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August 19, 1997

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MEMORANDUM FOR SYLVIA MATHEWS

**FROM: Richard Hayes
Dawn Chirwa
Susan Liss
Emil Parker**

RE: Civil Rights Enforcement

As you requested, and as part of the ongoing work of the President's Race Initiative, we have begun discussing policy initiatives designed to enhance federal civil rights enforcement. As we proceed, we thought it would be useful to provide you with some background on the various civil rights enforcement offices which exist, their funding levels, current projects underway and previous Administration efforts to improve federal civil rights enforcement.

In addition, this memorandum seeks your approval to proceed with forming a working group composed of the Civil Rights chiefs in the major enforcement agencies to develop a comprehensive civil rights enforcement strategy. (Deval Patrick and Chris Edley chaired such a group in response to the President's directive to mend affirmative action programs in 1995.) We think the responsible federal agencies need to be part of our discussions to ensure their support of any changes or enhancements we recommend.

I. Federal Civil Rights Enforcement Agencies

Over the past five years, the Clinton Administration has worked diligently to enforce the laws which protect the rights of those who have been discriminated against based on age, disability, gender, race, religion, and sexual orientation by supporting civil rights enforcement programs that effectively aid each of those groups. This work is accomplished through the oversight responsibilities of the following agencies.

A. Department of Justice, Civil Rights Division

The Civil Rights Division at the Department of Justice is charged with enforcing the Civil Rights Act of 1957, 1960, 1964, and 1968, the Voting Rights Act of 1965, the Equal Credit Opportunity Act, and the Americans with Disabilities Act. These statutes deal with eliminating discrimination in education, employment, credit, housing, public accommodations and facilities, voting and some federally funded and conducted programs. The Civil Rights Division, along with the Associate Attorney General, the Office of Legal Counsel and the Solicitor General has primary responsibility among the federal agencies for enforcing federal civil rights laws in the

courts and for providing legal counsel to agencies with respect to statutory and constitutional civil rights issues.

B. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP).

OFCCP is part of the Employment Standards Administration at the U.S. Department of Labor. OFCCP's jurisdiction covers approximately 26 million or nearly 22% of the total civilian workforce (92,500 non-construction establishments and 100,000 construction establishments). Its primary responsibility is to enforce Executive Order 11246 under which all federal contractors, as a condition of receiving government funds, are required to refrain from discrimination and take good faith efforts -- including affirmative action -- to expand employment opportunities for qualified women, minorities, and persons with disabilities. In addition, OFCCP is charged with enforcing Section 503 of the Rehabilitation Act of 1973, and the affirmative action provisions of Section 4212 of the Vietnam Era Veteran's Readjustment Assistance Act.

The OFCCP employs various enforcement procedures, such as compliance reviews and complaint investigations of federal contractors' personnel policies and procedures, to enforce these statutes. OFCCP's current high priority initiatives include its public education initiative, introduction of its Fair Enforcement Strategy, and launching its tester's initiative.

C. Equal Employment Opportunities Commission (EEOC)

The EEOC is an independent agency whose primary goal is to ensure fair labor practices for employees who belong to minority groups that have experienced historical and current discrimination on the basis of race, gender, disability, national origin, religion and age. In particular, the EEOC is responsible for enforcing Title VII of the Civil Rights Act of 1964, the Equal Pay Act, the Age Discrimination in Employment Act, Section 501 of the Rehabilitation Act, the Americans with Disabilities Act, and, pursuant to Executive Order 12067, providing coordination among the federal agencies involved in equal employment opportunity issues.

D. Department of Housing and Urban Development (HUD)

HUD's Office for Fair Housing and Equal Opportunity enforces the Fair Housing Act that prohibits discrimination in housing on the basis of race, color, national origin, religion, sex, familial status, and disability. One of the major enforcement mechanisms employed by HUD in this area is the use of "testers" to uncover acts of housing discrimination. HUD attorneys also litigate complaints on behalf of persons whose allegations of discrimination have been deemed valid by HUD. Current priority civil rights-related projects within HUD include: (1) wide use of volunteers in testing; (2) a national advertising campaign; (3) "Make 'em pay" - a civil counterpart to the Department of Justice's project directed at perpetrators of hate crimes; and (4) the Presidential Housing task force.

E. Department of Education, Office of Civil Rights

The Office of Civil Rights at the Department of Education (OCR) seeks to secure equal access to education regardless of race, color, national origin, sex, disability, or age under Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the Americans with Disabilities Act of 1990. OCR's primary tasks include compliance reviews at educational institutions and providing technical assistance to institutions to promote voluntary compliance. Several high priority issues within OCR include: (1) English proficiency issues; (2) over representation of minorities in special education courses; (3) under representation of women and minorities in math; and (4) desegregation.

F. Department of Health and Human Services, Office of Civil Rights

The Office of Civil Rights at the Department of Health and Human Services is responsible for enforcing several statutes. These include Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Title IX of the Education Amendments of 1972; Section 407 of the Drug Abuse Offense and Treatment Act of 1972; Titles VII and VIII of the Public Health Service Act; Section 307 of the Family Violence Prevention and Service Act; EEO provisions of the Communication Finance Act of 1934; the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1972; and Title II of the Americans with Disabilities Act of 1990. The current emphasis within OCR at HHS is placed on: (1) enforcement of the inter-ethnic adoption provision of the Small Business Job Protection Act of 1996; (2) medical redlining; and (3) providing government-wide guidance on non-discrimination in temporary assistance for needy families.

II. Federal Resources for Civil Rights Enforcement

The President's FY '98 budget increased the total funding for civil rights enforcement programs from \$470.8 million to \$480.32 million. (See chart below.) You should note that the EEOC and OFCCP budgets were increased, while the budgets for other relevant agencies were either frozen at FY '97 enacted levels, with no adjustment for inflation, or decreased slightly. The President's budget requested \$246 million for the EEOC, an increase of \$6.3 million over the FY '97 enacted level of \$239.7 million. The OFCCP budget was increased from \$56 million to \$59 million. Unfortunately, neither the House nor the Senate Commerce, Justice, State Appropriations bills fully funds the President's FY 1998 request of \$246 million for the EEOC -- the House bill freezes funding at the FY 1997 level of \$239.7 million, while the Senate bill provides \$242 million.

<u>Major Civil Rights Enforcement Agencies</u>	<u>FY 1997 (millions)</u>	<u>FY 1998 (millions)</u>
■ EEOC	239.70	246.00
■ OFCCP	56.17	59.06
■ U.S. Commission on Civil Rights	8.75	8.74
■ Department of Housing and Urban Development	30.00	30.00
■ Department of Justice, Civil Rights Division	62.55	62.42
■ Department of Education	55.00	55.00
■ Department of Health and Human Services	19.71	19.53

III. Summary of Administration Efforts to Improve Civil Rights Enforcement

This Administration has undertaken two major projects to reinvent Civil Rights Enforcement. The Vice President's National Performance Review recommended improvements in civil rights enforcement at the EEOC and OFCCP. In addition, the President's affirmative action review made several recommendations about how to make OFCCP more effective.

A. National Performance Review

1. EEOC

With the appointment of new Commissioners in 1994, a primary focus of the EEOC has been on decreasing its historically large backlog. Their adoption of the Priority Charge Handling Procedures in July 1995, and the adoption of the National Enforcement Plan (NEP) in February 1996, have resulted in more timely and effective resolution of the agency's pending inventory of charges.

The Priority Charge Handling System establishes an "ABC" priority system, under which cases are ranked -- "A," "B" or "C" -- based upon the strength of a particular complaint. This enables the EEOC to weed out unmeritorious cases and devote more time and resources to meritorious ones. Adoption of this Priority Charge Handling system has reduced the backlog of cases at the EEOC by approximately 25,000 cases. None-the-less, the agency continues to have a large backlog.

The National Enforcement Plan (NEP) is a three-pronged program. The aim is to dedicate available funds to prevention of discrimination as one of the most efficient and effective means to aid in the achievement of equal employment opportunity goals. This is accomplished through educational outreach, voluntary resolution of disputes, with strong enforcement remaining as a measure to be used where the other two fail.

2. OFCCP

In order to improve its effectiveness while making contractors' compliance simpler and less burdensome, the OFCCP has enacted a Fair Enforcement Strategy. This expedited and more

flexible tiered review process will enable the agency to concentrate on the most substantive violations while spending less time on reviews of firms that are largely in compliance. They also hope to modernize their computer systems to streamline the agency's internal procedures and reduce unnecessary paperwork requirements, permitting the office, for example, to accept electronically submitted reports from contractors.

B. President's Affirmative Action Review

1. EEOC

In 1995, the President ordered a comprehensive review of affirmative action programs. This review found that the EEOC was severely under funded, and recommended that additional resources be provided to help it run effectively. It was also recommended that EEOC should work with the Office of Personnel Management to evaluate the performance of its managers and with the President's Management Council (PMC) to study and report on the proper use of flexible goals and timetables for hiring and promotions. The review also recommended that the PMC identify those agencies that are best able to promote diversity and equal opportunity and implement similar mechanisms throughout the government.

2. OFCCP

The review revealed that although generally effective, OFCCP programs needed reforming. Academic research showed that during periods of strong enforcement, OFCCP programs resulted in moderate increases in the employment of minorities and that OFCCP's efforts did not cause employers to hire less qualified workers. At the same time, the review found that there is a great need to reduce affirmative action program paperwork. Contractors also expressed discontent with inconsistent enforcement between regions.

Several recommendations were made to the President on how to change and improve the OFCCP. First, the Secretary of Labor should update administrative guidelines on enforcement of non-discrimination, illegality of quotas, and good faith efforts. Second, the Secretary of Labor should investigate methods that would encourage collaboration with the private sector. Lastly, the Department of Labor should implement its plan to reduce paperwork.

IV. Congressional Civil Rights Enforcement Initiatives

Currently, both the House and the Senate have proposed similar bills, H.R. 2023 and S.71 that are aimed at amending the Fair Labor Standards Act of 1938 and the Civil Rights Act of 1964 to "give more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for any other purpose." The proposed bills attempt to eliminate the disparity in wages between males and females. Moreover, the bills require the EEOC to compel certain employers to maintain payroll records and report the information to the EEOC which will then analyze the data in regards to race, sex and national origin of employees.

Additionally, these bills require the EEOC to train its employees, employers and others on discrimination in wage payment. The Secretary of Labor will be required to conduct studies and provide information to employers, labor organizations and the public on any progress in pay equity. Moreover, these bills reward those employers that make substantial efforts to eliminating disparities in wages by awarding to them the Robert Reich National Award for Pay Equity in the Workplace.

V. Recommendations on a Proposed Working Group on Civil Rights Enforcement

It is certain that additional resources need to be appropriated for civil rights enforcement at the EEOC and other agencies in future fiscal years to effectively serve the tens of thousands of Americans who annually seek their rights. OMB needs to be made aware that the Administration will seek additional funds in the FY 1999 budget to enforce anti-discrimination laws and that this needs to be built into the upcoming budget process. However, beyond just simply proposing additional expenditures, there are a number of other issues we need to examine in determining how federal civil rights enforcement can be enhanced. For example:

- (1) Should we prioritize enforcement efforts on particular areas, and if so on which areas: Employment? Housing? Education? Hate crimes? Old Age? Disabilities? Housing? etc.
- (2) Are there additional reinvention activities that we should pursue, even though this may result in resources being diverted from current projects?
- (3) Can the EEOC and OFCCP be made to work more effectively both individually and collectively?
- (4) Is there duplication in the current system that we should eliminate?
- (5) Do we need to strengthen the existing laws on the books?
- (6) How do we encourage more voluntary efforts by corporate America and others?

To address these and other issues, we propose forming a working group to come up with a proposal for a comprehensive strategy on civil rights enforcement. We would chair this group, which would consist of the major agency civil rights chiefs as listed below. Judith Winston or her representative would be invited to participate; it will be critical that the working group work collaboratively with her and her staff. We might also want to include EPA (responsible for Administration's environmental justice effort), and Treasury/Comptroller of the currency (responsible for regulating banking practices with respect to loans). Otherwise, the members of the group will include:

1. Gilbert Casellas, Chairman, EEOC
2. Isabele Pinzler, Acting Assistant Attorney General, DOJ
3. Bernie Anderson, Assistant Secretary for Employment Standards, DOL
4. Shirley Wilcher, Deputy Assistant Secretary, Office of Federal Contract Compliance Programs, DOL
5. Dennis Hayashi, Director, Office of Civil Rights, HHS
6. Norma Cantu, Assistant Secretary for Civil Rights, EDUC
7. George Robertson, Acting Director, Office of Civil Rights Enforcement, Agriculture
8. Susan Forward, Acting Assistant Secretary for Fair Housing & Equal Opportunity, HUD
9. April Marchese, Acting Director, Office of Civil Rights, DOT
10. Mary Francis Berry, Chairman, Commission on Civil Rights

As for process, we would convene the working group early in September. The group would review our progress to date with respect to civil rights enforcement and come up with a comprehensive set of proposals aimed at strengthening Federal efforts to eradicate racial discrimination. We would also propose to examine what kinds of cooperative efforts might be possible with employers and others in addressing this issue, and the need for additional federal legislation and funding and whether the current priorities of the agencies are the ones the Administration wants to focus on. We propose that the work of this group will either be completed or at an appropriate stage so that any requests for additional funding for civil rights enforcement can be incorporated into the FY 1999 budget before the President submits his budget to the Congress in January.

We look forward to hearing your thoughts concerning our recommendation.

By PETER T. KILBORN

WASHINGTON, Jan. 24 — A robust economy and years of Government pressure have helped move minority groups closer to the mainstream. But when it comes to health, studies show a stubborn, daunting and in some respects growing disparity between black and white Americans.

For decades, blacks have suffered higher death rates from nearly all major causes. Although life expectancy has increased for all groups, differences persist. And Government and academic research shows a widening gap between blacks and others in the incidences of asthma, diabetes, major infectious diseases and several forms of cancer.

The Federal Centers for Disease Control and Prevention reports that from 1980 to 1994 the number of diabetes cases rose 33 percent among blacks, three times the increase among whites. The gap in cases of infectious diseases has grown by the same magnitude.

With breast cancer, the C.D.C. reports that from 1990 to 1995 the death rate for all women fell 10 percent, from 23.1 per 100,000 to 21. But black women's higher rate did not budge from 27.5 per 100,000.

The erosion of black Americans' health in relation to Americans at large stands in stark contrast to many blacks' advances in areas like jobs, education and housing that three decades of civil rights laws have helped promote.

In the economy of the 1990's, poverty among blacks has shrunk, and gaps in income have narrowed. Sociological barriers to economic progress like a high teen-age pregnancy rate have receded, too.

But blacks often receive less, and worse, health care than whites, analysts say, meaning that they are sicker than whites and typically die at about 70, six or seven years earlier than whites.

"We have a two-tiered health care system," said Dr. Randall Morgan, an orthopedic surgeon and a former president of the predominantly black National Medical Association.

Limited education, violence and addiction remain partly to blame. But Clinton Administration officials and analysts of health systems say they are finding growing evidence that race, discrimination and social and cultural factors influence the care people receive and, consequently, their health.

The chief White House adviser on health issues, Chris Jennings, said economic status was a big source of the gap. "But even if you control for that, race is huge," Mr. Jennings said. "If you pull out education, race is still huge."

The White House is grappling with new ways to address the problem, most likely in the President's budget proposal early next month. In response to a White House request, officials of the Department of Health and Human Services and the Health Care Financing Administration said they were compiling proposals to try to eliminate the gap after 2000.

Dr. Donald M. Berwick, a pediatrician in Boston and a member of President Clinton's commission on

someone's race. Tell me their income. And tell me whether they smoke. The answers to those three questions will tell me more about their longevity and health status than any other questions I could possibly ask. There's no genetic blood test that would have anything like that for predictive value."

The growth of managed care, experts said, has had little effect. "The more we hear about the problems in the health care delivery system and managed care, the more the issues of minorities stand out," said Darius Walker, health policy director for the Joint Center for Political and Economic Studies, which focuses on blacks.

