between races continues to narrow.