Administrations since the 60's have been aware of the gap and have started dozens of programs, commitments and conferences to tackle it.

The Department of Human Services has an Office of Minority Health, which among other activities publishes a newsletter, Closing the Gap. The department compiles ambitious annual reports on progress toward goals for 2000 to prolong healthy lives and reduce the disparities.

But the results are mixed. For many conditions that disproportionately touch blacks, including asthma, obesity, homicide, maternal mortality, diabetes and fetal alcohol syndrome, the report published in October shows the incidences not only falling short of the goals but also slipping in relation to the conditions in the late 80's and early 90's, on which the goals were based.

Dr. Morgan said Government attempts to reduce the gap were modest and subject to sporadic financing. "We get a program, and then it's over," he said. "We can't get a sustained effort. The tragic thing is it's costing America more and more every day to have the premature babies — not the ones who die — who go on to drain the health system's resources."

Public health programs begun in Mr. Clinton's tenure have made little

An acute racial disparity in cases of asthma, cancer and infectious diseases.

more headway against the gap than those of prior Administrations, including Medicaid, the insurance program for the poor, and Medicare, the program for the elderly.

Programs that pay for prenatal care for mothers and nutrition and immunization for children have helped many additional children survive infancy. But deaths of black mothers in childbirth, although rare, jumped 48 percent from 1987 to 1995 (the rate soared in the late 1980's), compared with 7.6 percent for all mothers. And blacks still have two times the infant mortality rate of whites, a gap that has not changed in at least a decade.

The New York Times

MONDAY, JANUARY 26, 1998

Health Gap Grows, With Black Americans Trailing Whites, Studies Say

SMAT + PR
FMI - Health Disparities
-Don

KEEPING TRACK

Race and Health: Differences Remain

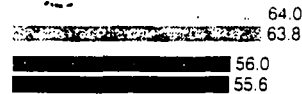
Incidences of death and sickness from many diseases are subsiding, but gaps between the nation's whites and blacks persist.

ALL PEOPLE
1990
1995

BLACKS
1990
1995

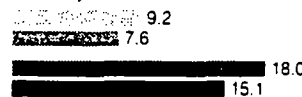
YEARS OF HEALTHY LIFE

(These figures are for 1990 and 1994)



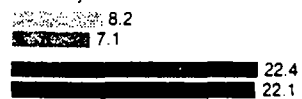
INFANT MORTALITY

for every 1,000 live births



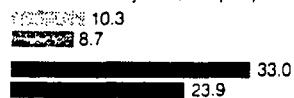
MATERNAL MORTALITY

for every 100,000 live births



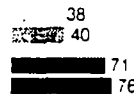
TUBERCULOSIS

cases for every 100,000 people



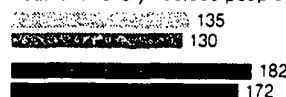
DIABETES-RELATED DEATHS

for every 100,000 people



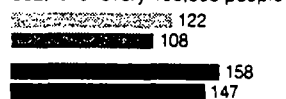
ALL FORMS OF CANCER

deaths for every 100,000 people



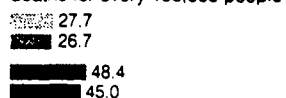
HEART DISEASE

deaths for every 100,000 people



STROKE

deaths for every 100,000 people



Source: Department of Health and Human Services

The New York Times

Cancer Society said, black men's death rate from cancer rose 62 percent, compared with 19 percent for all American men. A gap in the incidence of prostate cancer has narrowed. But the incidence is 30 percent higher for black men, and 66 percent survive for five years, compared with 81 percent of white men.

In general, the nation has realized declining death rates from leading killers like heart attack, stroke and cancer. But blacks still suffer those and other disabling conditions sooner than whites.

As a result, new research sponsored by the National Institute for Aging shows that blacks enjoy 56 years of reasonably good health, 8 years fewer than whites and Hispanic-Americans. In an institute survey, one-third of all blacks from 51 to 61 described their health as fair to poor, compared with one-fifth of all whites of the same ages.

Kenneth G. Manton, director of the Center for Demographic Studies at Duke University, who wrote an analysis of the survey, said: "If you look at the total population, you find a significant decline in chronic disability and institutionalization for people 65 and older. But if you break it down among blacks and whites, you find almost all the improvement is among whites."

Concern about the gap has entered White House planning for Mr. Clinton's last two years in office. It has risen with experts' doubts that the enactment last year of a five-year \$24 million plan to provide care to half the 10 million uninsured children would help reduce the disparities.

Administration officials expect Mr. Clinton, in his budget message, to ask for additional money to im-

prove minority groups' health. In addition, the officials say, he could ask for revisions of Government health programs so that additional people like nurses and physicians in minority communities join in working on the stubborn roots of the gap.

The issue is also entering other arenas. The President's advisory board on race, which has been dwelling mostly on discriminatory barriers to economic opportunity, has begun soliciting testimony on health.

Dr. Berwick said he and other members of the health commission were urging the commission to include a proposal to close the gap in the panel's final report in March.

To curry support to close the gap, the President is likely to define the issue in terms of minority health, not simply black health.

Other minority groups suffer from some diseases more than blacks. Indians have higher levels of diabetes. Hispanic-Americans tend to suffer more fatal and disabling strokes. Puerto Rican children have the highest incidence of asthma.

The C.D.C. reports that in 1996, tuberculosis among Asian-Americans was nearly 15 times higher than among whites and nearly twice the level for blacks.

But as the largest minority group and the one with the highest death rates from most diseases, blacks arouse the most concern.

"There is a minority group that is very disadvantaged with respect to health, and that's African-Americans," said Samuel H. Preston, a demographer and dean of the School of Arts and Sciences at the University of Pennsylvania. "It's not a minority problem. It's a black problem."

The intractability of the gap is

stirring searches for explanations beyond the conventional one: a proportionately low income. Hispanic-Americans, too, are relatively poor and are much less likely to have health insurance than any other group. Yet the C.D.C. finds that they stay healthy longer than non-Hispanic whites, as well as blacks.

Research has shown slight, apparently genetic, predispositions among blacks for prostate cancer, sickle cell anemia and underweight births. But analysts say the major disparities arise less from inherent differences among races than from attitudes toward the races and unequal care.

A study in October in The New England Journal of Medicine suggested something peculiarly American to being black and unhealthy beyond genes. For the study, two neonatologists in Chicago, Drs. James Collins and Richard David, surveyed the birth weights of all children born in Illinois from 1980 to 1995. They isolated the lowest-risk group of mothers, from 20 to 39, who were college educated, married to college-educated men, had prenatal care in their first trimesters and had no prior miscarriages or stillbirths.

The researchers found that 2.4 percent of the 12,361 American-born white mothers delivered underweight babies, compared with 3.6 percent of 608 mothers living in Illinois and born in sub-Saharan Africa, and 7.4 percent for American-born black mothers.

"These findings discredit the genetic theory of race as it applies to birth weight," the doctors said in a paper presented in November to the annual meeting of the American Public Health Association. "To understand this thing called race, we must turn our attention to the institutions and attitudes which perpetuate and justify unequal treatment of people on the basis of their physical appearance, language or culture."

In hospitals and clinics, said Sara Rosenbaum, director of the Center for Health Policy Research at George Washington University here, blacks often receive worse care than whites. "When you take black and white Americans," Ms. Rosenbaum said, "and exactly the same situation like being hospitalized for a heart attack and having the same insurance, the chance that the black patient will get the advanced care is much less than it is for the white patient. The medical system appears to treat them differently."

Analysts say solutions require attention to the health conditions of the very young, before the effects of poverty, toxic environments, bad diets, violence and untreated disease.

"Policy that only deals with people in their 50's is going to have a minor impact on eliminating differences because a series of health shocks has happened already," said James P. Smith, a senior economist at the Rand Corporation who testified this month before the race commission.

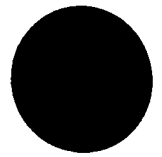
Policy goals should also change, said Dr. Berwick in Boston.

"It isn't enough to say we're going to close the gap by equalizing services," he said. "I don't think that's the heart of the problem. It's not equality of access. It's equality of result that we should seek."

cc Sandy

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON, D.C. 20500

November 20, 1997



MEMORANDUM FOR SYLVIA MATHEWS
ASSISTANT TO THE PRESIDENT AND
DEPUTY CHIEF OF STAFF

FROM: SANDERS KORENMAN *SK*
SARAH REBER *SR*

SUBJECT: Data on Black Economic Well-being in Response to NYT Op-Ed of
November 16

Patterson's Op-Ed ("Racism is Not the Issue") argues that discrimination may be a problem for middle-class blacks, but jobs are a more critical issue for poorer blacks. He also asserts that the economic well-being of most African-Americans has improved. We have attached some data from the forthcoming *Economic Report of the President* that illustrate trends for some key economic indicators by race and ethnicity, including the rise of the middle class since the 1940s. While it is true that a substantial black middle class emerged in the post-war period, nearly all of the increase took place before 1975.

Growth in the Middle Class

Chart 1 shows that between 1940 and 1970, the black middle class grew rapidly, and the proportion of black families below the poverty line fell dramatically. Chart 2 shows that the black middle class continued to grow in the early 1970s, but progress stalled in the mid-1970s and 1980s. In the 1990s, following 20 years of stagnation, progress has slowly picked up, and by 1996 more than half of black families had incomes above \$25,000 per year. Chart 3 shows that the picture is somewhat different for Hispanic families, perhaps in part due to immigration: The Hispanic middle class has been shrinking and the lower class expanding slowly since the early 1970s (the longer-term picture is not available for Hispanics). We have also included charts for white families for comparison (charts 4 and 5).

Poverty Rates

Black poverty rates have shown a similar pattern: progress in the 1960s and early 1970s, stagnation in the mid-1970s and 1980s, and some hints that progress is picking up again in the 1990s. In fact, the black poverty rate hit an all-time low in 1996 (see chart 6).

Educational Attainment

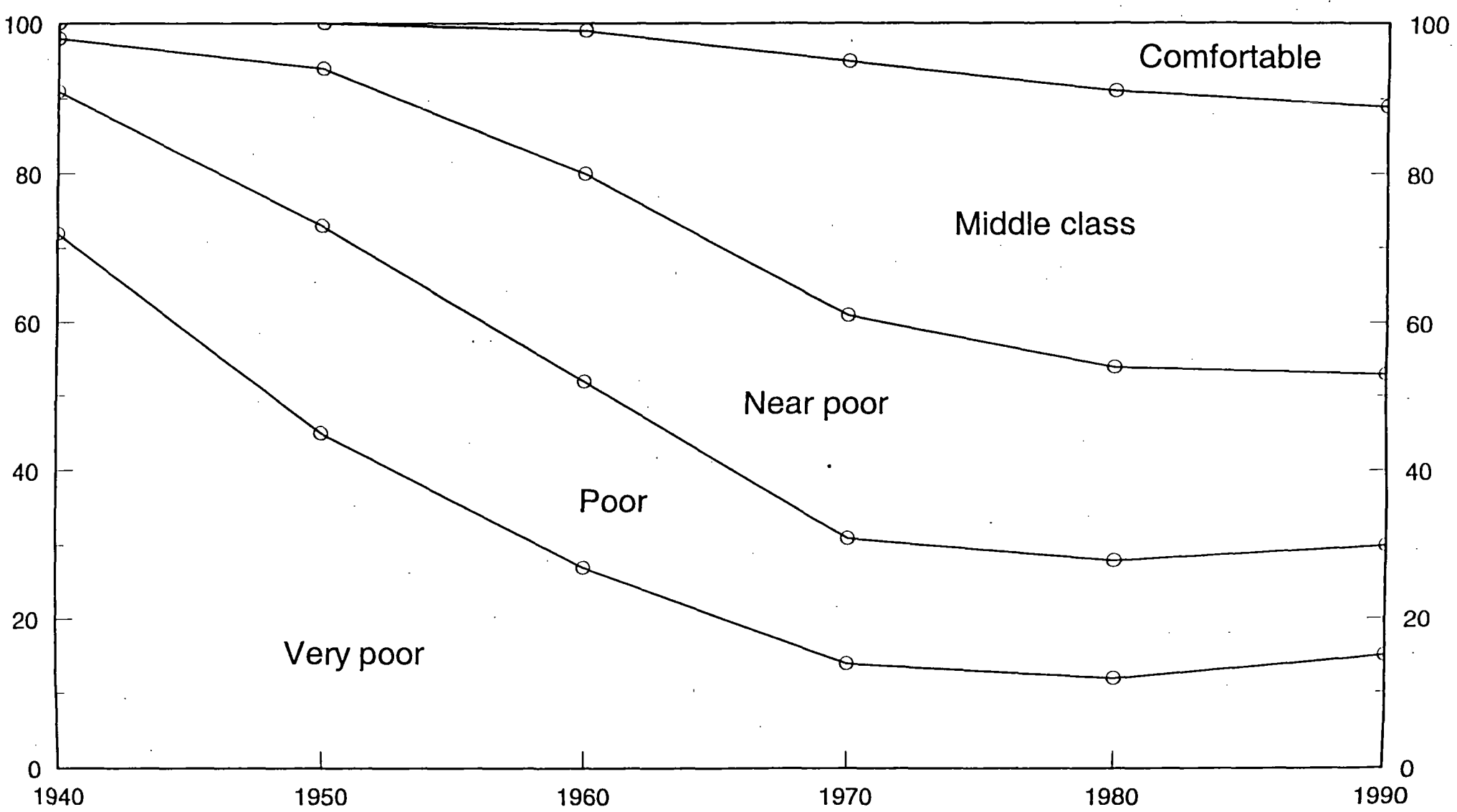
As noted in Patterson's piece, blacks have nearly closed the gap with whites in high school graduation rates (see chart 7). Blacks have also made considerable progress in attainment of some college (chart 8) and 4-year degrees (chart 9), but substantial gaps persist.

Attachments

Chart 1 **Distribution of Black Families by Income**

Between 1940 and 1970, the proportion of black families that were poor or very poor fell and the middle class grew dramatically.

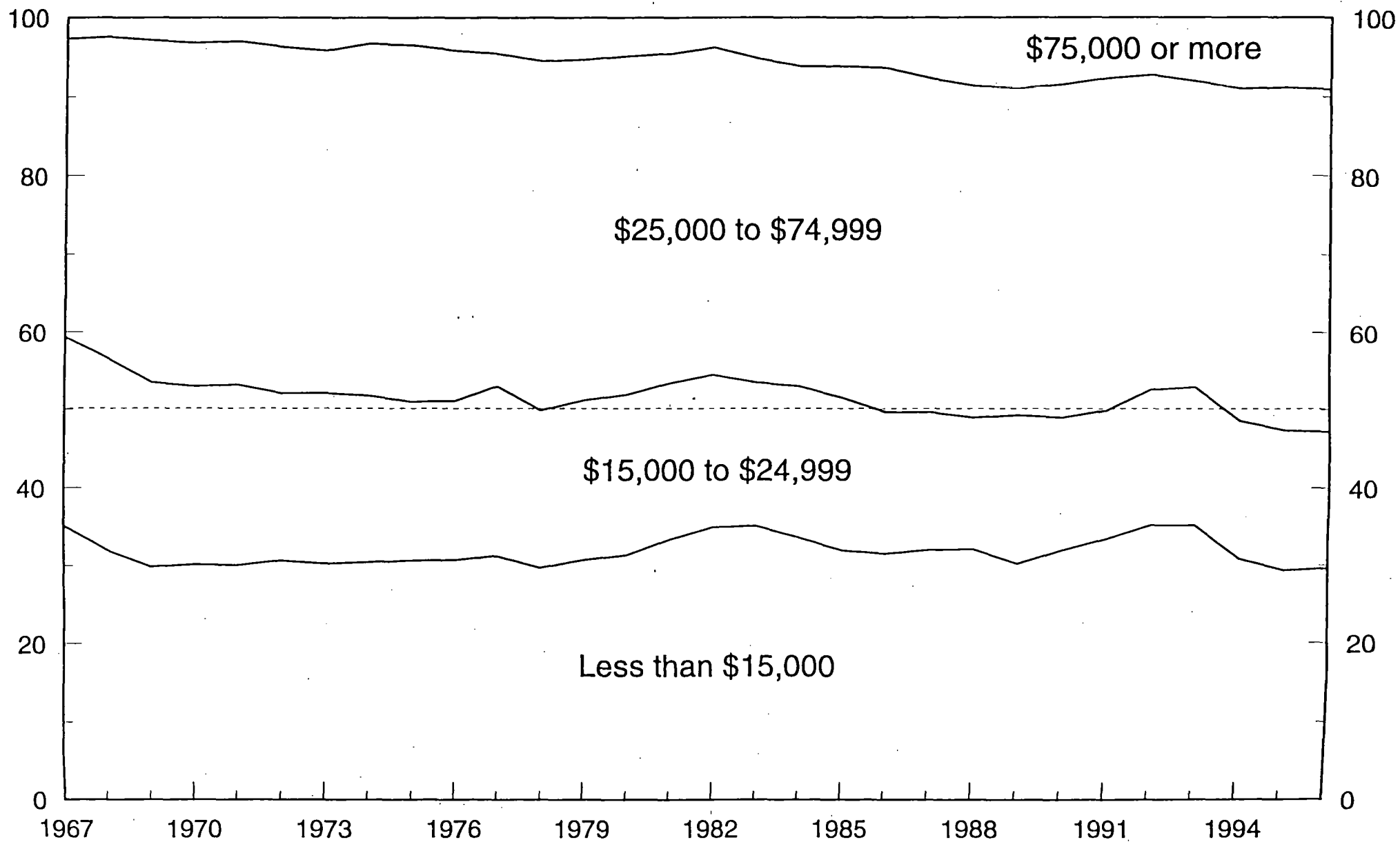
Percent of families



Note: "Very poor" is less than 50 percent of poverty, "poor" is 50 to 100 percent of poverty, "near poor" is 100 to 200 percent of poverty, "middle class" is 200 to 500 percent of poverty and "comfortable" is greater than 500 percent of poverty.

Chart 2 Distribution of Black Families by Income, 1996 dollars
After falling in the 1960s and early 1970s and stagnating in the 1980s, the proportion of black families with income below \$25,000 has dropped slightly in the 1990s.

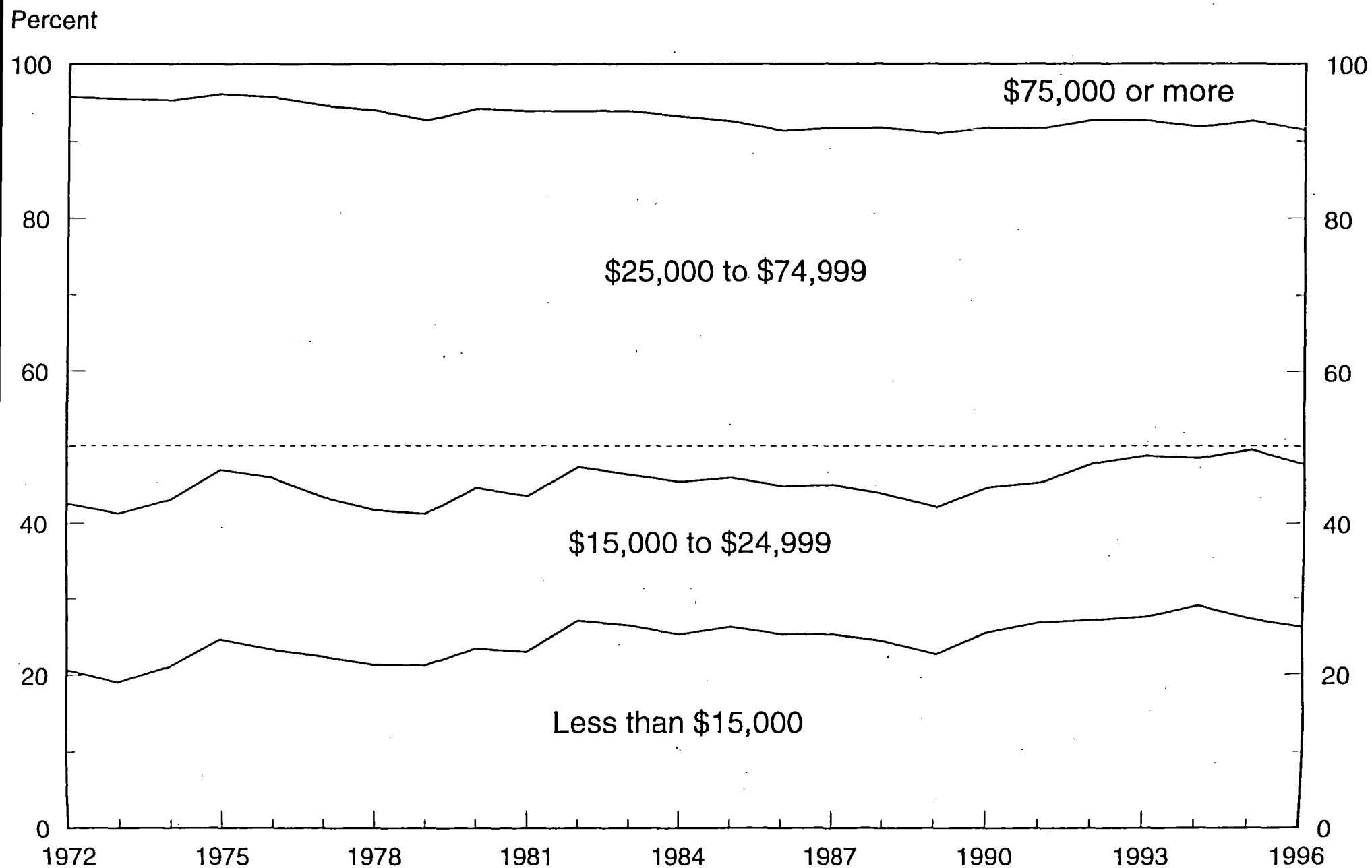
Percent



Source: Department of Commerce.

Chart 3 **Distribution of Hispanic Families by Income, 1996 dollars**

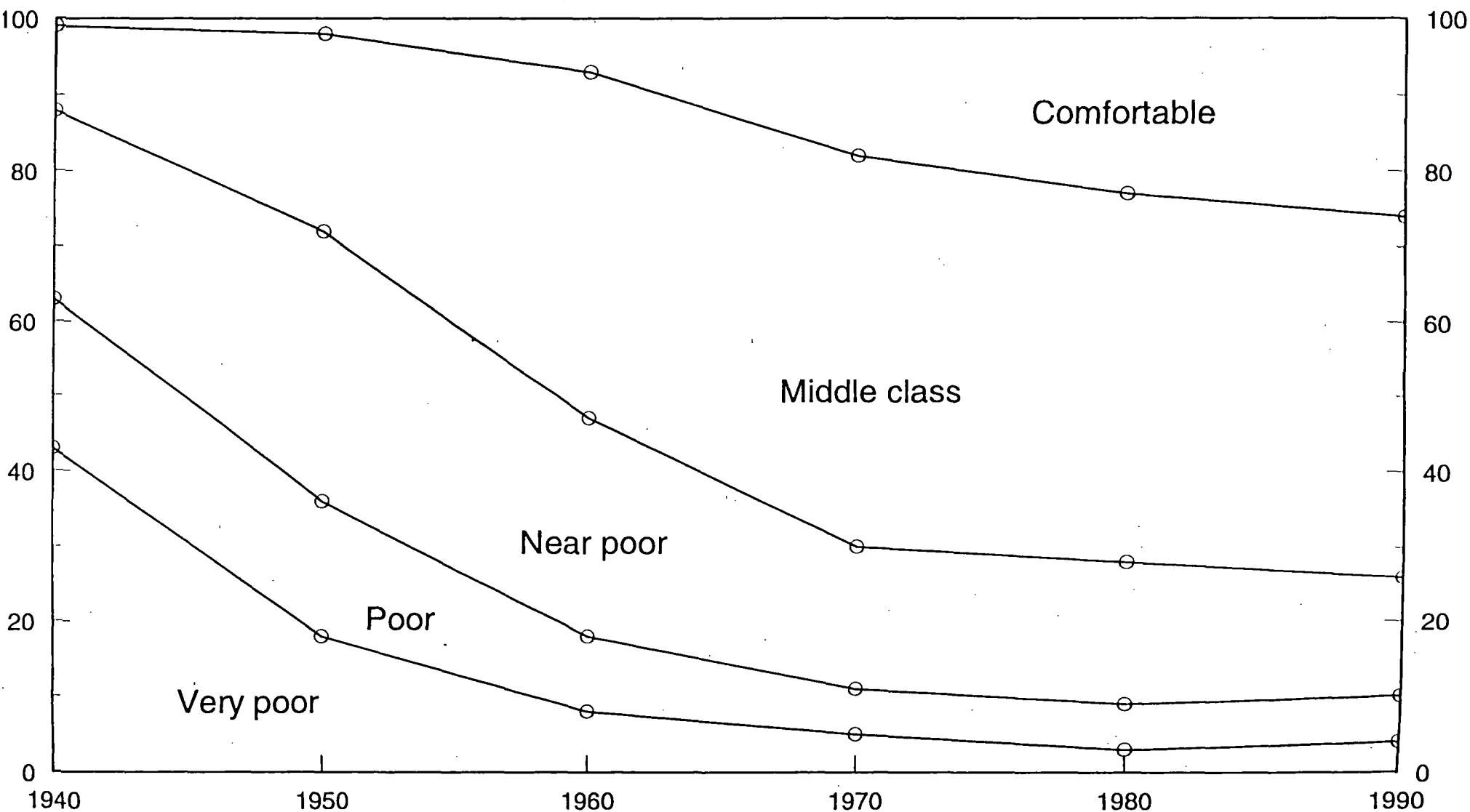
The proportions of Hispanic families with incomes below \$25,000 or above \$75,000 have risen since the 1970s.



Source: Department of Commerce.

Chart 4 Distribution of White Families (Including Hispanics) by Income
Between 1940 and 1970, the proportion of white families that were poor or very poor fell and the middle class grew dramatically.

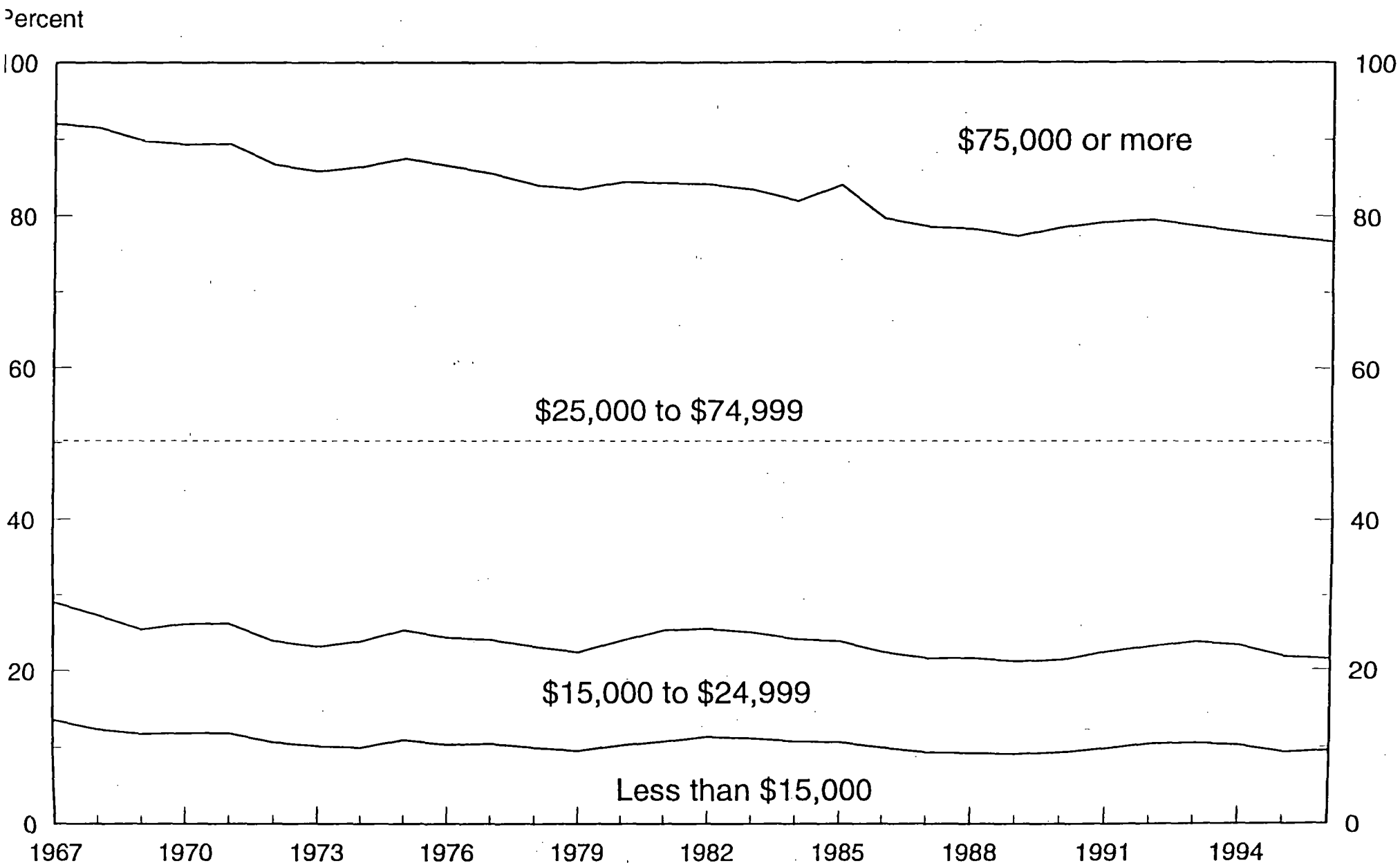
Percent of families



Note: "Very poor" is less than 50 percent of poverty, "poor" is between 50 and 100 percent of poverty, "near poor" is 100 to 200 percent of poverty, "middle class" is 200 to 500 percent of poverty and "comfortable" is greater than 500 percent poverty.

Chart 5 **Distribution of White Families by Income, 1996 dollars**

The proportion of white families with incomes below \$25,000 has fallen slightly while the proportion of families with incomes of \$75,000 or more has grown steadily since 1967.

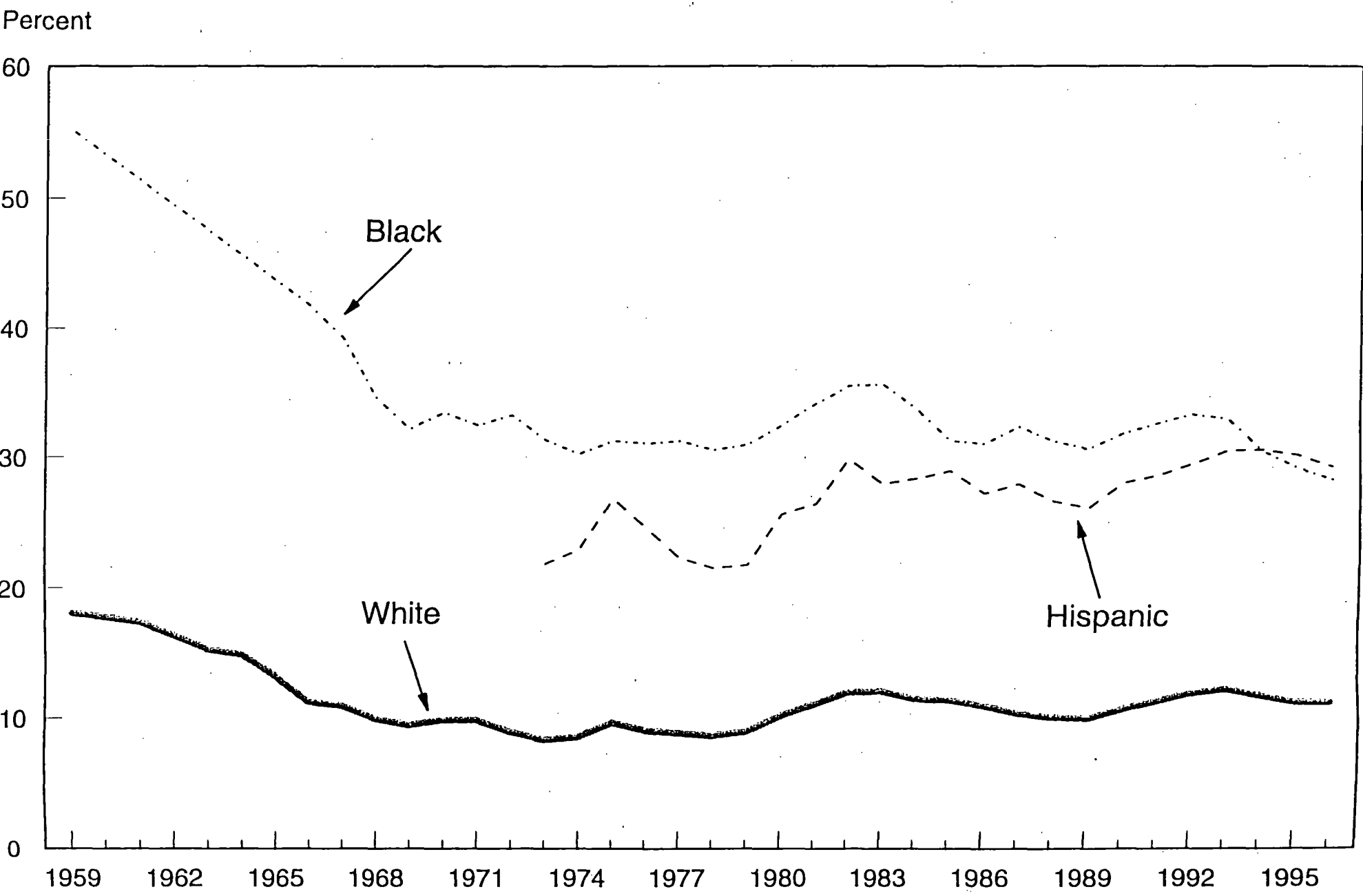


Note: Prior to 1972, data for whites include Hispanic whites.

Source: Department of Commerce.

Chart 6 **Individual Poverty Rates**

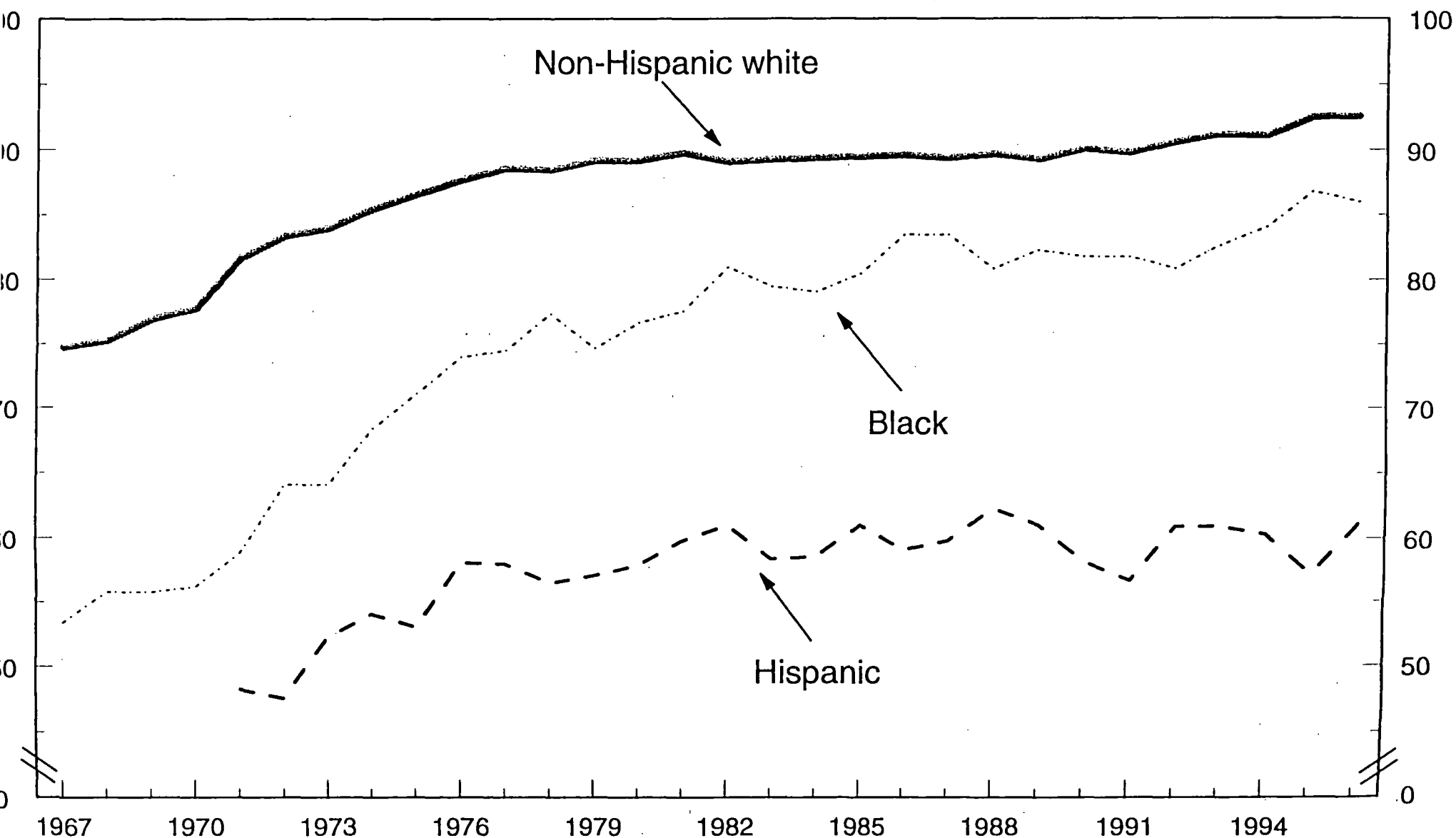
Poverty rates have improved considerably for all groups since 1959, but large differences between groups persist.



Source: Department of Commerce.

Chart 7 **High School Completion Rates for 25- to 29-year-olds**
 High school completion rates for all groups have risen since the late 1960s, and blacks
 are closing the gap with whites.

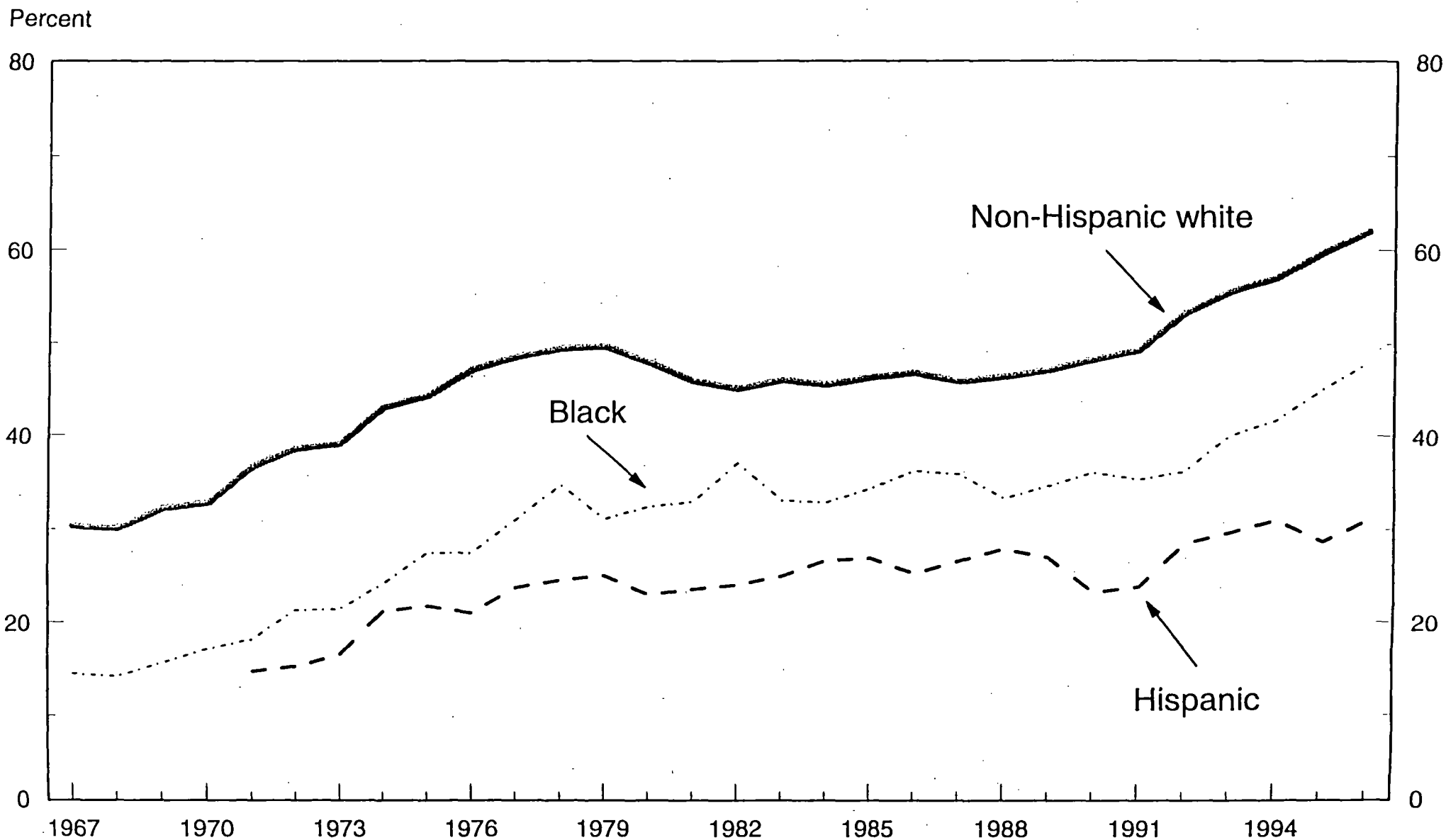
Percent



Note: Prior to 1972, data for whites include Hispanic whites.

Source: Department of Commerce.

Chart 8 **25- to 29-year-olds with Some College**
College attendance rates have risen for all groups.

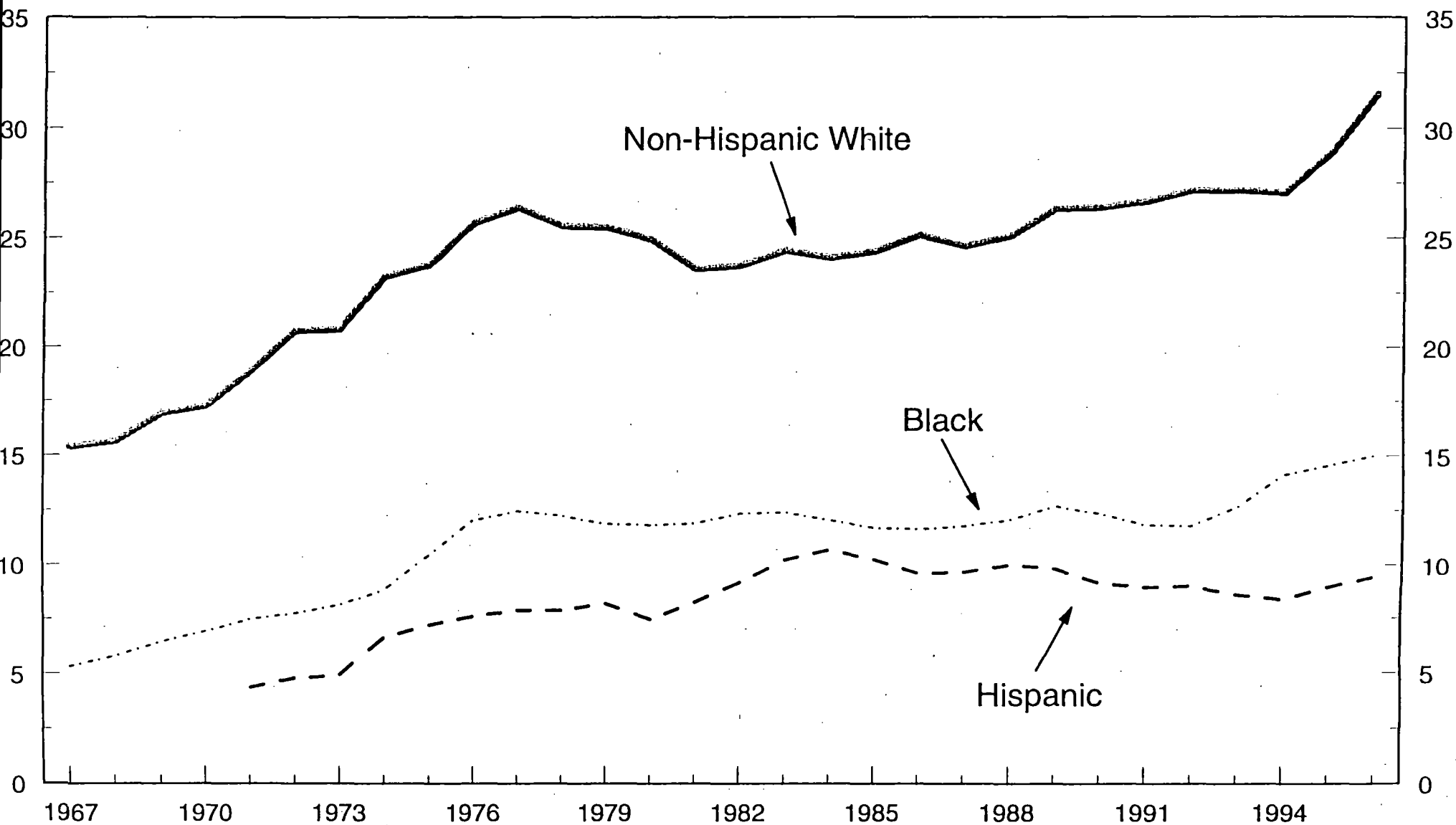


Notes: Represents the percent of population who have "one or more years" of college for years before 1992 and percent who have "some college" for 1992 and after. Prior to 1972, data for whites include Hispanic whites.

Source: Department of Commerce.

Chart 9 25- to 29-year-olds with a College Degree
Four-year college attainment rates have more than doubled for whites and almost tripled for blacks.

Percent



Note: Prior to 1972, data for whites includes Hispanic whites. Data for blacks and Hispanics are 3-year centered averages.

Source: Department of Commerce.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY
WASHINGTON, D.C. 20410-0001

September 22, 1997

*When does this
have
to be
announced.*

MEMORANDUM

FOR: ERSKINE BOWLES, CHIEF OF STAFF

CC: ANN LEWIS, DIRECTOR OF COMMUNICATIONS
MIKE McCURRY, PRESS SECRETARY
RAHM EMANUEL, SENIOR ADVISOR TO THE PRESIDENT
BRUCE REED, DOMESTIC POLICY ADVISER
JUDITH WINSTON, DIRECTOR OF THE RACE INITIATIVE
SYLVIA MATHEWS, DEPUTY CHIEF OF STAFF
THURGOOD MARSHALL, SECRETARY TO THE CABINET

FROM: SECRETARY ANDREW CUOMO *AC*

SUBJ: HUD'S FAIR HOUSING FOR THE 21ST CENTURY INITIATIVE

In January 1994, the President issued an Executive Order (Executive Order 12892) establishing the "President's Fair Housing Council" and naming the Secretary of Housing and Urban Development (HUD) as Chair of that Council.

In this context, we at HUD have developed a Fair Housing for the 21st Century initiative which is ready to support the President's "One America" initiative -- and may be particularly relevant for the President's upcoming speech in Arkansas this Thursday.

Housing Discrimination: The Racism That Hits Americans Where They Live

- Nearly 30 years after this nation passed the Fair Housing Act, Americans of color seeking a new home are still the victims of housing discrimination -- perhaps the most persistent remnant of racism in America. These Americans are being shut out of the American dream and that is wrong. As we approach the 21st Century, we must have zero tolerance for discrimination. How can we become One America when we cannot even become one neighborhood?

- Sometimes housing discrimination is subtle. Americans of color are told there are no homes available when, in fact, there are homes available. They are told there is an expensive security deposit when, in fact, there is no security deposit. They are literally steered into neighborhoods across town instead of where they want to live.
- Other times housing discrimination is flagrant, ugly, and violent. When Americans of color try to move into their new home, their new neighbors welcome them -- not with warm greetings -- but with racial slurs, crosses burning on their front lawns, bullets shooting in their windows, and death threats for them and their children.

Fair Housing for the 21st Century

HUD's Fair Housing for the 21st Century initiative is a three prong plan designed to promote minority homeownership opportunities by addressing the discriminatory obstacles that all too often impede homeownership opportunities, including:

- At the President's request, HUD will double the number of civil rights enforcement actions by the year 2000 -- from 1,085 to 2,170. HUD will do this by forging working relationships within the federal government (e.g. USDA, DOJ, VA), by cooperating and supporting not-for-profit fair housing advocacy groups and by making the pursuit of civil rights housing cases a Secretarial priority. Toward that end, we will begin in the coming weeks announcing a series of enforcement actions against egregious violators of housing civil rights law.
- Aggressively pursuing and rooting-out race-based housing discrimination in the marketplace, such as predatory lending, insurance scams and exclusionary zoning practices. This form of housing discrimination is much more subtle and complex than the type of cases HUD traditionally pursues but it stands as one of the most pernicious obstacles to improving minority homeownership rates.
- Launching a Public Education Campaign in the spring of 1998 -- the 30-year anniversary of the passing of the Fair Housing Act -- designed to promote minority homeownership opportunities.

I believe announcing the doubling of enforcement actions could be a valuable piece of the President's speech in Little Rock. My staff will follow up on this issue.

THE WHITE HOUSE
WASHINGTON

November 11, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE REED
ELENA KAGAN

SUBJECT: RACE POLICY INITIATIVES

A few weeks ago, we sent you a list of policy ideas that could be announced over the next six months as part of the race initiative. We are attaching that list to this memo. It is worth noting again that none of these ideas has gone through the budget process, and some are more fully developed than others. We are continuing work on these policy ideas and will discuss some of them at the meeting tomorrow.

In a recent article, William Julius Wilson wrote: "The country's deep racial divisions certainly should not be underestimated, but the unremitting emphasis on these gaps has obscured the fact that African-Americans, whites, and other ethnic groups share many concerns, are beset by many similar problems, and have important values, aspirations, and hopes in common. . . . A new democratic vision . . . must find issues and programs that concern families of all racial and ethnic groups, so that individuals in these groups can honestly perceive mutual interests and join in a multiracial coalition to move America forward."

We believe the central focus of the race initiative should be a race-neutral opportunity agenda that reflects these common values and aspirations. Of course, there is still a need for strong civil rights enforcement, narrowly tailored affirmative action programs, and certain other kinds of targeted initiatives (see, for example, the health initiative described in the attached memo). But the best hope for improving race relations and reducing racial disparities over the long term is a set of policies that expand opportunity across race lines and, in doing so, force the recognition of shared interests. These policies -- for example, education opportunity zones, university-school mentoring programs, housing vouchers, and community policing and prosecuting initiatives -- address the concerns of working people of all races, at the same time as they provide especial benefits to racial minorities.

We think you should state explicitly throughout the year that this kind of agenda is the best way to achieve racial progress -- to reduce racial inequalities and bridge racial divides. Expanding opportunity for all Americans has been the clear mission of your Presidency, and it should be the clear mission of your race initiative.

THE WHITE HOUSE

WASHINGTON

October 18, 1997

MR. PRESIDENT:

Please note that many of these proposals are still in the formative stage.

Phil Caplan

THE PRESIDENT HAS SEEN
10-21-97

Copied
Reed
Kagan
COS

Blue

I like them very much
and would like to meet up
you, Clinton, & others etc
w/ us to be then soon to
discuss them + a couple of
specific dialogues/structure
for school/workplace

Phil
Wash

10-21-97

Race Initiative Policy ProposalsEducation

✓ Teaching Initiative -- Previously announced proposal to prepare and recruit teachers for high-poverty urban and rural communities.

✓ Urban Education Initiative -- Select 15-20 urban school districts as Education Opportunity Zones, which would receive additional monies for implementing a program of standards-based school reform, including measures to promote public school choice, end social promotions, remove bad teachers, and reconstitute failing schools. The Department of Education has requested \$320 million for FY 99 for this program.

✓ School Construction Proposal -- Support our own proposal from last year; the Daschle-Gephardt bill; or an alternative approach.

✓ College/School Partnerships -- Propose a grant program to promote strong partnerships between colleges and high-poverty middle and high schools. Through these partnerships, colleges would encourage students to take demanding courses, while providing academic enrichment and intensive mentoring, tutoring, and other support services. The Department of Education has requested \$200 million for FY 99 for this initiative.

✓ Communications Strategy for Maintaining Diversity in Higher Education -- Issue departmental report and give speech or town hall on the value of diversity in higher education; identify and highlight effective outreach and recruitment efforts in report and/or speech; invite educational leaders to White House to discuss the importance of the issue. Do not become Admissions Dean-in-Chief (i.e., do not recommend or endorse particular admissions criteria or strategies).

✓ Attacking Racial Separation Within Schools -- Department of Education report on best practices for helping students reach across racial barriers; grants to support model projects.

Economic Empowerment

✓ Empowerment Zones, Round 2 -- Announce the Second Round Empowerment Zones designees. (There is some interagency dispute about the timing of this proposal, given our inability to come up with grant money to complement the tax incentives.)

✓ Housing Portability -- Announce package of proposals including expanding the home ownership voucher program, encouraging the use of exception rents to open suburban housing markets, eliminating obstacles to portability of Section 8 vouchers, and reducing mortgage denial rates for minorities by working with mortgage and real estate industry.

✓ Fair Lending Initiative -- Announce initiative that might include an examination of

Teaching
Opportunity
Zones

College/School
Partnerships
Communications
Strategy
Attacking Racial
Separation
Within Schools

Empowerment
Zones
Housing
Portability

Fair Lending

10-21-97

✓ certain lending practices on minorities' access to capital, measures to improve the collection and analysis of data on loan denials, and increased resources for testing and enforcement (see below).

✓ Transportation Infrastructure Development -- Propose tax reforms to stimulate spinoff development from transit projects and aid development of urban intercity bus facilities.

✓ Assisting the Unbanked -- Announce the electronic funds transfer regulation, which may bring up to 10 million individuals into the banking system.

Health

✓ Initiative to Reduce Health Disparities -- Adopt multi-faceted program, largely focused on education and outreach, to reduce racial disparities in heart disease and stroke; breast, cervical, and other cancer; diabetes; infant mortality; AIDS; and immunizations. HHS, OMB, and Chris Jennings are in the midst of developing cost estimates for this initiative.

Crime

1-advancing
in 92- ✓ Community Policing Initiative -- Target funds from the COPS program to hire new police officers and support community organizations in underprotected high-crime, largely minority neighborhoods (e.g., public housing communities); also use COPS money to promote diversity training for police and establish citizen academies to help community residents understand police procedures; promote minority recruitment in law enforcement through existing grant program.

✓ Pop Community Prosecuting Initiative -- Develop an initiative to give communities an incentive to experiment with community prosecution, which applies the principles of community policing -- neighborhood involvement and a focus on problem solving and prevention -- to this aspect of the criminal justice system.

✓ At-Risk Youth Prevention Efforts -- Devote \$75 million currently in CJS appropriations bill, which we proposed as part of the President's juvenile crime strategy, to targeted programs for at-risk and minority youth (convince DOJ to drop plans for distributing funds by formula); launch a new fight to get crime bill prevention programs funded in next year's budget process.

✓ Indian Country Law Enforcement Initiative -- In line with recommendations of Departments of Justice and Interior (due on October 31), transfer law enforcement authority from BIA to Justice and seek increased law enforcement resources specifically designated for Indian Country.

Civil Rights Enforcement

✓ Enhanced Enforcement Initiative -- Request additional funds for civil rights enforcement,

10-21-97


✓ tied to programmatic changes to improve coordination among federal government's civil rights offices, speed resolution of claims, and reduce backlog of cases. This initiative probably will focus on the EEOC. DPC, OMB, and other offices are currently working on cost estimates.

Hate Crimes Initiative -- Announce a package of proposals at the November 10 hate crimes conference, including measures to enhance enforcement of hate crimes laws, improve collection of statistics, initiate educational activities, and amend the current federal hate crimes statute.



Lin Liu
10/30/97 11:51:03 AM

Record Type: Record

To: Peter Rundlet/WHO/EOP
cc:
bcc:
Subject: Re: Policy/Enforcement 

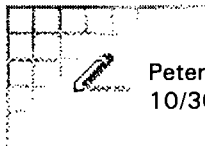


Civilrts Attached is the memo that we put together for Judy to inform her about the meetings that DPC/NEC and we had with civil rights enforcement agencies and outside groups. Hope this can be somewhat helpful. Let's talk if you have more questions about these meetings. I actually have not had an opportunity to follow up with DPC on next steps however.

OMB has also invited us to sit in on the Nov. 12 budget cross-cut discussion on these issues.

By the way, do you have a copy of the DPC policy weekly report?

Peter Rundlet



Peter Rundlet
10/30/97 11:47:01 AM

Record Type: Record

To: Lin Liu/PIR/EOP
cc:
Subject: Policy/Enforcement

Lin, can you give me a quick update on what's been happening with our policy/enforcement working group. You have mentioned a few meetings to me, but my sense of where we are is really vague. I have to update Sylvia, and any insight you could provide, would be much appreciated. Thanks.



Lin Liu
10/30/97 11:57:43 AM

Record Type: Record

To: Peter Rundlet/WHO/EOP
cc:
Subject: Economic Issues

FYI.

Susan and I will set up a meeting on community efforts. thanks for prodding, i have been thinking that we needed to meet as well. Internally, we've been working alot on it and we hope to bring in new resources to help.

----- Forwarded by Lin Liu/PIR/EOP on 10/30/97 11:55 AM -----



Lin Liu
10/30/97 11:41:19 AM

Record Type: Record

To: Elena Kagan/OPD/EOP, Jose Cerda III/OPD/EOP
cc: See the distribution list at the bottom of this message
Subject: Economic Issues

Elena and Jose - could you please let me know who the primary point of contact at DPC is for economic opportunity issues? As you know, we had a good introductory meeting with Mike Cohen and the education group last week and we are looking forward to working with them in the future. I would also like to initiate that same process with the economic subgroup. The Advisory Board will likely want to focus on economic issues for one or two of its monthly meetings in the very near future. We would like to have a better understanding of the issues that DPC/NEC are already working on to inform the Advisory Board meetings.

Please also continue to keep us in the loop as part of your weekly reports so that we can also plug in better with the existing policy process. Thanks much!

Message Copied To:

John M. Goering/PIR/EOP
Ana Lopez/PIR/EOP
Scott R. Palmer/PIR/EOP
David Campt/PIR/EOP
Judith A. Winston/PIR/EOP

October 23, 1997

TO: Judith Winston

THRU: Lin Liu

FROM: John Goering

SUBJECT: Key Issues from Recent Meetings on Civil Rights

Purpose and Attendance at Meetings:

The purpose of this memo is to summarize the issues raised at a series of meetings that John Goering and/or I attended last week and this on the general issue of civil rights enforcement practices and funding. The federal agencies and advocacy groups met separately as were the meetings held with Justice separate from the others. These meetings were organized by Elena Kagan of the DPC.

The purpose of the meetings, as expressed by both Ms. Kagan and Ben Johnson, from the White House Office of Public Liaison, was to request advice about what additional budget items the President should request for FY 1999 and outyears that would reflect the intention to do better and different civil rights activities with the additional funding. The idea is to connect new ways of doing business with the requests for additional funds. It was of course stated that there was no assurance that Congress would support the additional requests but that the President's Race Initiative offered a unique opportunity (a "window of opportunity") to develop a clearer, more proactive strategy.

The advocacy organizations which attended these meetings included the Leadership Conference on Civil Rights, the ACLU, NAACP Legal defense Fund, AARP, Mexican American and Asian groups, and gay/lesbian advocacy organizations. The Federal civil rights agencies which attended included : Justice, EEOC, HHS, Labor, Education, and HUD.

Funding Requests:

The following is a brief summary of the major issue areas which the federal civil rights agencies argued warrant additional funding. The agencies agreed that there were several broad categories of activities for which they could use additional funding, including:

- **Training:** Providing their staffs with improved training (as on disability issues

and transracial adoptions);

- **Technical Assistance:** Offering improved and more extensive technical assistance to their clients, organizations and industries (OFCCP at Labor for example wants to provide more advice and TA to government contractors; at HHS they want to offer better advice on verifying immigrant's eligibility for benefits). There is also a need for electronic, interactive advice centers run by the agencies ;
- **Data/Research:** Collect better data with improved technology. This includes the need to restart a number of race/ethnic data collection surveys that had been suspended because of budget cuts;
- **Mediation:** There was support for increased funding that would permit greater use of mediation techniques (ADR) in lieu of more formal complaint investigations and court prosecutions. EEOC for example wants to have 10% or 8,000 cases a year processed through mediation. The advocacy groups also supported the increased use of ADR.
- **Coordination:** There was also a request by most of the other civil rights agencies to have Justice play a more aggressive coordinating role on civil rights issues. Education argued that a strategic plan should be developed aimed just at coordination. One example of the need for Justice leadership is in cross-agency guidance on the use of multiple languages, including advice of what works well. Another was a request for them to better coordinate targets of litigation activity so that there is no duplication of effort nor overwhelming of defendants.

The Justice liaison, when asked about this complaint by the DPC, said they were doing "the best they could" as there are currently only 17 staff who work on coordination. Justice appeared to agree that more funding would help and the consensus view among the agencies was that additional Justice staffing would benefit civil rights policy making in both Title VI and VII.

There was also some discussion of the appropriateness of making greater use of testing techniques. EEOC, for example, indicated their intention to explore the utility of this technique for case investigations in greater depth. Justice expressed some hesitancy on pressing further with the use of this method.

Criticisms: There were a number of relatively specific criticisms made by advocacy groups of practices that they felt the White House should help to correct.

Affirmative Action: Post Adarand: The issue of how to treat affirmative action cases and policy came up at a number of the meetings. The NAACP legal

Defense Fund, for example, argued that Justice has failed to provide guidance on the a need by federal agencies to establish a finding of a continuing violation so that the existing Title VI, affirmative action remedy can be retained. The lack of such guidance has meant that defendants's feel they are released from their AA obligations under prior investigations. The advocacy groups also expressed substantial criticism of the recent IRS decision to suspend part of their affirmative action plan without proper notification and consultation.

Justice mentioned that they rely on agencies, such as the Department of Education, to do major Title VI investigations unless there is a complaint, of which there are few. The investigations that are done, they feel, are insufficient but that, post-Adarand, careful investigations are essential to obtain relief. At Labor, part of their response is to recommend using a shorter affirmative action plan for smaller companies and to rely on electronic data management for all. For Education, their approach has been to initiate a process of "friendly audits" of universities aimed at having the school invite them in to examine their employment practices and other policies in so far as they have helped to create diversity. This initiative has just begun but apparently a couple of universities have asked them in to begin these audits.

There was therefore some disjuncture between the concerns expressed by the advocacy groups and the responses of the civil rights agencies.

EEOC: There were a number of concerns raised about the 70,000 case backlog at the EEOC as well as concerns about their administrative personnel and structure. The backlog of cases at EEOC is a concern to advocacy groups but the EEOC legal counsel argues that with a normal case load of 80,000 cases a year that this is now an acceptable backlog. The DPC did not argue with this assessment. There would then appear to be a need to both process cases in a more timely manner as well as a need for them to obtain additional funding so that they can undertake more pattern and practice cases and not simply manage their individual complaints.

Among the key administrative concerns is the nomination of a new chairperson for the EEOC, clarifying the status of their vice-chair, and the need to resolve friction be between the Commissioners and their general counsel. The legal counsel at the EEOC indicated, in confidence, that their general counsel appeared to need replacement.

Police Brutality: The advocacy groups made a strong argument that they as well as civil rights leaders such as Jesse Jackson, Hugh Price, and Kwaive Mifume (and the black community in general) feel a need to address this issue. The ACLU for example argued that Justice is failing to provide enough guidance to US Attorneys on such cases, as in New York. They also argued that there is not

enough funding of prevention in this area.

Justice replied that they had a special working group on the issue but that the 17 staff for it have had to be detailed from other sections. It is clearly a place where a more proactive Justice and WH position is needed to assemble a short and long term strategic plan for actions and investigations, the assembling of better data and research, and recommendations of interventions or demonstrations. Isabelle Katz Pinzler, for Justice, did not disagree with this assessment but offered no suggestions for budget or policy.

Hate Crimes: The only discussion of this issue came from gay and lesbian organizations which pressed hard to get agreement that collecting better data on hate crimes should be a priority. They also felt that more demonstrations aimed at anti-gay violence (and derivatively anti-immigrant or black violence), is called for. The Office of Victims of Crime at Justice was mentioned as a place to organize these demonstrations.

Best Practices: While there were few examples of best practices offered at the meetings, Deputy Assistant Secretary Shirley Wilcher, of the OFCCP, indicated that they had selected the American Bankers Association for a Exemplary Opportunity Award for their role in improving employment opportunities for minorities and women.

Also, Education indicated that they are planning to hold a conference aimed at learning what works and what does not in school desegregation for the purpose of training. They indicated that there is evidence of school integration in suburban schools that has been missed in Gary Orfield's more negative assessment of inner city school desegregation cases (those under court order). Ms. Norma Cantu, Assistant Secretary for Civil Rights at Education, expressed interest in talking with you about this as well as other issues.

Other Issues: A number of other issues were raised by the advocacy groups including the need for the WH to fully support the nomination of Mr. Lee for Assistant Attorney General at Justice for civil rights. They also pressed for the nomination/appointment of competent federal judges. The DPC replied that 70 nominees are up for confirmation in the Senate.

Assessment: There were no performance data, evaluations, or policy papers prepared by any of the agencies or organizations for this DPC assessment process and consequently few hard facts upon which to draw conclusions or recommendations. Nonetheless, the relatively passive role Justice played in responding to the DPC question as to whether they could use additional funding stands out as an issue that could warrant PIR attention.

There was no sense at Justice of a comprehensive vision of how to address the most pressing civil rights enforcement issues, no sense of a clear plan for addressing the concerns of advocacy groups and agencies, including no sense that police brutality would be a likely target for major changes in agency management in the short run. Since police brutality against blacks and other minorities is a likely to remain a sore point in need of attention by the PIR, Justice could be asked to formulate a more aggressive, proactive strategy for using all current and prospective (FY 1999 and FY 2000) funds to attack the issue. This issue was raised at the meeting with Justice and DPC appeared to concur.

The civil rights agencies and several civil rights advocacy groups expressed interest in the PIR and an interest in meeting with you. Ms. L. Murphy, from the ACLU Washington DC office, for example, is intending to write to request that she and Ira Glazer, their national executive director, come in to meet with you at a time convenient for you.

Poverty and Race Research Action Council (PRRAC). PRRAC Board Members are involved with a number of prominent organizations concerned with social justice. PRRAC committed to sending us their book of best practices. They also committed to supporting the Initiative by including the Initiative and its message in their outreach efforts.

RESEARCH AND POLICY PLANNING

Condensed Fact Book. We have developed a draft list of the economic and social indicators and measures of success to be included in the condensed fact book. We will begin drafting this book at our October 27 meeting.

Meeting with Gallup. Members of the senior staff of the Initiative and White House staff met with the Gallup Organization to discuss Gallup's *Social Audit on Black/White Relations in the United States*. We discussed their findings and how those findings influence the information we disseminate to the nation. Gallup indicated that they would be willing to conduct follow-up polling on several issues which we expressed interest. They expect to complete this process by the end of 1997. Gallup also revealed that they have secured a \$10 million dollar pledge to poll Americans on issues involving race over the next several years. In conjunction with this pledge, they are planning to conduct a poll about economic fairness and opportunity. The results of this poll will be made available by June of 1998.

Essays on Race. As a follow-up to last week's Carnegie Corporation meeting, we have begun to identify and solicit writers for a series of essays on race and race based issues. We will provide you with the names of the authors and their topics as they are confirmed.

COMMUNICATION

Two articles were published this week on the Initiative: Oct. 20 by Caryle Murphy of the Washington Post ("Clinton's Race Talks Off to Slow Start at Top") and Oct. 20 by Ann Scales of the Boston Globe ("Organizers of Inaugural Race Against Racism Say They're in it for the Long Run"). (See attached articles).

The PIR brochure will be completed by October 27.

WORK TEAMS

Race Against Racism. Approximately sixty staff members from the White House and the Initiative, including Bob Nash, Paul Begala, Minyon Moore and Sylvia Mathews participated in the inaugural Race Against Racism last Sunday, October 19. The race was a 5K run and 1 mile fun run/walk to promote racial unity. Proceeds from the race went to

THE PRESIDENT HAS SEEN
10-20-97Copied
Reed
Kagan
CDSTHE WHITE HOUSE
WASHINGTON

October 17, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena KaganSUBJECT: DPC Weekly Report

1. **Health – Breast Cancer Event:** You are scheduled to announce several new initiatives on breast cancer in your radio address next week. The most important is an FDA final rule establishing nationwide quality standards for mammography. The rule, which addresses accreditation, facilities, personnel, equipment, and performance standard alternatives, should receive praise from physicians, mammography facilities, and advocacy groups alike. You also will discuss a new education campaign at NIH to ensure that health care providers and women know about recommendations that women ages 40-49 have regular mammograms; new outreach efforts to encourage minority Medicare beneficiaries to get regular mammograms (see also item 4 below); reforms in the balanced budget providing copayments for mammograms; and the First Lady's annual mammography campaign. Finally, you will announce the release of several new PSAs on mammograms.

2. **Health – Quality Commission Bill of Rights:** The Quality Commission has finished a draft of the bill of rights that you requested it submit to you this fall. The draft includes a wide range of consumer protections, including access to specialists and emergency services, provisions for participation in treatment (e.g., anti-gag rules), and choice of health plans. At this point, the Commission will not recommend an enforcement mechanism for the bill of rights, which will help mitigate criticism from the business community. The Commission will meet to discuss the draft this week and plans to submit it to you by mid-November. Chris has leaked highlights of the draft to USA Today for publication on Monday or Tuesday, and we expect significant coverage in other papers.

3. **Health – Children's Coverage:** DPC and HHS staff had an encouraging meeting with NGA representatives on outreach efforts for the new children's health care program. The states seem receptive to new ideas on working through schools and child care centers to identify uninsured children. State officials also have expressed great interest in a proposal we made to allow wider use of a \$500 million fund established by the welfare law to help ensure that children moving off the welfare rolls retain Medicaid coverage. Under this proposal, states could use the fund for outreach activities directed toward enrolling children in either Medicaid or the children's health program.

4. **Race – Vaccination Study and Health Care Proposal:** The Center for Disease Control released a study on Thursday showing that vaccination levels for minority children have reached an

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UPPER ALBANY NEW YORK
FALLS ON QUINCY UNIVERSITY
DPC WEEKLY REPORT
DPC WEEKLY REPORT

THE PRESIDENT HAS SEEN

10-20-97

all-time high and that the disparity in vaccination levels for white and minority children is at an all-time low. Dr. Satcher announced the study's findings, and we arranged for the Race Advisory Board to issue a statement. The new rates provide evidence that carefully constructed and targeted health care initiatives, supported by adequate resources, can help reduce some of the existing health disparities among racial and ethnic groups. We can use these kinds of statistics to prepare the way for a new health care proposal, currently being fine-tuned by DPC, HHS, and OMB, to address racial disparities in six carefully selected areas: infant mortality, breast and cervical cancer, heart disease and stroke, diabetes, AIDS, and immunization. This proposal will include nationwide measures on each of the six health conditions to go into effect in the next two years, as well as intensive five-year pilot projects in thirty communities focused on one or another of the six conditions (say, a project on diabetes on an Indian reservation or a project on AIDS in an inner city). The stated aim of the proposal will be to eliminate racial disparities in these six areas by 2010.

5. **Race — Higher Education Affirmative Action Suit:** The conservative organization that successfully represented the plaintiffs in Hopwood filed suit in Federal district court this week alleging that the University of Michigan's admissions policies unconstitutionally discriminate against white students. A diversity plan called the Michigan Mandate has increased minority enrollment at the school from 12.7% in 1986 to just over 25% this year. The plaintiffs' complaint charges that in making admissions decisions, the University adhered strictly to a set of grids that specify different minimum grade point averages and standardized test scores for white and non-white applicants. University officials have responded that they used the grids only as one of many guidelines, rather than as a rigid barrier to admission. As you know, the DPC is preparing a proposal, which will be joined to the NEC's new version of the Chaka Fattah bill, that would promote minority access to higher education by supporting partnerships between universities and low-income intermediate and high schools. The DPC is also working with Sylvia and the communications people to highlight your commitment to diversity in higher education in a Race Initiative-related speech or town hall.

We are also attaching to this memo a list of other policies, prepared originally for Erskine and Sylvia, that the DPC is developing for possible announcement as part of the Race Initiative.

6. **Tobacco — Medicaid Reimbursement Letter:** In recent testimony before the Senate Labor Committee, Secretary Shalala indicated that HHS would send letters to states that have settled with the tobacco industry demanding the federal government's normal share (usually around 50%) of state recoupment of Medicaid costs. Many states reacted negatively to the Secretary's comments, maintaining for a variety of reasons that the federal government has no rightful claim to most of the settlement monies. State officials (including Governor Chiles, who put in a call to Bruce) warned us that a letter of the kind Secretary Shalala promised would undermine the willingness of states to cooperate with us on anti-tobacco efforts. Attorneys at both the Justice Department and HHS, however, argue strenuously that failing to send this letter would indicate an intent not to enforce the law and might constitute a waiver of the federal government's claim to these monies. At a meeting with HHS and DOJ, the DPC recommended a compromise solution: sending a letter to all fifty states that simply notes the federal statute governing allocation of Medicaid reimbursements and

outlined

Draft Work Plan

Policy

Goals:

- Identify, develop and rollout **concrete policy action items** - both new ideas and enhancements of existing policies
- Coordinate PIR, WH and Departmental policy deliberation and announcements
- Focus like a laser beam on **education and economic opportunity** as priority issues

Process:

- Immediately, existing WH subgroups in education and economic opportunity identify three concrete policy actions. Focus concurrently on health, administration of justice and other priority issues.
- Task cabinet agencies to develop list of policy proposals (updated regularly) for WH and PIR discussion and coordination - identify tough questions and re-examine existing issues or beef up enforcement of current law - **specific goal is to identify three issues by Oct. 14 that may be ready for announcement before Dec.** Also, identify longer term developing issues for deliberation and to plan for rollout throughout the year.
- DPC, NEC, PIR and others meet regularly to develop comprehensive list of policy options in education, economic opportunity, health, justice and other priority areas.
- Develop statistical resource book (quick fact book by Dec. 2 and larger resource book by March) to help understand magnitude of disparities in priority areas - serve as factual basis for study, dialogue and action.
- Identify and substantively support opportunities for regular and targeted policy events - bi-weekly or monthly - develop policy message consistent with communications strategy.
- Identify special problem areas in education and economic opportunities needing further analysis and study - announce research efforts early on for longer term research.

Products:

- Policy and budget announcements - list of three for rollout
- Legislative proposals
- New regulations
- Executive orders - i.e. draft E.O. creating Interagency Forum on Race Statistics and Indicators
- Statistics fact book - quick fact book and larger resource book from Interagency Forum
- Reports on problems or achievements

Resources:

- VP, First Lady, Agencies - Cabinet officials as surrogates, Congressional members
- Contract out special topics for expert analysis
- National Academy of Sciences, think tanks, foundations and other outside groups
- FY99 budget process - expanding enforcement and other priority programs

Education Issues:

- Early childhood education
- Reading independently by 4th grade
- Taking and passing gateway courses in algebra and geometry by 8th and 9th grade
- Desegregation, resegregation, racial isolation, tracking
- Disparities in high school graduation rate, college entrance and completion
- Bilingual education (CA proposition)
- Affirmative action and higher education
- Education as pipeline to economic opportunity issues

Economic Opportunity Issues:

- Empowerment zones
- Mobility issues - transportation, childcare, etc.
- Housing segregation, public housing
- Access to capital
- Job training and retraining
- Glass ceiling
- Welfare to work

Fundamental fear - police brutality

LL (10/7/97)

Policy

Rebecca Black CEA
Tom Freeman DPC - inv. vts
Eunil Parker - NEC
Gudy Kordewaan - DPC
Marshale
Lia
Ann Rossi - NSC
Scott Palmer, PIC
~~Scott~~
John
Elvira

- List of specific proposals
- Urban chx - initiative
- Disparities in Health Care Conditions
- Cops - targeted to underserved areas
-

Some problems to be solved

Poverty

Hate Crimes

Resegregation of Schools

Intraschool segregation

Tracking/Ability-Grouping

Access to higher education for minorities

Segregated neighborhoods

Employment discrimination -overt and unconscious

Backlog of EEOC cases

Criminal Justice

Disparate crack/cocaine sentences

DWB -- traffic stops

Police brutality/misconduct

Disparate application of the death penalty

High victimization of minority community

Health Care

mistrust of medical establishment

dual lists at HMOs

disparate funding

availability/access to decent care

Family Disintegration

Suburbanization of Employment

Housing

Transportation

Discrimination

Training

Lack of credit of new businesses

Friction between minority groups

Housing

Location and viability of public housing

Exclusionary zoning

Access to credit (mortgage lending)

Access to insurance (redlining)

Stereotypes (intelligence, competence, work ethic, etc. etc.) -- in all directions

Media

Political power/access to political process

Environmental Justice/Racism

Federal contracting dollars and minority owned businesses

Illiteracy and drop-out rates

Social separation/segregation

Lack of role models

Enforcement of existing civil rights laws

Wealth accumulation/property ownership

Policy

Goals:

- Identify and rollout concrete policy action items
- Coordinate Initiative, WH and Departmental policy deliberation and announcement processes
- Focus like a laser beam on education and economic opportunity as priority issues

Process:

- Immediately, convene DPC working groups in education and economic opportunity areas - take stock of existing achievements (talk about them often) and brainstorm new ideas. Also focus concurrently on health and administration of justice issues.
- ② Cabinet agencies to come up with list of policy proposals (updated monthly) for WH and PIR discussion and coordination - identify tough questions and re-examine existing issues or beef up enforcement of current law - goal is to identify three issues by end of this month for concrete next steps
- DPC and PIR to develop comprehensive list of policy options in education and economic opportunity areas
- Identify specific actions possible for each policy option:
 - administrative ←————→ • regulatory • *bully point*
 - legislative • budget
 - Executive Order • enforcement
- Identify and coordinate opportunities for regular and targeted policy events - bi-weekly or monthly - develop policy message consistent with communications strategy
- Identify special problem areas in education and economic opportunities needing further analysis and study right away - announce research efforts for longer term issues

Products:

- Policy and budget announcements - list of three ideas for this month
- Legislative proposals
- New regulations
- Executive orders - i.e. draft E.O. creating Interagency Forum on Race Statistics and Indicators
- Statistics fact book - quick fact book and larger resource book from Interagency Forum
- Reports on problems or achievements

Resources:

- Agencies - Cabinet officials as surrogates
- Contract out special topics for expert analysis
- National Academy of Sciences, think tanks and outside groups
- FY99 budget process - expanding enforcement

This table is a compilation of problems and proposed solutions taken from various news articles, editorials and anecdotal accounts. It is for discussion purposes only and does not necessarily reflect the views of this Administration.

PROBLEMS	POSSIBLE SOLUTIONS	BENCHMARKS (10-20 yrs)
High poverty rates among minorities (e.g. 30% among African Americans compared to 11.7% among whites). Few minority owned businesses.	Promote effective minority economic development (e.g. CRA, CDFI, Emp Zones). Promote and fund education programs for minorities from Head Start to college to worker re-training. Foster a strong, growing economy. Mentor minority youth.	Lower poverty rates, increased income, education, middle-class. Higher rates of minority-owned businesses.
Hate crimes - church burnings, beatings, murders that involve hate.	Highlight the issue to inform American people (e.g. WH Conf on Hate Crimes). Devise law enforcement strategies for attacking hate crimes. Increase penalties for hate crimes and make them uniform across local, state and federal lines.	Less hate crimes. Quick public condemnation of hate crimes. Uniformly high penalties for hate crimes across local, state and federal jurisdiction.
Re-segregation - schools.	Re-apportion funding from schools. Study issue and provide new strategies.	Halted and/or reversed re-segregation trend.
Re-segregation - neighborhoods	Enforce redlining laws. Condemn and prosecute acts of vandalism and other acts of intimidation when minorities move into white neighborhoods. Promote benefits of diversity and commonalities of races so that people do not react with hostility. Highlight neighborhoods where racial integration is successful.	Neighborhoods more integrated. Decrease in number of acts of intimidation when neighborhoods begin to integrate. Better sense of community among the races within integrated communities.

Employment discrimination. Employment diversity.	Vigorously enforce discrimination laws. Bring races who do work closer together through experiences that build teamwork and trust. Educate companies and their employees on “passive” and active racism. Highlight businesses with strong practices and policies on racial diversity.	Less employment discrimination cases. Less EEO complaints. A workforce more representative of the nation or region’s racial makeup. Workforce which naturally makes racial understanding and diversity a priority.
Widely different perceptions of the criminal justice system among races.	Engage people on the FACTS about the criminal justice system good and bad.	Perceptions of the criminal justice system better aligned among races.
Realities of the criminal justice system - higher crime rates among minorities, higher percentage of minorities in prison, high number of law enforcement stops (e.g. Customs, traffic, etc).	Develop and implement strategies to ensure that criminal justice system operates fairly, without racial bias. Mentor minority youth. Attack gangs. Provide better education and after-school opportunities. Provide more secure environment in neighborhoods - through police and community watch. Use model programs such as the Boston’s probation and gun programs.	Criminal justice system is more representative of population at large. Lower crime rates among minorities. Lower numbers of traffic stops.
Backlog of EEO cases	More funding for EEO so that staff can process the backlog	Less or no EEO cases in backlog.
Blacks’ mistrust of medical establishment (e.g. Tuskegee).	Apologized for Tuskegee. Fund public campaign for encouraging African Americans to seek treatment.	Greater trust and use of government-sponsored medical treatment. African Americans not avoiding medical treatment.

High rate of minority female-headed households (48% of African American compared to 13% white)	Educate young minority females (and males) on the moral, financial and emotional consequences of pre-marital sex through schools, churches and government programs. Promote birth control and sex education.	Rate of minority female-headed households are more uniform across the races.
Other <i>intra</i> -racial disturbances - b/w Hispanics, African Americans, Asian American and among minority middle class and urban poor. Black-on-black violence; disintegration of family.	Hispanics addressing intra-discrimination- Tejano, Chicano, Cuban, etc; and African-Americans addressing intra-discrimination based on shade of one's skin.	More understanding and harmony intra-racially. Diminished black-on-black violence; stronger families.
Housing projects where low-income minorities are concentrated into dilapidated, crowded conditions.	Build better housing, including single-family homes in better areas.	Less housing projects and more economically-integrated housing (<i>e.g. Section 8</i>).
High illiteracy rates among minorities.	Provide a better teachers, tools and schools for minority children. Provide mentors.	Lower illiteracy rates among minorities
Decline of the acceptance of affirmative action.	Build awareness of lack of minority job and educational opportunities and the value of diversity in education and the work place.	Decline in the need for affirmative action but a rise in the acceptance of affirmative action.
Too few minorities in elected office.	Encourage policies which promote minority representation.	Great representation in elected offices.
Environmental problems in minority areas.	Encourage initiatives such as Brownfields.	Cleaner, safer environment.

Not much color in the board room, colleges, golf courses and other places.	Examination and consideration of disparities in board, golf courses and other areas. Public pressure on companies, country clubs to change practices.	More color in the board room, colleges, golf courses and other places.
While people work together, they do not play together.	Creation of dialogue between races where greater understanding of common interests are found.	People of races spending time together after work and on weekends.
Stereotypes which lead to bad treatment, such as the following: Not being able to get a cab. Being followed around retail stores. Low expectations - intelligence, competence, articulateness, etc. Being mistaken for help. Being feared by whites when walking down the street. Being expected not to be able to pay for expensive items. Receiving bad tables at restaurants. Being received with unease when selected as college roommate.	Debunk stereotypes, encourage greater dialogue so that races come to know one another beyond stereotypes.	Common problems lessen or disappear- Able to get cabs. Not followed in stores. Expectations are not based on race. Not mistaken as help due to race. Not being feared on streets. Not being suspected of being poor due to skin color. Receiving equal treatment in social settings.
Perception that overall race relations getting worse.	Build bridges between races on personal level through dialogue.	Perception that overall race relations are getting better.
Unwillingness to discuss race.	Build bridges between races on personal level through dialogue.	Ability to discuss race more comfortably .
Few minority role models.	Highlight those in the minority community who have succeeded and transcend race.	More minority role models.

Destructive cultural influences like gangsta rap.	Denounce destructive cultural influences for what they are.	Less popular culturally-destructive influences.
Negative media portrayal of minorities.	Review media portrayal of minorities.	More fair, positive depiction of minorities in the media.



jprieto @ os.dhhs.gov
10/01/97 11:02:00 AM

Record Type: Record

To: peter rundlet
cc:
Subject: ...no subject...

Dear Peter:

I really want to apologize for being so critical after lunch. I am sorry I did not recognize how much time and energy you have spent on this issue. Unfortunately, it remains very difficult for me to talk about race. It is an issue that is so deeply personal. For example, any discussion about affirmative action is not simply one of policy or strategy, but rather a *discussion about a program I have taken advantage of (and as a result, makes any accomplishment of mine suspect, including being a fellow, to many people).* After a thought process of many years, and verified by today, I really have very little interest in discussing race any more because it is too painful and personal and time is better spent serving my community.

I also thought you were completely valid in asking me "if not this then what?" My response would be two-fold.

First, there should be a good assessment of actual federal involvement within the target areas (economic development and education). Initially, these target areas should be more clearly defined (e.g., are you talking about K-12, undergrad or graduate levels, are you talking about the number of jobs or the creation of small businesses, etc.). It just seems to me that it is difficult to know where you want to go unless you know where you are at. I would especially look at the EC/EZ "benchmarks" reports for two reasons. First, each community was required to submit a pretty extensive application which included community outreach and strategic plan components. I am sure there is some helpful information there. Second, because funding was from various agencies, you might get a good sense of the entirety of the current federal response to poor communities.

My second step would be to identify programs and localities which exemplify both success and failure stories. I would concentrate on economically disadvantaged areas so that successes are reproducible. For example, my guess why Fairfax County is successful is largely due to its available resources. While there may be regional differences, I would venture there are some common reasons why some places are succeeding and some are not.

After these two tasks are completed, you would probably have a good foundation to actually begin discussing potential policies. Too be truthful, my suggestions may be full of crap, but I felt I needed to write something in order to alleviate my frustration. I am sure there are many minds much greater than mine working this through.

THE WHITE HOUSE
WASHINGTON

July 15, 1997

MEMORANDUM FOR THE PRESIDENT

THROUGH: ERSKINE BOWLES
SYLVIA MATHEWS
JUDITH WINSTON

FROM: BRUCE REED
ELENA KAGAN *ERK*

SUBJECT: RACE INITIATIVE POLICY PROCESS

This memorandum sets out the process we will use to develop policy announcements and proposals for the Race Initiative. Our goals are: (1) to help provide a status report on race relations and racial disparities to inform policy development; (2) to assess and communicate the impact of this Administration's prior initiatives -- involving economic growth, education, crime, and so forth -- on race relations and the status of racial minorities; and (3) to build on this Administration's accomplishments and agenda with new initiatives to announce in the coming year and longer-term policies to incorporate in the final Presidential Report. We have a strong base from which to work, and we will attempt to ensure that the policy measures accompanying the Race Initiative will grow out of everything this Administration has done already. Throughout, we will focus on solutions that reflect the common values of the American people (e.g., equal opportunity and shared responsibility), and respond to their common aspirations (e.g., safe streets, good schools, and affordable housing).

Research and Investigation

In close cooperation with the DPC, NEC, Judy Winston, and Chris Edley, CEA will coordinate research on the current state of race relations and the continuing disparities in critical measures of well-being among individuals of different races. CEA already has developed a draft outline for this research, based on conversations with DPC and Chris Edley. The outline, which is attached to this memo, suggests research on, among other things: (1) disparities in economic success, educational opportunity, health care, political participation, family organization, and criminal victimization; (2) racial segregation in schools, neighborhoods, and workplaces; and (3) the prevalence and consequences of racial discrimination. In addition, research will be done on the differential effects of particular kinds of public policy on racial groups. CEA will do some aspects of this research itself and will assign other aspects to the appropriate offices in Treasury, DOL, Education, HHS, and DOJ. This work will go into the final President's Report and will influence and inform the development of policy discussed below.

Interagency Policy Development Process

The DPC has established four major workgroups to develop policy for the Race Initiative. Bruce Reed, Elena Kagan, and Jose Cerda will coordinate the efforts of these groups. We anticipate developing both administrative actions and legislative proposals, and combining incremental (but important) policy advances with a few truly bold ideas. We will advance some of the policy proposals during the year-long initiative, while saving others for the President's Report at the end. (The right timeframe for policy proposals is not only the FY 1999 budget cycle, but the remaining years of this century and the start of the next.) The workgroups also will have responsibility for assessing the impact of prior Administration initiatives in their policy areas, so that we can build on our own accomplishments.

In coordinating policy development through these workgroups, we of course will work closely with Judy Winston and Chris Edley, and we will incorporate, as appropriate, advice provided to you by the Chair and Members of the Advisory Board. We also will solicit the views of outsiders -- such politically diverse people as William Julius Wilson, Glenn Loury, Henry Cisneros, Will Marshall, Doris Kearns, Richard Daley, and Nathan Glazer come to mind -- to challenge and enhance our own thinking.

1. **Economic and Community Empowerment** (co-chaired by Bruce Reed and Gene Sperling). This group will look at issues and policies relating to (1) job opportunities for unemployed and underemployed minorities, including welfare-to-work efforts and transportation initiatives to move inner city residents to suburban jobs; (2) housing for low-income residents of inner cities, including new or expanded uses of voucher plans and tax incentives to promote mixed-income, multi-racial communities; (3) metropolitan regional strategies to strengthen links between inner cities and suburbs; and (4) minority entrepreneurship, including credit programs building on CRA and CDFI.

Participating White House offices are: DPC, NEC, OVP/CEB, OPL, Intergovernmental, Legislative, CEA, CEQ, OMB.

Participating agencies are: Treasury, Labor, Commerce, Transportation, HUD, SBA, and Interior (for Native American population).

2. **Education** (chaired by Mike Cohen). This group will look at issues and policies relating to (1) failing inner city and rural schools, including issues of racial segregation and enhanced efforts to raise standards, improve teaching, provide improved infrastructure and new technology, promote charter schools, and encourage school takeovers and other accountability mechanisms; (2) education of Hispanic students, including bilingualism; and (3) expanded access to higher education and skills training. (Note that responses to Proposition 209 and Hopwood fall within the Administration of Justice Workgroup.)

Participating White House offices are: DPC, NEC, OVP, OPL, Intergovernmental, Legislative, OMB.

Participating agencies are: Education, Interior.

3. **Administration of Justice** (chaired by Elena Kagan). This group will look at issues and policies relating to (1) criminal law enforcement and prevention, including the underprotection of minority communities (including Indian reservations), police force composition and practices (including diversity issues and community policing), and after-school and other youth programs; and (2) enforcement of civil rights laws, including responses to Proposition 209 and Hopwood, reduction of the EEOC complaint backlog and other EEOC reforms, enhanced efforts on housing and lending discrimination, affirmative action issues generally, and hate crimes initiatives (for November conference).

Participating White House offices are: DPC, OVP, Counsel, OPL, Intergovernmental, Legislative, OMB, ONDCP.

Participating agencies are: Justice, Treasury, Education, DOL, HHS, HUD, USDA, Interior, EEOC.

4. **Health and Family** (chaired by Chris Jennings). This group will look at issues and policies relating to (1) special health care needs of minority populations, including the high incidence of certain health conditions and diseases and the underutilization of certain health care services, such as immunizations and mammograms; and (2) family composition, including efforts to strengthen two-parent families, ensure adoption of minority children, and provide supports to families led by grandparents.

Participating White House offices are: DPC, OVP, OPL, Intergovernmental, Legislative, OMB.

Participating agencies are: HHS, Interior.

This Week's Policy Announcement

As you know, you will be attending the NAACP convention in Chicago on Thursday. We believe this speech offers an excellent opportunity to discuss the intersection of race and education issues. First, your speech can address the value of integration in educational settings. Thurgood Marshall once wrote that "unless our children begin to learn together, there is little hope that our people will ever learn to live together"; your speech can make exactly this link between educational integration and race relations generally to members of the organization most closely identified with progress in this area. This message would echo the strong argument you made for diversity in education in your San Diego speech; it also would lead naturally into your commemoration of the integration of Little Rock Central High School in September. Minyon Moore and others are reaching out to Kweisi Mfume and others to ensure that we address this issue in a way that avoids exacerbating internal NAACP divisions on the subject.

Second and no less important, you can stress the need to improve right now

predominantly poor and minority schools in inner city and rural areas. This part of your speech can protest the neglect (financial and otherwise) of predominantly minority schools and the consignment of their students to a second-class education. Here, you should make a strong statement about the importance of national standards and tests to boost expectations and improve the quality of education. But you should make an equally strong statement about providing students with the tools and opportunities to help them meet those standards -- better teaching, improved infrastructure and new technologies, and mechanisms to take over failing schools, including by turning them into charters (Rosa Parks is now trying to establish a charter school in Detroit).

As a down payment on a broader effort to improve inner city and rural schools, you can announce a new proposal to improve teaching in these institutions. The quality of teaching in inner city and rural schools is much lower than in the rest of the nation; in particular, the teachers in these schools are far less well trained than in others. To address this situation, Title V of the Department of Education's proposed reauthorization of the Higher Education Act, which will be submitted to Congress later this summer, proposes a new initiative to recruit, prepare, and retain teachers in urban and poor rural communities. This program would provide at least \$325 million over five years (we are still working out the exact funding with OMB) for two purposes: (1) to strengthen teacher training programs that operate in partnership with -- and place large numbers of graduates in -- urban or poor rural schools; and (2) to provide scholarships to talented and diverse individuals, chosen jointly by institutions of higher education and eligible school districts, who will commit to teach in urban and poor rural areas for at least three years after graduation.

Draft CEA Research Agenda

Part I: Demography

1. Racial composition of the US population: 1990s and historical trends
2. Geographic distribution
3. Components of change: birth, death and immigration
4. Projections

Part II: Disparities in the 1990s and trends in disparities

1. Economic status

a. Income and Poverty

b. Labor markets

employment, unemployment, non-employment
hours

wages and non-wage compensation

occupation/industry

non-wage characteristics of jobs (e.g., working conditions, health risks)

disability

c. Wealth/credit

financial

business ownership

home ownership

retirement wealth

credit and credit institutions

2. Educational status

a. Enrollment

Drop out rates; college enrollment and completion rates

b. Quality of schooling

c. Achievement

d. Training

3. Health status and health care

a. Health status

Pregnancy and infancy

Child hood and young adulthood

Adulthood

Older ages

{Specific diseases or conditions}

b. Health care

Insurance

Availability of health services

Health behaviors

4. Political status

- a. Voting
- b. Holding public office
- c. Other political participation

5. Criminal justice

- a. Offenders and victims
- b. Criminal justice process (sentencing etc.)

6. Family organization

- a. Family structure
- b. Other family patterns (fostering, adoption, extension etc.)
- c. Living arrangements and family support of the older population

7. Impact of immigration

- a. Labor markets
- b. Education
- c. Other

Part III: Race relations

1. Racial attitudes and behaviors

(ACD is very good on history of black white attitudes/opinions. Needs to be expanded to other groups and updated.)

2. Racial segregation

Residences
Schools
Workplaces
Other

3. Bias crimes, etc.

4. Developments in the 1990s

Rodney King beating trials and riots
OJ Simpson trials
The Bell Curve controversy
Challenge to Affirmative Action in California

Part IV: Discrimination

1. Measurement/methods: econometric vs. audit studies

2. Links between discrimination and outcomes.

(Issue: Audit studies prove discrimination exists, but how much of the disparities documented in Part II can be attributed, directly or indirectly, to discrimination?)

3. Causes of discriminatory behavior

4. Consequences of discrimination for society

Has the nature of discrimination changed?

August 19, 1997

9/9/87
Please copy for
Peter
TY
Smart

MEMORANDUM FOR SYLVIA MATHEWS

**FROM: Richard Hayes
Dawn Chirwa
Susan Liss
Emil Parker**

RE: Civil Rights Enforcement

As you requested, and as part of the ongoing work of the President's Race Initiative, we have begun discussing policy initiatives designed to enhance federal civil rights enforcement. As we proceed, we thought it would be useful to provide you with some background on the various civil rights enforcement offices which exist, their funding levels, current projects underway and previous Administration efforts to improve federal civil rights enforcement.

In addition, this memorandum seeks your approval to proceed with forming a working group composed of the Civil Rights chiefs in the major enforcement agencies to develop a comprehensive civil rights enforcement strategy. (Deval Patrick and Chris Edley chaired such a group in response to the President's directive to mend affirmative action programs in 1995.) We think the responsible federal agencies need to be part of our discussions to ensure their support of any changes or enhancements we recommend.

I. Federal Civil Rights Enforcement Agencies

Over the past five years, the Clinton Administration has worked diligently to enforce the laws which protect the rights of those who have been discriminated against based on age, disability, gender, race, religion, and sexual orientation by supporting civil rights enforcement programs that effectively aid each of those groups. This work is accomplished through the oversight responsibilities of the following agencies.

A. Department of Justice, Civil Rights Division

The Civil Rights Division at the Department of Justice is charged with enforcing the Civil Rights Act of 1957, 1960, 1964, and 1968, the Voting Rights Act of 1965, the Equal Credit Opportunity Act, and the Americans with Disabilities Act. These statutes deal with eliminating discrimination in education, employment, credit, housing, public accommodations and facilities, voting and some federally funded and conducted programs. The Civil Rights Division, along with the Associate Attorney General, the Office of Legal Counsel and the Solicitor General has primary responsibility among the federal agencies for enforcing federal civil rights laws in the

courts and for providing legal counsel to agencies with respect to statutory and constitutional civil rights issues.

B. Department of Labor, Office of Federal Contract Compliance Programs (OFCCP).

OFCCP is part of the Employment Standards Administration at the U.S. Department of Labor. OFCCP's jurisdiction covers approximately 26 million or nearly 22% of the total civilian workforce (92,500 non-construction establishments and 100,000 construction establishments). Its primary responsibility is to enforce Executive Order 11246 under which all federal contractors, as a condition of receiving government funds, are required to refrain from discrimination and take good faith efforts -- including affirmative action -- to expand employment opportunities for qualified women, minorities, and persons with disabilities. In addition, OFCCP is charged with enforcing Section 503 of the Rehabilitation Act of 1973, and the affirmative action provisions of Section 4212 of the Vietnam Era Veteran's Readjustment Assistance Act.

The OFCCP employs various enforcement procedures, such as compliance reviews and complaint investigations of federal contractors' personnel policies and procedures, to enforce these statutes. OFCCP's current high priority initiatives include its public education initiative, introduction of its Fair Enforcement Strategy, and launching its tester's initiative.

C. Equal Employment Opportunities Commission (EEOC)

The EEOC is an independent agency whose primary goal is to ensure fair labor practices for employees who belong to minority groups that have experienced historical and current discrimination on the basis of race, gender, disability, national origin, religion and age. In particular, the EEOC is responsible for enforcing Title VII of the Civil Rights Act of 1964, the Equal Pay Act, the Age Discrimination in Employment Act, Section 501 of the Rehabilitation Act, the Americans with Disabilities Act, and, pursuant to Executive Order 12067, providing coordination among the federal agencies involved in equal employment opportunity issues.

D. Department of Housing and Urban Development (HUD)

HUD's Office for Fair Housing and Equal Opportunity enforces the Fair Housing Act that prohibits discrimination in housing on the basis of race, color, national origin, religion, sex, familial status, and disability. One of the major enforcement mechanisms employed by HUD in this area is the use of "testers" to uncover acts of housing discrimination. HUD attorneys also litigate complaints on behalf of persons whose allegations of discrimination have been deemed valid by HUD. Current priority civil rights-related projects within HUD include: (1) wide use of volunteers in testing; (2) a national advertising campaign; (3) "Make 'em pay" - a civil counterpart to the Department of Justice's project directed at perpetrators of hate crimes; and (4) the Presidential Housing task force.

E. Department of Education, Office of Civil Rights

The Office of Civil Rights at the Department of Education (OCR) seeks to secure equal access to education regardless of race, color, national origin, sex, disability, or age under Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the Americans with Disabilities Act of 1990. OCR's primary tasks include compliance reviews at educational institutions and providing technical assistance to institutions to promote voluntary compliance. Several high priority issues within OCR include: (1) English proficiency issues; (2) over representation of minorities in special education courses; (3) under representation of women and minorities in math; and (4) desegregation.

F. Department of Health and Human Services, Office of Civil Rights

The Office of Civil Rights at the Department of Health and Human Services is responsible for enforcing several statutes. These include Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; the Age Discrimination Act of 1975; Title IX of the Education Amendments of 1972; Section 407 of the Drug Abuse Offense and Treatment Act of 1972; Titles VII and VIII of the Public Health Service Act; Section 307 of the Family Violence Prevention and Service Act; EEO provisions of the Communication Finance Act of 1934; the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1972; and Title II of the Americans with Disabilities Act of 1990. The current emphasis within OCR at HHS is placed on: (1) enforcement of the inter-ethnic adoption provision of the Small Business Job Protection Act of 1996; (2) medical redlining; and (3) providing government-wide guidance on non-discrimination in temporary assistance for needy families.

II. Federal Resources for Civil Rights Enforcement

The President's FY '98 budget increased the total funding for civil rights enforcement programs from \$470.8 million to \$480.32 million. (See chart below.) You should note that the EEOC and OFCCP budgets were increased, while the budgets for other relevant agencies were either frozen at FY '97 enacted levels, with no adjustment for inflation, or decreased slightly. The President's budget requested \$246 million for the EEOC, an increase of \$6.3 million over the FY '97 enacted level of \$239.7 million. The OFCCP budget was increased from \$56 million to \$59 million. Unfortunately, neither the House nor the Senate Commerce, Justice, State Appropriations bills fully funds the President's FY 1998 request of \$246 million for the EEOC -- the House bill freezes funding at the FY 1997 level of \$239.7 million, while the Senate bill provides \$242 million.

<u>Major Civil Rights Enforcement Agencies</u>	<u>FY 1997 (millions)</u>	<u>FY 1998 (millions)</u>
■ EEOC	239.70	246.00
■ OFCCP	56.17	59.06
■ U.S. Commission on Civil Rights	8.75	8.74
■ Department of Housing and Urban Development	30.00	30.00
■ Department of Justice, Civil Rights Division	62.55	62.42
■ Department of Education	55.00	55.00
■ Department of Health and Human Services	19.71	19.53

III. Summary of Administration Efforts to Improve Civil Rights Enforcement

This Administration has undertaken two major projects to reinvent Civil Rights Enforcement. The Vice President's National Performance Review recommended improvements in civil rights enforcement at the EEOC and OFCCP. In addition, the President's affirmative action review made several recommendations about how to make OFCCP more effective.

A. National Performance Review

1. EEOC

With the appointment of new Commissioners in 1994, a primary focus of the EEOC has been on decreasing its historically large backlog. Their adoption of the Priority Charge Handling Procedures in July 1995, and the adoption of the National Enforcement Plan (NEP) in February 1996, have resulted in more timely and effective resolution of the agency's pending inventory of charges.

The Priority Charge Handling System establishes an "ABC" priority system, under which cases are ranked -- "A," "B" or "C" -- based upon the strength of a particular complaint. This enables the EEOC to weed out unmeritorious cases and devote more time and resources to meritorious ones. Adoption of this Priority Charge Handling system has reduced the backlog of cases at the EEOC by approximately 25,000 cases. None-the-less, the agency continues to have a large backlog.

The National Enforcement Plan (NEP) is a three-pronged program. The aim is to dedicate available funds to prevention of discrimination as one of the most efficient and effective means to aid in the achievement of equal employment opportunity goals. This is accomplished through educational outreach, voluntary resolution of disputes, with strong enforcement remaining as a measure to be used where the other two fail.

2. OFCCP

In order to improve its effectiveness while making contractors' compliance simpler and less burdensome, the OFCCP has enacted a Fair Enforcement Strategy. This expedited and more

flexible tiered review process will enable the agency to concentrate on the most substantive violations while spending less time on reviews of firms that are largely in compliance. They also hope to modernize their computer systems to streamline the agency's internal procedures and reduce unnecessary paperwork requirements, permitting the office, for example, to accept electronically submitted reports from contractors.

B. President's Affirmative Action Review

1. EEOC

In 1995, the President ordered a comprehensive review of affirmative action programs. This review found that the EEOC was severely under funded, and recommended that additional resources be provided to help it run effectively. It was also recommended that EEOC should work with the Office of Personnel Management to evaluate the performance of its managers and with the President's Management Council (PMC) to study and report on the proper use of flexible goals and timetables for hiring and promotions. The review also recommended that the PMC identify those agencies that are best able to promote diversity and equal opportunity and implement similar mechanisms throughout the government.

2. OFCCP

The review revealed that although generally effective, OFCCP programs needed reforming. Academic research showed that during periods of strong enforcement, OFCCP programs resulted in moderate increases in the employment of minorities and that OFCCP's efforts did not cause employers to hire less qualified workers. At the same time, the review found that there is a great need to reduce affirmative action program paperwork. Contractors also expressed discontent with inconsistent enforcement between regions.

Several recommendations were made to the President on how to change and improve the OFCCP. First, the Secretary of Labor should update administrative guidelines on enforcement of non-discrimination, illegality of quotas, and good faith efforts. Second, the Secretary of Labor should investigate methods that would encourage collaboration with the private sector. Lastly, the Department of Labor should implement its plan to reduce paperwork.

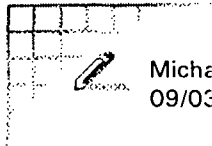
IV. Congressional Civil Rights Enforcement Initiatives

Currently, both the House and the Senate have proposed similar bills, H.R. 2023 and S.71 that are aimed at amending the Fair Labor Standards Act of 1938 and the Civil Rights Act of 1964 to "give more effective remedies to victims of discrimination in the payment of wages on the basis of sex, and for any other purpose." The proposed bills attempt to eliminate the disparity in wages between males and females. Moreover, the bills require the EEOC to compel certain employers to maintain payroll records and report the information to the EEOC which will then analyze the data in regards to race, sex and national origin of employees.

1. Gilbert Casellas, Chairman, EEOC
2. Isabele Pinzler, Acting Assistant Attorney General, DOJ
3. Bernie Anderson, Assistant Secretary for Employment Standards, DOL
4. Shirley Wilcher, Deputy Assistant Secretary, Office of Federal Contract Compliance Programs, DOL
5. Dennis Hayashi, Director, Office of Civil Rights, HHS
6. Norma Cantu, Assistant Secretary for Civil Rights, EDUC
7. George Robertson, Acting Director, Office of Civil Rights Enforcement, Agriculture
8. Susan Forward, Acting Assistant Secretary for Fair Housing & Equal Opportunity, HUD
9. April Marchese, Acting Director, Office of Civil Rights, DOT
10. Mary Francis Berry, Chairman, Commission on Civil Rights

As for process, we would convene the working group early in September. The group would review our progress to date with respect to civil rights enforcement and come up with a comprehensive set of proposals aimed at strengthening Federal efforts to eradicate racial discrimination. We would also propose to examine what kinds of cooperative efforts might be possible with employers and others in addressing this issue, and the need for additional federal legislation and funding and whether the current priorities of the agencies are the ones the Administration wants to focus on. We propose that the work of this group will either be completed or at an appropriate stage so that any requests for additional funding for civil rights enforcement can be incorporated into the FY 1999 budget before the President submits his budget to the Congress in January.

We look forward to hearing your thoughts concerning our recommendation.



Michael Deich
09/03/97 04:00:35 PM

Record Type: Record

To: Richard L. Hayes/WHO/EOP, Dawn M. Chirwa/WHO/EOP, Susan M. Liss/OVP @ OVP, Emil E. Parker/OPD/EOP

cc: Sylvia M. Mathews/WHO/EOP

Subject: Civil Rights Enforcement

If I read it correctly, your otherwise excellent memo on civil rights enforcement contains budget data that are incorrect and quite misleading. The President's FY98 budget proposed total enforcement funding of \$40m (not \$10m) above the FY97 amount of \$480m (not \$470m). The POTUS budget requested an increase (not a decrease) for each and every civil rights enforcement agency -- proposed agency increases ranged from 3 percent to 30 percent, and averaged 8.3 percent. I wonder if the numbers in your memo reflect old (11/96?) budget guidance rather than actual Presbud proposals. In any event, I will send by hard copy a table containing more detailed budget info. In the future, please, please, please use OMB as a resource; we'd be more than happy to help.

Additionally, these bills require the EEOC to train its employees, employers and others on discrimination in wage payment. The Secretary of Labor will be required to conduct studies and provide information to employers, labor organizations and the public on any progress in pay equity. Moreover, these bills reward those employers that make substantial efforts to eliminating disparities in wages by awarding to them the Robert Reich National Award for Pay Equity in the Workplace.

V. Recommendations on a Proposed Working Group on Civil Rights Enforcement

It is certain that additional resources need to be appropriated for civil rights enforcement at the EEOC and other agencies in future fiscal years to effectively serve the tens of thousands of Americans who annually seek their rights. OMB needs to be made aware that the Administration will seek additional funds in the FY 1999 budget to enforce anti-discrimination laws and that this needs to be built into the upcoming budget process. However, beyond just simply proposing additional expenditures, there are a number of other issues we need to examine in determining how federal civil rights enforcement can be enhanced. For example:

- (1) Should we prioritize enforcement efforts on particular areas, and if so on which areas: Employment? Housing? Education? Hate crimes? Old Age? Disabilities? Housing? etc.
- (2) Are there additional reinvention activities that we should pursue, even though this may result in resources being diverted from current projects?
- (3) Can the EEOC and OFCCP be made to work more effectively both individually and collectively?
- (4) Is there duplication in the current system that we should eliminate?
- (5) Do we need to strengthen the existing laws on the books?
- (6) How do we encourage more voluntary efforts by corporate America and others?

To address these and other issues, we propose forming a working group to come up with a proposal for a comprehensive strategy on civil rights enforcement. We would chair this group, which would consist of the major agency civil rights chiefs as listed below. Judith Winston or her representative would be invited to participate; it will be critical that the working group work collaboratively with her and her staff. We might also want to include EPA (responsible for Administration's environmental justice effort), and Treasury/Comptroller of the currency (responsible for regulating banking practices with respect to loans). Otherwise, the members of the group will include: