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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. letter	Herbert Miller to President William J. Clinton [partial] (1 page)	01/20/1997	b(6)

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FOLDER TITLE:

D.C. [Folder2] [2]

2013-0534-S

rc1478

RESTRICTION CODES

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

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

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

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RR. Document will be reviewed upon request.

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

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

CABINET AFFAIRS ROUTING SLIP

DATE: 12-31-96

ACTION/CONCURRENCE/COMMENT DUE BY: _____

FOR APPROPRIATE ACTION: _____

FOR YOUR INFORMATION: ☒

FROM: **STEPHEN B. SILVERMAN**
DEPUTY SECRETARY TO THE CABINET
DEPUTY ASSISTANT TO THE PRESIDENT

for your D.C. efforts

SUBJECT: G.S.A.'s "Good Neighbor Efforts" in D.C.

COMMENTS: _____

LEON PANETTA (PALMIERI)
HAROLD ICKES (SUTTON)
EVELYN LIEBERMAN (KULLMAN)
KITTY HIGGINS
JOHN ANGELL
DON BAER
KRIS BALDERSTON
DAVID BEAUBAIRE
JEREMY BEN-AMI
EMILY BROMBERG
PHIL CAPLAN
MICHAEL DEICH
JOHN EMERSON
RAHM EMANUEL
JANICE ENRIGHT
ERIC EVE
T.J. GLAUTHIER
MARY ELLEN GLYNN
MARCIA HALE
KAREN HANCOX
LARRY HAAS
ANNE HALLEY
JAY HEIMBACH
NANCY HERNREICH
ALEXIS HERMAN
RONDA JACKSON
JOHN KOSKINEN

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___ GFL WW
___ 253 OEOB
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___ 107 EW
___ 1FL WW
___ 2FL WW
___ 160 OEOB
___ 260 OEOB

MIKE MCCURRY
ANNE MCGUIRE
LORRIE MCHUGH
LINDA MOORE
JENNIFER O'CONNOR
TOM O'DONNELL
KEVIN O'KEEFE
JACK QUINN
VICKY RADD
LEE SATTERFIELD
WENDY SMITH
DOUG SOSNIK
GENE SPERLING (Jaron)
GEORGE STEPHANOPOULOS
TODD STERN
STEPHANIE STREETT
GINNY TERZANO
BARRY TOIV
LORRAINE VOLES
MICHAEL WALDMAN
DAN WEXLER
KATHI WHALEN

___ 1FL WW
___ 160 OEOB
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___ 149 OEOB
___ 2FL WW
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___ 136 OEOB

Milaine Vervuer
Ben Johnson

☒ 100
☒ ~~122~~ 122

FEMA

LIEBERMAN 1AVW
HIGGINS 2AVW
ANGELL 178 OEOB
CHOW 107/EW
ENRIGHT 1AVW
GLYNN GAVW
HALE 2AVW
HEIMBACH 107/EW
MURCHIA 112/EW
MCHUGH 1AVW
PALMIERI 1AVW
TERZANO 274 OEOB

DOT

HIGGINS 2AVW
ANGELL 178 OEOB
DEICH 209 OEOB
GLYNN GAVW
HANCOX GAVW
HEIMBACH 107/EW
MCHUGH 1AVW
O'CONNOR 149 OEOB
TERZANO 274 OEOB
TOIV 178 OEOB

OLYMPICS

MCCURRY GAVW
MCGUIRE 274 OEOB
HIGGINS 2AVW
ARRANS 224 OEOB
RADD GAVW
KOSNELL 174 OEOB
TERZANO 274 OEOB
VOLES 274 OEOB
WHALEN 136 OEOB

ANNOUNCEMENTS

LIEBERMAN 1AVW
HIGGINS 2AVW
BACOCK 263 OEOB
BAER GAVW
ENRIGHT 1AVW
HALE 2AVW
HANCOX GAVW
HEIMBACH 107/EW
GLYNN GAVW
L. MCHUGH 1AVW
O'KEEFE 106 OEOB
PALMIERI 1AVW
TERZANO 274 OEOB
TOIV 178 OEOB
SKELTON 273.5 OEOB
WALDMAN 196 OEOB



General Services Administration
Office of Public Affairs
Washington, DC 20405

December 17, 1996

MEMORANDUM FOR

STEVE SILVERMAN
Cabinet Affairs
DON BAER
Director of Communications

FROM:

BETH NEWBURGER
Associate Administrator, GSA Public Affairs

SUBJECT:

GSA's "Good Neighbor" Program

As a follow up to our discussion on yesterday's amplification conference call, I want to briefly explain and outline GSA's "Good Neighbor" program and the agency's work with the District of Columbia.

Both the "Good Neighbor" program and our work with the DC government can be used by the President as examples of how the federal government is now working in partnerships with state and local communities across the country. He can cite the "Good Neighbor" program during his conversation with mayors on Wednesday, and he can add GSA's accomplishments with the District to the list of interagency activity currently being contemplated by Secretary Rubin and the OMB Task Force. Moreover, the President could participate in a Memorandum of Understanding signing ceremony with the Mayor, DC Delegate Eleanor Holmes-Norton and other local officials using the same format we have used successfully in 13 events with national and local organizations. Also keep in mind potential media opportunities here for the President or Vice President in your long-term scheduling.

Good Neighbor

In support of the Administration's urban initiatives, GSA has been actively pursuing opportunities to amplify progress in Empowerment Zones/Enterprise Communities and Executive Orders 12072, 13006 (federal agency location policies) and 12999 (computers to schools).

Building on these initiatives, GSA kicked off the "Good Neighbor" program in September, a public-private partnership with urban downtown associations to enhance the business community's efforts to maintain the vitality of America's cities. While the initial focus was to become a "full participant" in local business improvement districts (BIDs), GSA is now exploring other ways to use its presence in local communities to build on these partnerships. To solidify the program, GSA is signing Memoranda of Understanding with national and local associations throughout the country and has thus far signed MOUs with:

- The International Downtown Association (IDA)
- The Council for Urban Economic Development (CUED)
- The National Trust for Historic Preservation
- Downtown Phoenix Partnership

MOUs (continued)

- Memphis Center City Commission
- Downtown St. Louis, Inc.
- Downtown Seattle Association
- Association for Portland Progress
- San Jose Downtown Association
- Minneapolis Downtown Council
- Tampa Downtown Partnership
- Operation New Birmingham
- Tallahassee Downtown Association

Good Neighbor in DC

GSA has a long-standing partnership with the District of Columbia. For instance, the DC government is the only local government entity authorized to access GSA's supplies of goods and services, most of which are offered at volume discount reduced rates.

Last week, GSA participated in a news conference of the *Mayor's Interactive Downtown Task Force* that released a draft of its long-term plan to revitalize downtown Washington. GSA is a member of the task force. In the Interactive Downtown Area, GSA controls over 15 million square feet of space, which houses over 60,000 federal employees. With the delineated area in the "Seventh Street Arts Corridor," we are redeveloping the Atlas and LeDroit row, and we are working with the City to reopen F Street between Seventh and Eighth streets around the new MCI Center. Our redevelopment of the Tariff Building at Seventh and F is a pilot for federal historic properties. It will allow us to choose from a number of alternative uses, including hotel, residential development, as well as other partial private sector use. In addition, we will continue to maintain and clean federal properties within Interactive Downtown Area.

That morning, GSA donated 32 *excessed federal computers to the students of Woodson High School*, a charter school located in the District's Enterprise Community. Under the computers-to-schools initiative, GSA has donated 185 computers and nine printers to DC Public Schools and 40 computers to the University of the District of Columbia.

A more comprehensive list of other GSA activity in the District is attached.

If I can help in any way, please call me at 501-0705.



General Services Administration
Office of Public Affairs
Washington, DC 20405

GSA is a 'Good Neighbor' in the District

Mayor's Interactive Downtown Task Force: As a member of this public-private partnership, GSA participated in a news conference last week to release a draft of the group's long-term plan to revitalize downtown Washington. In the Interactive Downtown Area, GSA controls over 15 million square feet of space, which houses over 60,000 federal employees.

Computers to Schools: Last week, GSA donated 32 excess federal computers to the students of Woodson High School, a charter school located in the District's Enterprise Community. Thus far, GSA has donated 185 computers and nine printers to DC Public Schools and 40 computers to the University of the District of Columbia.

Enterprise Community: Under the leadership of HUD, GSA has developed and is implementing initiatives to help the District carry out its EC plan, including committing resources and computers to the task force.

DC Public Schools: This year, Congress authorized GSA to provide technical support to assist the District government repair and maintain public school facilities. Later, Congress, in appropriating money to the DC Financial Control for repairing and maintaining these facilities, directed GSA to act as program manager for emergency repairs. (Delegate Norton also requested GSA's support to facilitate a private sector volunteer project for the Sharpe Health School for the severely handicapped.) GSA officials have briefed General Julius Becton, CEO of DC Public Schools, on GSA's role and progress in providing emergency repairs to schools targeted by the Control Board and City Council.

Transfer of Federal Property: To expedite the District's plan to cede control of the DC Correctional Treatment Facilities to a private contractor, GSA, under its authorities, transferred title of 10 acres to the District government at no cost.

Wilson Building (formerly the District Building): At the request of the DC City Council and authorized by Congress, GSA entered into a Memorandum of Agreement with the City and signed a lease to house federal employees in most of the space for 20 years, thereby securing financial backing for the renovation of the historic property.

Repairs at Metropolitan Police Facilities: GSA provided repair services to air conditioning units for approximately 11 district headquarters and a computer facility. The services were provided on a reimbursable basis. As a result the DC Police Department referred the DC Fire and Emergency Medical Service to GSA to provide a survey and estimate for repairs and maintenance of its systems.



Partnership-In-Education: Under a 1983 proclamation that enables and encourages federal agencies to partner with community schools, GSA has approximately 30 volunteers meeting with students from the Weatherless School for "at-risk" students.

Gang Resistance Education and Training (GREAT): GSA's Federal Protective Service is working under ATF's GREAT program to provide education and training to junior high school students on gang prevention measures.

Pennsylvania Avenue Development Corporation: With the legislative "sunset" of the PADC earlier this year, GSA assumed its property holdings and authorities, and is actively continuing those redevelopment efforts. Perhaps the most prominent of these is the new International Trade Center that is going into the Ronald Reagan Federal Building. It will be a hub of trade activity and a significant anchor to the district. GSA will lease 500,000 square feet of space to house a mixture of private tenants, an international conference center, exhibit space and a host of public-private trade entities.

Snow Removal: Coordinating with the White House and FEMA, last winter GSA mobilized within 48 hours 50 dump trucks and 6 front-end loaders to help the District government clear local streets. GSA is working with FEMA and the Washington Council of Governments to coordinate emergency preparedness for this winter.

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THE DIRECTOR

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

THE PRESIDENT HAS SEEN
1-6-97

December 27, 1996

Mr. President:

I have cleared with Leon sending you the attached memorandum concerning the District of Columbia on an expedited basis. The options have been vetted by Leon, Gene, and the Principals of the D.C. Task Force. The wording of the memorandum is my responsibility. We still have time to include these proposals in the budget if you so choose.

I am looking into the tax issue as you requested.


Frank Raines

MS: HRC
VP
Rahm
Gins
Powers

~~CONFIDENTIAL~~

Leon/Ed
Gins
D.C. Task Force
HRC

Wash. Post-6up

exercised its constitutional right to legislate for the District to keep a close rein on the affairs of the city, either directly through appropriating locally raised funds or indirectly by serving as an appellate body for anyone dissatisfied with decisions by local officials.

The District is again in financial extremis. A financial control board has been established to guide the city back to solvency and to reform the administration of government functions. While there has been extensive debate on the reasons for the financial crisis and its solution there has been little discussion of a radical restructuring of the status of the District. You were perfectly correct to point out the in between nature of the District as not quite a city, a county or a state. We are monitoring local efforts to create a charter review process that will address a broader range of restructuring solutions.

Members of the Cabinet and other agency officials, the staff of the task force, and I have spent considerable time meeting with District officials, organizations involved with District affairs, and community leaders discussing the future of the District. We have found uniform concern about the future of the city.

We have paid close attention to recommendations that have been made by the Mayor, the City Council, the Financial Authority, and some members of Congress to rearrange some of the responsibilities of the District government. These recommendations have focused on relieving the District of the financial responsibility for certain government functions and perhaps the administrative responsibility as well. Advocates have argued that the District cannot manage certain responsibilities that have been given to the District by the federal government. They also argue that state government-type activities are too burdensome for a city to carry on its own. Functions frequently mentioned are the pension programs for police, fire fighters, teachers and judges; the mental health system (both transferred to the District government after the Home Rule government took control); prisons; Medicaid; the university, and social welfare programs that are typically run by states.

We have sought a rationale for how the federal government might respond to the request to relieve the District of certain burdensome functions. Some would have us equate the federal government to taking the role of the state government for the capital city. There is merit to this approach, but it might strip too much authority from the Home Rule government and increase federal responsibility to deliver services to local residents. Others have focused on divining the federal interest in the federal district and allocating responsibility accordingly. Under this view the Federal government might consider taking on certain law enforcement functions, but would not federalize the District Medicaid program.

We have heard other messages as well. Some in the community would have us simply increase the federal payment to support all current District government activities, and some in Congress would prefer to see the District pare its activities to equal its revenue. Delegate Norton and the Speaker favor a radical restructuring of the federal tax system in the District to provide powerful incentives for economic activity in the city to increase the attraction of the city for tax-paying residents which would eventually increase District government revenue. (Each of the non-contiguous federal territories has a special status under the federal tax code.) This memorandum does not address tax

changes but we may be drawn into a tax discussion as the Financial Authority, Brookings, and Congress finalize work now underway. *we will be*

The task force has chosen to recommend to you a series of actions to rearrange the responsibilities of the federal government and the District government. The recommended approach is a hybrid of the state functions and Federal interests models. We make this recommendation with caveats. We believe that strict conditions must be met before the Federal government takes on any current District functions to ensure that the takeover will be successful. We believe that city officials must confront the important home rule issues implicit in ceding parts of their current responsibilities. We also believe that adequate funding must be provided to enable federal agencies to carry out new responsibilities in a manner consistent with federal operations. We also believe that taking on District functions will require a major trade-off with the existing annual federal payment to the District.

In the past week I have met with the Mayor, the chairman of the Control Board, a majority of the City Council and Delegate Norton to test their willingness to agree to the tough conditions we might insist upon if we endorsed their recommendations regarding District functions. The Mayor, the Board Chairman, the Delegate and a majority of the Council agreed that they could endorse a takeover of District functions with tough conditions as long as the financial result was positive for the City. They agreed that they would express that support publicly should you choose to move in that direction.

In addition to the transfer of government functions we also make recommendations regarding economic development incentives and how federal programs can be better targeted to meet the needs of the District. A number of members of the Cabinet have expressed an interest in taking a leadership role in providing technical and other assistance to the District to help local officials do a better job with available federal funds.

The following recommendations will not resolve the governance, financial or management problems of the District. They amount to a renegotiation of the terms of limited home rule granted to the District almost a quarter of a century ago. If enacted, these proposals will give the Home Rule government a better chance to succeed. But the two century old conundrum of how the federal district should be governed will remain with us

Recommendations

Part I of this Section recommends that the Federal government directly assume certain governmental functions, such as pensions and criminal justice, in areas where it has a clear interest, capability and/or responsibility. In exchange, the existing Federal payment of \$712 million (a general purpose payment of \$660 million plus \$52 million for pensions) would end, and the Federal government would give up its right to approve the District's annual budget.

For this proposed restructuring to be successful, the District will have to take some actions that may be very difficult politically, such as, legislating higher sentences for criminals convicted in the District. For this reason, our proposal would have the Federal government assume new responsibilities only

after the District had met its obligations under a Memorandum of Understanding (MOU) that we propose be reached between the Administration, the Financial Authority, the Mayor, and the Council. Preliminary discussions with all of these parties, as well as Delegate Norton, indicate serious interest in this approach, together with a recognition that pursuing this path will require that further difficult decisions be made.

Part II of this section recommends the creation of an economic development corporation to provide the District with grant and tax-based economic development incentives.

Part III recommends the Executive Branch agencies provide more intense technical assistance in areas like education, procurement, housing, transportation, and Medicaid that can make a real difference in the District's success as a city. The agencies already have been engaged in this process quietly over the past two years. Their activities would be given a higher profile, perhaps with the involvement of the First Lady or the Vice President.

As shown on Table 1, the approach outlined here would cost the Federal Government about \$866 million in FY98, about \$154 million more than current payments to the District. Over five years, Federal costs would be \$5.7 billion, about \$2.1 billion more than the baseline. Budget savings to the District Government would be \$818 million in FY98, or \$106 million more than the current Federal payment (savings to the District exclude funding for the economic development initiative, the National Capital Infrastructure Fund, and one-time capital-improvement and construction costs at Lorton); five-year budget savings to the District would be \$4.483 billion (\$923 million more than with current payments).

The restructuring plan proposed in this memo would relieve the District of significant budget costs and administrative responsibilities, and end Congressional micromanagement of the District's budget. Such actions are necessary, but not sufficient, to make the District a safe, attractive and prosperous city. In the end, the District's success will depend on its own actions to improve the management of its resources, business climate, and quality of residential life.

I. Federal Assumption of Certain Governmental Functions

Current law requires the District to balance its \$5 billion annual budget by FY 1999. In September, Congress approved an FY 1997 budget and multi-year financial plan that reflected a consensus among the Authority, the Mayor, and the District Council. The plan provides a good start at improving the District's fiscal condition, but lacks some of the hard choices that will be needed to achieve sustainable budget balance and improve the District's long-term fiscal outlook. The District now projects its FY 1997 deficit at \$85 million. Absent further measures, this deficit will likely grow in the out-years.

The District currently must discharge its responsibilities with scarce budget and management resources and in the presence of an unusual degree of Congressional intervention. To remedy this, we

recommend that the Federal government directly assume certain governmental functions, such as pensions and criminal justice, in areas where it has a clear interest, capability and/or responsibility. In exchange, the existing Federal payment would end, and the Federal government would no longer approve the District's annual budget. Elements of this proposal could include:

Option 1: Have the Federal government take over the District's pension plans for law enforcement officers and firefighters, teachers and judges. Prior to 1979, the Federal Government was responsible for these three pension plans and financed them on a pay-as-you-go basis. In 1979, the District of Columbia Retirement Act (Act) transferred to the District responsibility for both the plans and their associated \$2.7 billion in accrued unfunded liability. The Act authorized the Federal Government to pay the District's retirement system \$52 million annually for 25 years. In 1979, the estimated present value of this payment stream was \$646 million, well below the \$2.7 billion unfunded liability.

Since 1979, the District government and participants have made contributions to the retirement system that have more than covered the costs of benefits that accrued in each year, but that have not been enough to prevent the unfunded liability from growing to its current level of about \$5.4 billion. When the Federal payments authorized by the Act end in 2004, the District will be required to cover the full cost of the remaining unfunded liability.

Under this option, the Federal government would assume both financial and administrative responsibility for these pension plans. These plans have an accrued liability of \$8.8 billion; the District government would transfer to the Federal Government or its designee \$3.4 billion in associated pension assets, leaving the Federal Government to assume the \$5.4 billion unfunded liability. The existing assets will be used first to make benefit payments. Actual Federal outlays would not be required for many years. This would be done by having the District transfer the existing assets and responsibility for plan administration to a third party trustee. Fees of the trustee would come from the earnings on the assets.

What
about
moving
up
the
system?

While the details of this option still must be worked out, we expect that the MOU would require that (1) the existing pension plans would close upon assumption by the Federal Government and that the District would establish new plans for its current and future employees; (2) a third-party Trustee, likely an independent contractor, be appointed to administer the plan and invest the pensions assets; (3) there be a determination of how to treat current employees who are partially vested under the old system; and (4) adequate employment records be provided by the District Government to the third-party trustee.

☒ Approve option 1

☐ Disapprove option 1

☐ Discuss

Option 2. Have the Federal government assume responsibility for parts of the District's criminal justice system. There is a long precedent for special Federal involvement in the District's

criminal justice system, including having the U.S. attorney prosecute all serious crimes in the city. Under this option, the Federal government would provide full funding for the District's Court System, take over the District's Lorton facility, and assume responsibility for setting the standard for sentences for crimes in the District and incarcerating its sentenced felons. Through these actions the Federal Government would help to improve the District's criminal justice system and thereby would enhance the effectiveness of the District as the Nation's capital.

Option 2a. Have the Federal Government fund the District Court System. Given the budget limitations under which it operates, the District Court System works well. The Department of Justice believes that the System would work better, however, if it were given adequate resources. Under this option, the Federal government would assume responsibility for funding the District Court System through the Administrative Office of the Courts (the Judiciary branch).

☒ Approve option 2a ☐ Disapprove option 2a ☐ Discuss

Option 2b: Have the Bureau of Prisons (BOP) assume responsibility for Lorton and for incarcerating the District's sentenced felons. Under this option the Federal government would take on the responsibility for incarcerating the District's sentenced felons (a responsibility that elsewhere is borne by States). DOJ believes that this option could be successful only under the following conditions: that the Federal government would set the standards for sentences for District crimes, that there be a 3-5 year phase-in period and that the DOJ's Bureau of Prisons (BOP) be given sufficient management flexibility. In addition, legislation must address issues of parole and community corrections.

*unimpaired
on in 3-5 yr.*

Renovate Lorton and Provide New Facilities to House Inmates Adequately. Absorbing Lorton prisoners would increase the BOP population by roughly 10 percent. The BOP system is already seriously overcrowded in its high and medium security facilities like Lorton. Accordingly, it could absorb Lorton inmates only after Lorton had been renovated and new capacity had been constructed (partially on Lorton's extensive unused property and partially at other locations). One-time renovations at Lorton and the new prison construction would cost \$300 million in 1998 and \$900 million over 3-5 years.

- *Hiring Flexibility.* Current Lorton staff would have to reapply for positions and meet BOP standards.
- *BOP Flexibility in Absorbing District Inmates.* BOP's general goal is to house inmates as close to home as is operationally possible. However, to maintain order, to meet the security needs of inmates, and to disperse District gangs and "crews," the BOP will need the ability to transfer a significant number of inmates to BOP prisons throughout the nation. No commitments would be made regarding maximum distances from the District or the concentration of District inmates in specific Federal

prisons.

- *Sentencing Conformity.* D.C. inmates receive significantly shorter sentences than similarly situated Federal inmates, and are eligible for parole after serving only one-third of their sentences. Federal inmates generally serve 85 percent of their sentences. There are two possible approaches that could be taken to avoid tensions between similarly-situated inmates facing different sentences and parole standards. Under the first, the Federal government would accept responsibility only for those District felons sentenced and paroled in accordance with statutes and legislation applicable to Federal prisons. Alternately, the District could achieve conformity by ceding to the Federal government its sentencing authority over felons. *↳ proposed*
- *Rely on Federal Community Corrections Operations.* The District's Community Corrections operations, reportedly fraught with mismanagement and employee misconduct, would be phased out. As District felons become the responsibility of BOP, they would be released through Federally controlled community corrections programs.
- *Absorb District Parole Board Functions into the U.S. Parole Commission.* The U.S. Parole Commission would be responsible for all District felons with sentences subject to provisions of parole. This would mean an extension of the U.S. Parole Commission (and its approximately 50 employees) beyond scheduled termination date (2002 unless terminated earlier by the Attorney General).
- *Use phase-in period to keep responsibility for outstanding lawsuits and court orders with the District.* A number of lawsuits are pending against the District's Department of Corrections (DOC) regarding, among other things, conditions of confinement, medical treatment and sexual harassment. There are also court-directed population caps. The District must maintain responsibility for the defense of and liability from these lawsuits. Federal liability should be based only upon actions taken after the Federal government takes responsibility for the inmates.
- *Until all of the above changes are made, Lorton will continue to have major problems, which will become Federal government problems under this plan unless a separation is maintained during the transition period. Accordingly, it is essential to appoint a receiver responsible to the Control Board to oversee the D.C. Department of Corrections during a transition period of capital construction and renovations, changes in sentencing systems, and resolution of lawsuits and court orders.*

☒ Approve option 2b

☐ Disapprove option 2b

☐ Discuss

Option 3. Decrease to 30 percent the District's share of costs associated with its Medicaid

program. Total FY98 costs for the District's Medicaid program will be roughly \$880 million. Under current law, the District will pay 50 percent of these costs, the maximum amount that any State must pay. Like many States, the District believes that the Medicaid matching rate does not take into account its high poverty rate and the health needs of its urban population. Unlike States, however, the District cannot spread the cost of an urban Medicaid program across a broader economic region.

Current law allows States to require that localities pay up to 60 percent of the non-Federal share of Medicaid expenditures. Thus, in States with a 50 percent share of Medicaid costs, localities can pay up to 30 percent of total Medicaid expenditures. Currently, 14 States, including California and New York, require local funding of at least some portion of the State's share of Medicaid payments. New York City, for example, pays 25 percent of the cost of Medicaid expenditures in the City; non-city residents subsidize roughly half of the non-Federal share of New York City's Medicaid program (note, however, that New York State does collect a portion of State revenue from the city--part of which may implicitly pay for the State contribution). The District does not have access to such State subsidies.

Under this option, the Federal Government would take on the role of both the Federal and "State" governments for the District, and pay a total of 70 percent of total Medicaid expenditures in the District (compared to the current 50 percent Federal share). Changes in the Federal share would be conditioned on the District improving the management of its Medicaid program. Other options for controlling costs and assisting the District with its Medicaid program could also be explored. This option would cost \$176 million in 1998 and approximately \$1 billion over five years.

☒ Approve option 3 ☐ Disapprove option 3 ☐ Discuss

Option 4. Ease taxpayer burdens and improve collection by having IRS collect D.C. income taxes. Having the IRS collect District income taxes benefits the District by reducing its costs and by increasing its collections through more efficient administration. It would also reduce burdens on District residents by reducing the number of forms that need to be filed. Having the IRS collect these taxes would require both new statutory authority (at both the Federal and DC level), and added budget resources for the IRS. The IRS has indicated that it is willing to assist in this way.

☒ Approve option 4 ☐ Disapprove option 4 ☐ Discuss

Option 5. Have the Federal Government make available financing for some or all of the District of Columbia accumulated deficit. This financing of \$400 to \$500 million would carry standard Treasury interest rates and would be repaid by the District over no more than ten years from District resources. The Treasury is currently financing the deficit on a short-term basis. Some means must be found to refinance those loans over a longer period of time. Charging the District standard Treasury interest rates will provide the city an incentive to refinance the loans as soon as practicable at lower tax-exempt interest rates.

☒ Approve option 5 ☐ Disapprove option 5 ☐ Discuss

Option 6. Create a National Capital Infrastructure Fund (NCIF). The NCIF would pay for infrastructure projects that benefit not only District residents, but also commuters. Eligible projects would include: 1) road and bridge capital costs (including local roads and bridges and the local match for Federal-aid road and bridge capital projects) and 2) transit capital expenses. The District would determine from the list of eligible expenditures how best to spend the funds.

The NCIF would receive funds from two sources. First, the NCIF would receive an annual appropriation from the federal surface transportation trust funds (in addition to the formula funds now going to the District). In addition, the NCIF would be authorized to accept payments from nontaxpayers (e.g., payments in lieu of taxes from universities, hospitals, nonprofit organizations and other non-taxpaying entities in the city that benefit from District services; or payments from regional entities that might wish to support infrastructure projects that provide benefits to the region).

For the period of FY98-FY02, the District plans to spend approximately \$42 million per year to support local road and bridge capital costs (including the local match for federal-aid road and bridge projects) and \$51 million per year for its share of the Washington Metropolitan Area Transit Authority's (WMATA) capital expenditures. (The District will also spend \$123 million annually for its portion of WMATA's operating expenses, however, the NCIF would not cover these costs). It should be noted that the States and Congressional authorizing committees will likely oppose funding the NCIF from the Highway Trust Fund (HTF) because it would increase the District's share of funds and enable HTF funds to be used for local roads.

 ☒ Approve option 6

☐ Disapprove option 6

☐ Discuss

II. An Economic Development Incentive Program

Option 7. Create an economic development program to improve the economic viability of the City. Under this option, the Administration would propose legislation to establish an economic development corporation (EDC) for the District. The EDC initially would be autonomous from both the District and the Federal government, and would operate like a public authority. The Board of the EDC would be appointed jointly by The President and the Mayor.

The EDC would formulate a strategic economic development plan for the District, and would make recommendations for the use of various financial incentives that would be provided by the Federal government. The goals of the EDC would include building local economic markets, developing strategies to link District residents to job creation, and assisting the District in fostering regional economic strategies.

We are currently developing the list of incentives that would be available to the EDC. ~~These will require new legislation and will be similar in nature to those available in empowerment zones.~~ In

1998, these incentives would cost \$25 million in discretionary funds, and \$60 million in tax benefits. The five year cost would be \$125 million in discretionary funds and \$260 in mandatory tax benefits.

☒ Approve option 7 ☐ Disapprove option 7 ☐ Discuss

III. Technical Assistance by Federal Departments

Option 8. Increase the intensity and raise the profile of technical assistance to the District Government (and non-profit groups, etc.) provided by Federal departments in areas like education, procurement, housing, transportation, and Medicaid that can make a real difference in the District's success as a city. The agencies have been engaged in this process quietly over the past two years. We recommend that this activity be increased in intensity and given a higher profile, perhaps even with involvement of the First Lady and the Vice President.

Examples of activities that could be undertaken are:

- The Department of Education would continue efforts to help the District account for and manage Federal and local education funds, support reform efforts to raise achievement, and help the District utilize the substantial programmatic flexibility allowed in use of Federal funds.
- The Department of Defense and OMB's Office of Federal Procurement Policy could improve the District's procurement operations.
- The Department of Transportation could provide technical assistance to improve transportation planning and management of the District's highway construction program.
- HHS could assist with the apparent major managerial and cost problems in the District's Medicaid program.
- HUD could continue its assistance in the areas of public housing and home ownership.
- Labor could provide assistance in implementing its training and other programs.

The main downside from raising the profile of our activities in this area is that Federal leverage and authority in these areas will, by definition, be limited. There will be some successes and probably also some failures. On the other hand, there is a strong argument for getting credit for what we are doing. And, the added attention that the assisted areas would receive from the press and public may raise the likelihood for success over vested interests.

☒ Approve option 8 ☐ Disapprove option 8 ☐ Discuss

→ it would have been targeted off the budget program

Federal Budgetary Impact of DC Proposals

<u>New Federal Expenditures and Tax Benefits</u>	<u>FY 98 Impact</u>	<u>Five-Year Impact</u>
Criminal Justice (discretionary):	605	2,519
Lorton Facility operations *	176	934
Capital Improvements to Lorton Facilities (one-time)	80	80
High and Medium Security Construction at Lorton	220	820
District Court System operations	129	685
Economic Development Initiative:	85	285
Discretionary spending component	25	25
Tax benefit component	60	260
Unfunded Pension Liability (mandatory):		
Annual payments to District's pension plans	337	1,863
Medicaid (mandatory):		
Decrease District's share of Medicaid payments to 30%	176	1,001
National Capital Infrastructure Fund [Non-add]	[93]	[465]
Total, Proposed Federal Resources	1,203	5,668
Discretionary Spending (see Note 1)	630	2,544
Mandatory Spending	513	2,864
Tax benefits (mandatory)	60	260
Proposed Offsets	(1,049)	(5,423)
Annual Federal payment to the District	(660)	(3,300)
Special contribution to the pension plans	(52)	(260)
Drawdown of pension assets (Mandatory)	(337)	(1,863)
Net New Federal Resources	154	245

Addendum:

Total budget savings to the District Government (See Note 2)	818	4,483
Increase in budget savings to District Government (i.e., savings net of current Federal payments)	106	923

Note 1: Table does not include any additional resources given to IRS to administer the District income tax system.

Note 2: Budget savings to the District Government exclude the costs of capital improvements and construction at Lorton as well as the economic development initiative and the National Capital Infrastructure Fund. Also, no effects from IRS collection of DC income taxes are included.

- * \$7 million is included for parole functions.

D.C. agenda

help disparate groups

Rebuilding acity

to
get
involved
↓
next steps

quite serious in
the administration

not a bailout federal interest

- pension \$45
- prisons
- eds
- medical

eliminate fed'l part
equivalent to
\$151 b. increase in yr 1

TO: THE FIRST LADY
FROM: Tracy LaBrecque *Tracy*
DATE: December 17, 1996

To follow is the information you asked me to take down for you during the receiving line last night.

1. To send **Ellen Malcolm** of Emily's List a copy of the speech you gave in Australia.
2. To call **Jim and Jane Blanchard** about setting up a trip to Toronto in the near future.
(attached is his business card)

cc Pati

VERNER, LIIPFERT, BERNHARD,
MCIPHERSON AND HAND
CHARTERED

GOVERNOR JAMES J. BLANCHARD
ATTORNEY AT LAW

901 - 15TH STREET, N.W.
WASHINGTON, D.C. 20005-2301
DIRECT: (202) 371-6093
FAX: (202) 371-6279

500 N. WOODWARD AVE., SUITE 100
BLOOMFIELD HILLS, MI 48304
DIRECT: (810) 646-2772
FAX: (810) 646-2465

3. To speak to **Brenda Donald** about a new organization she is involved with in Washington, D.C. called **DC Agenda**. It is a think tank dealing with the issues that face the District. Brenda Doland worked with you on the New Futures program in Little Rock.
(attached is her business card)

cc Melanne

Brenda Donald
Senior Program Officer
1155 15th Street, NW
Suite 1002
Washington, DC 20005
202-223-2598, ext. 13
Fax: 202-223-2604
e-mail: DC.AGENDA@worldnet.att.net

DC Agenda
Action Priorities for Washington's Future

4. Attached for you is a book called **Lifesigns** from **Bill and Anita Ferguson**.
Their home address is: Bill and Anita Perez Ferguson
248A G Street, SW, Washington, DC 20024

Bo TM

THE WHITE HOUSE
Office of the Press Secretary

FOR IMMEDIATE RELEASE

January 10, 1997

REMARKS BY THE FIRST LADY
AT CHILD DEVELOPMENT EVENT

Georgetown University Medical Center
Washington, D.C.

MRS. CLINTON: Thank you. I am so pleased to see all of you here and I'm delighted to be back at Georgetown University Medical Center, where I have visited before, because I think that the work that is being done here and the announcement today is among the most important efforts that are going on right now in our Capital City, because if we were able to make it clear to every parent in Washington, D.C. and beyond that reading to one's child between birth and three is one of the most important jobs that a parent can do, I think we would all see remarkable progress being made in school readiness, in school performance, in relationships between parents and children.

I want to thank Dr. Rennert for his remarks and for his leadership as the Professor and Chair of the Department of Pediatrics. I want to ask Dr. Battle to convey to the Academy of Pediatrics our deep appreciation because of their support of this effort and so many other good works that the Academy does on behalf of children. I also want to acknowledge a few other people who are in the audience.

I want to acknowledge my friend, Leo O'Donovan, the President of Georgetown, who has been very supportive of efforts concerning education and literacy not only here at the university, but around Washington.

I also want to thank Jewell Stoddard, who is representing the Association of Book Sellers for Children and is the owner of the Cheshire Cat Bookstore in Washington, D.C., one of the nation's oldest children's bookstores.

In my book, *It Takes a Village*, I mention the Association's program called "The Most Important Twenty Minutes

of Your Day -- Read to a Child." I think for many people that was originally thought to refer to older children -- children in kindergarten or even grade school. What we are trying to do and what the Association for Book Sellers is attempting to do is to convey clearly the message that we want reading to children to start at birth, but particularly during those first three years of life.

I also want to acknowledge and thank Steven Herb and Susan Roman, president and executive director respectively of the Association for Library Services to Children, a division of the American Library Association. I also mentioned their national demonstration program in my book, "Born To Read," and actually contributed some of the book proceeds recently to that, because this three-year national demonstration project, which builds partnerships between libraries and health care providers such as Dr. Rennert and Dr. Battle, is helping low-income parents and others with poor literacy skills to understand the importance of reading to their children.

And finally, I want to thank Dr. Tina Chang and Dr. Sandra Cuzzi who are part of "Reach Out and Read" here in Washington. This is a program that inspired me greatly when I first heard about it, and I know Dr. Cuzzi has just this week received a \$3,000 grant to buy books to start "Reach Out and Read" at Washington Children's Medical Center. This is a program that really exemplifies what we are talking about here today.

We know, and as Dr. Battle said, that most parents come into contact with a pediatrician -- they may not take their child to a library, they may not take that child to a preschool program until the child is over three, but they will in all likelihood come into contact with a health care provider. If that doctor or nurse who is administering the well-baby checkup or the vaccination will prescribe reading, and then take it a step further -- not merely prescribe reading, but hand that parent and child a book -- we know that in most cases the parents will try to follow through on the doctor's prescription.

So that is what we are kicking off here, and so many groups have come together to be part of this.

I'm also pleased to be here today and to be in the company of a very special guest. Yesterday the President honored some of America's finest artists, writers, and thinkers with the National Medal of Arts and the Charles Frankel Prizes. One of them, Maurice Sendak, rearranged his busy schedule so that he could stay one more day and meet with some of Washington's youngest citizens, which we will do after this presentation.

As many of you know who have read to your children,

as my husband and I have, Maurice Sendak is one of our country's most beloved authors and illustrators of children's books. His stories and characters have captured and stimulated the imaginations of generations of children and, as my husband said yesterday, imaginations of countless parents as well.

When Chelsea was little, Bill and I would take turns reading "Where The Wild Things Are," and many of Mr. Sendak's other stories as well. Soon she was able to read along with us, and before long, she was able to read that story to others on her own. Like many parents, we owe Mr. Sendak a debt of gratitude for helping us to spur our daughter's imagination and reading skills. And later some of the children here at the Medical Center will have a chance to hear him do it in person.

I'm also grateful to his publisher, Harper Collins, for donating 75 of his books to the Medical Center, and I would hope other publishers of children's books would join hands with the pediatricians around our country to do the same.

I want to emphasize just a few points that Dr. Rennert and Dr. Battle made, because I noticed some quizzical looks in the eyes of some of the people who are here covering this event. We have known for a long time that reading to children is a nice thing to do. It is a way to create a quiet time between an adult and a child. We have even known that, because of recent research, reading in those early years does lay the groundwork for vocabulary and later reading success. What we have not known until recently -- and because of advances in neurobiology and other medical sciences, we now do know -- is that talking with one's child in those first three years and reading to that child actually helps make the brain grow.

Now, I want to emphasize that because it sounds almost hard to believe. But we now understand that, as Dr. Rennert was explaining, that the connections between brain cells and the opportunities for the brain to do more complex work are enhanced because of time spent talking with and reading to very young children.

Now, there are many people, and we all know them, who think that children really don't learn much until they can learn to talk. Well, in fact, the work that is being done in the brain of a child from birth to three is so profoundly significant that if we do not recognize its importance, then we will not have helped that child develop to his or her fullest potential. The earlier we expose our children to hearing stories and listening to adults talk, the better off they are.

And I want to add that the evidence so far shows that television is not a substitute. The words that come across

the television screen do not have the same effect on creating that growth in a child's awareness that reading to a child and talking to a child, person to person, does. So you cannot make up for this by putting the child in front of the television set and expecting that child to have the same opportunities that reading and talking provide.

We feel so strongly about this that it is one of the reasons the President is accelerating the administration's efforts to strengthen early education and raise awareness about the importance of developing children's brains in the first years of life. There will be a number of programs in these next few months that we hope will bring to broader public attention what scientists now know about brain development.

Many parents, I think, will be very surprised when they see some of the television specials, some of the magazine specials that will be coming out in the next several months, because for me as well as for many others of my generation, this is all new.

The President is challenging Americans to become involved in helping children to read on their own by third grade. But in order for that to be successful we not only need to mentor and help our children and our teachers in schools, we need to help parents know that they are a child's first teacher.

Over the years I have met many parents who told me they never really talked to their babies because they didn't think that it made any difference. I remember the first time this happened, and I recounted in my book when I was making conversation with a group of women with some toddlers. And I said, you must be having a great time reading and talking to your babies. And they looked at me with such quizzical looks because they said, why would we do that, they can't talk back. So from that point, I have made it my mission, when I see young parents with babies to ask them if they're talking and reading, and to try to stimulate that as something they want to do.

Sometimes parents say back to me that they don't read very well themselves. And my response to that is, your baby won't know any different. Hold the book, turn the pages, make the story up, and try to get your own literacy skills to improve as well. But you can hardly embarrass a one-year-old when you're reading nearly anything to that child.

So I hope that we're going to be able to get this message out. There are few things that I believe could make a more dramatic difference over the next 10 years in this country than to persuade parents of all educational and economic levels to take this mission of reading to and talking with their young

babies seriously.

I hope that all who are part of this effort today will be joining with the President and others of us to spread this message very broadly. As many of you know, I have been doing some work here in the District and meeting with people who are involved in the District's affairs. There are many things that we need to do here in our Capital City, but I would put reaching out to parents and educating parents and prescribing reading as this prescription does do, at the very top of the list as to what if we did and stayed with that effort over a number of years could make a significant difference in this city and in every city around our country.

Thank you all for being part of this new effort.
(Applause.)

Now we get to go read "Where The Wild Things Are."
So thank you all.

Q Might you have time for a quick question, Mrs. Clinton?

MRS. CLINTON: Sure.

Q I noticed and I just would ask you, you have stressed a very important and worthwhile theme. Is there anything else you can tell us about what you might be doing for the District of Columbia in this regard, or anything you might wish to add at this point in time?

MRS. CLINTON: Not right at this time. But I think that in the next few weeks some of the administration's plans and commitments will be unveiled and we hope that there will be, as I sense there is -- and I appreciate your close attention to this over the years, because you've been very significant in bringing attention to what's going on here in the District -- I think there will be a series of efforts at partnership, to bring people together around the District's problems. And as I have said on other occasions, there is no quick fix, there is no magic wand, there is no individual who can change and fix a lot of the problems that the District has been suffering with over the years. But I believe that a concerted, carefully planned effort that enlists people of good faith from around the country -- not only just the District, because I believe strongly that this is our Nation's Capital, every American has a stake in the success of the people who live here in the District -- but I believe that kind of effort is going to take place. And if we are patient and persistent I think we will see results.

And I think you can only point to other cities around our country that were written off in the '70s and the

'80s. I was recently in Cleveland and I can remember the kinds of things that were said about Cleveland not so very long ago. And going there is such an uplifting experience now because the business community, the religious community, the community leadership, individuals from every walk of life joined together to really rebuild that city. And not just in the visible way that we see with new construction, but really at the grass-roots level in reaching out to people.

So I'm very optimistic, although I'm realistic as well, I think.

Thank you all.

Q This is our "Born To Read" diaper bag. We don't get to give diaper bags to the First Lady -- (laughter.) And a little T-shirt maybe Socks could wear.

MRS. CLINTON: That is so cute. Thank you. Nobody thinks I'm trying it on. (Laughter.) Thank you very much.

END

DOMESTIC POLICY COUNCIL
THE WHITE HOUSE
SECOND FLOOR WEST WING
WASHINGTON, DC 20502
202/456-5374
202/456-2878 FAX

To:

Melanne / Katy

Fax:

From:

Pauline Abernathy
Domestic Policy Council

Pages to Follow:

3

Comments:

Holward + Knight + invitation to
Florus.

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St. Petersburg

Tallahassee

Tampa

West Palm Beach

September 13, 1996

STEPHEN J. POWELL

202-955-5962

VIA HAND DELIVERY

First Lady Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20037

Re: Invitation to Visit the **Cleveland Early Childhood
Center**, 8th and T Streets, NW, Washington, DC

Dear Mrs. Clinton:

I am writing to invite you to help Holland & Knight provide some much-needed recognition and support for the Cleveland Early Childhood Center by making a visit to the Center. Cleveland is located at 8th & T Street in the historic Shaw neighborhood of Northwest D.C. The school is named after President Grover Cleveland and first opened its doors in 1911 as a headquarters of D.C.'s segregated public school system. See Attachments 6 & 7. In 1992, after over eighty years of providing the children of Shaw with a traditional elementary education, Cleveland completely changed its curriculum based on recommendations that were developed by you and other members of the National Association of State Boards of Education Task Force. As you may recall, the Task Force published its recommendations in a book entitled Right From the Start. See Attachments 2 & 3. This book has been an essential resource for Cleveland's reorganization into what, we believe, should be recognized as a national model for the "early childhood centers" that the Task Force recommended.

Holland & Knight's D.C. office "adopted" Cleveland in November 1995 through the Parent Involvement and Community Support (PICS) Adopt-a-School Program. Principal Annie Mair, along with the PTA President and a local ANC Commissioner,

First Lady Hillary Rodham Clinton
September 13, 1996
Page 2

welcomed the firm's involvement as a part of their plan to establish multiple partnerships with the business community to help offset the impact of devastating budget cuts. Some highlights of our first year as Cleveland's Adopt-a-School partner include the establishment of weekly participation by lawyers in tutoring and mentoring students in the school's "After Care" program. We also sponsored an outing for the school's "Students of the Month" to the National Botanic Gardens in December, 1995. In April, 1996, a large group of our lawyers and nonlawyer staff spent two Saturdays at Cleveland working on basic repairs, painting and related maintenance. In Attachment 8, I have compiled documents that provide additional background concerning Holland & Knight's school partnership with Cleveland.

Our partnership with Cleveland is one part of Holland & Knight's new adopt-a-neighborhood project. Under this exciting program, the firm has agreed to provide neighborhood groups throughout the Shaw Urban Renewal Area with ongoing pro bono assistance in order to help residents rebuild their community. An April 4, 1996, Washington Post article concerning this project is included as Attachment 9. Also included in that Attachment are other news articles describing the grassroots efforts by Shaw residents to implement their neighborhood vision statement which includes projects such as the renovation of the Robert F. Kennedy Playground at 7th and O Streets.

The firm is very excited about our Adopt-a-School partnership with Cleveland. We congratulate you and other Task Force members for your leadership role in recommending the establishment of early childhood centers that emphasize learning based on stimulating the whole child at a young age. During our visits to Cleveland, we have all been impressed by the unique interactive quality of the learning program provided for Cleveland students. See Attachments 3, 4, 5. As concluded in a recent Washington Post (September 4, 1996) article, the Cleveland program is working: "The latest standardized test scores bear them out. Most students at Cleveland are performing at or above grade level. Says [Principal] Mair, 'Children give you what you expect, so we expect the best.'" See Attachment 7.

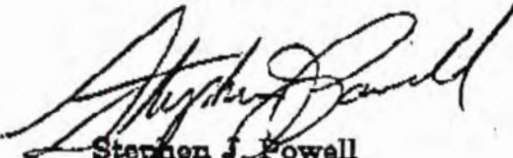
We believe that such positive publicity about things that are working well in the D.C. public schools provides encouragement to District residents. The residents of Shaw neighborhood are especially deserving of further encouragement in their efforts to make their community into a safe and clean place to raise and educate children. With that in mind, please have someone from your office contact me to coordinate scheduling if you would be able to spend a little time with the deserving children,

First Lady Hillary Rodham Clinton
September 13, 1996
Page 3

teachers and staff of Cleveland Early Childhood Center. Everyone at Cleveland hopes to have the chance to visit with you. See Attachment 1.

Very truly yours,

HOLLAND & KNIGHT



Stephen J. Powell

Enclosures

cc: Annie Mair, Principal
Cleveland Early Childhood Center

Nancy Griffin, PTA President
Cleveland Early Childhood Center

W. Norman Wood, Jr.
Chair, LSRT
Cleveland Early Childhood Center

THE WHITE HOUSE
WASHINGTON

January 14, 1997

MEMORANDUM TO THE PRESIDENT

FROM: GENE SPERLING
DONALD A. BAER

SUBJECT: PROPOSED D.C. EVENT

Subject to your approval, we are now ready to move forward on a D.C. event for this Thursday or Friday that would show your concern for and commitment to the nation's capital as we move into the Inaugural weekend, and do so not with a photo opportunity but with a concrete announcement that will have an immediate impact on the District's schools.

The Announcement

We propose that you visit a D.C. public school, and together with General Becton (recently appointed by the Financial Control Board to run the D.C. schools) and several area college presidents, announce that **the presidents have pledged about 500 new students to work as reading tutors in the D.C. public schools.** This would build on your December 21st Radio Address, in which you announced a steering committee of college presidents that had all pledged to dedicate half of their new Work Study slots to college students who work as reading tutors, to help fulfill your America Reads challenge. As with that initial announcement, **this is an example of your leadership that does not add one penny to the budget, but by mobilizing others to work together to meet our challenges, will help thousands of young children learn to read.**

Carol Thompson-Cole of O.M.B., who works on D.C. issues, has spoken directly with General Becton. **She says that General Becton is very excited about the prospects for this event, and would rearrange his schedule as necessary to participate.** If we receive your approval for the event, we will formally invite General Becton.

Participating Schools

We expect seven area colleges to commit students to this effort. Georgetown, Catholic, and Trinity have all given a firm yes. American, Gallaudet, George Washington and Howard gave strong indications that they would say yes later today. (Only U.D.C. said no.) By today or tomorrow, we will have firmer commitments on the numbers of students (both Work Study and non-Work Study) the seven schools will pledge to help in the D.C. public schools.

- 2 -

Purpose and Message of Event

As you know, this event would follow today's news reports of our broader budget plans to help D.C. Against that backdrop of credibility on the issue, this event would go beyond the hard numbers of the budget story, and put a human face on your efforts to help D.C. and in particular its children. It would also show, as we move into the Inaugural weekend, that meeting D.C.'s challenges -- like meeting our challenges nationwide -- isn't just a question of government funds or legislative solutions, but of the entire community working together to fix its own problems.

The Site

We have identified two D.C. public schools that are good options for this event -- H.D. Cooke Elementary School in Adam's Morgan, which already has AmeriCorps participants working successfully as reading tutors, and Garrison Elementary School in Shaw, which is about to launch an AmeriCorps tutoring effort. DoE is vetting both and we will make a final choice later today.

Participants

In addition to General Becton, the First Lady, Secretary Riley and Director Wofford would participate as well. The remaining question is whether to invite Mayor Barry, Rep. Norton and other D.C. officials (Marcia Hale is handling this issue).

The Picture and Logistics

We need to consider whether you should meet with General Becton before or after the announcement; perhaps walk through the school with Becton and watch AmeriCorps students at work tutoring children, or simply make the announcement with Becton, the college presidents and a group of school children in a classroom or other easily identifiable school setting.

Clinton Presidential Records Digital Records Marker

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10 a.m., Tuesday, Jan. 14

THE ORPHANED CAPITAL

Adopting a Revenue Plan for the District of Columbia

The District of Columbia's revenue structure is collapsing—but it can be fixed. Unlike other cities, the capital's tax base is severely restricted by federal law. There is no state aid, and government, the hometown industry, is tax exempt.

A sustainable revenue system is key to the survival of Washington, D.C. First, however, services must improve dramatically. Public officials must show that the District can live within its means. But as painful management reforms are made, District residents, employees, and political leaders should expect a tangible payoff: a rational and stable revenue base on which the city's budget will rest.

This study offers workable remedies. It proposes a budget-neutral revenue structure more like that of a typical American city, with the federal government playing the role of a state. We propose that four business taxes be eliminated and that commercial property and personal income taxes be cut. The federal government should increase aid in three specific ways: a payment in lieu of taxes to make up for the 41 percent of property that is tax exempt; "state" aid comparable to that received by similar-sized cities; and coverage of 50 percent of the cost of state-type services provided to District residents.

The DC Revenue Project's plan is fair and manageable. It is the least that the nation can do to ensure the viability of its own capital city.

CAROL O'CLEIREACAIN

BROOKINGS

POLICY BRIEF

January
1997
No. 11

COMMON AND UNCOMMON SENSE FROM THE BROOKINGS INSTITUTION



Mrs. Erma B. Fields
Principal

Ms. Corliss V. Grimes
Assistant Principal

J.O. Wilson Elementary School

K between 6th and 7th Streets, N.E. • Washington, D.C. 20002
(202) 724-4707 Office • (202) 724-4707 Fax

*cc: Melanne
from HRC
file DC*

January 22, 1997

Mrs. Hillary Clinton
1600 Pennsylvania Avenue
Washington, D.C. 20001

Dear Mrs. Clinton:

It is with pride and pleasure that I write this letter expressing my sincere thanks to you for supporting the Washington Interfaith Network (WIN) After School Initiative. Immediately following the WIN Founding Assembly on May 28, 1996, J.O. Wilson Elementary School was targeted as the model site for organizing a comprehensive after-school program. This was a very special honor for the J.O. Wilson School Family.

On October 21, 1996, the honor was extended when I was invited to the White House to share with you and others the needs of the J.O. Wilson School community and my vision to make J.O. Wilson an anchor for the community. It was at this time that you graciously supported funding for our after school effort. As you may know, on December 12, 1996, the Fannie Mae Foundation presented the Washington Interfaith Network with a letter approving funds in the amount of one hundred fifty thousand dollars (\$150,000.00) for the after school initiative.

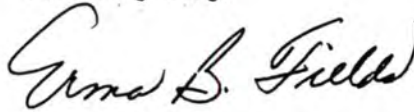
Please be apprised that the J.O. Wilson After School Program was launched on January 7, 1997, with approximately 140 students participating. Oh what a joyous site it was to see children participating in a program designed to increase their knowledge and enhance their skills in a safe environment. The program was highlighted with parents, students and volunteers expressing a great deal of enthusiasm. Volunteers assisted the children with homework and study skills in an effort to improve academic achievement. Enrichment activities such as computer training, sign language, story-telling and public speaking have recently been added to the program. Some of the students are also learning how to play chess. As the program progresses, other extra-curricular activities will be developed. Our parent component will begin on February 18, 1997.

Mrs. Clinton, while seated next to you at the White House in October, I could easily envision J.O. Wilson Elementary School as the site of an invigorating and stimulating program for our children. You, along with members of the Washington Interfaith Network, are to be commended for your efforts in pioneering such a program for underserved children.

Your commitment to the education of young people, coupled with your willingness to provide support for a viable after school project has already made a difference in our school and community. As time progresses, I shall be in touch with your staff regarding the possibility of your making an on-site visit to J.O. Wilson School. Your presence will make us so very proud.

Again, thanks for your support of the J.O. Wilson After School Program and congratulations on becoming First Lady of America for another four years. May God continue to richly bless you.

Your very truly,

A handwritten signature in cursive script that reads "Erma B. Fields". The signature is fluid and elegant, with the first letters of each word being capitalized and prominent.

Erma B. Fields

Melanne — I think this sounds great — I attended Greg's meeting for you. The immediate question for you is whether Chris J. can mention the First Lady's office's involvement when he calls the Children's Hospitals (NACHRI) today to set up a meeting this week to feel them out.

January 27, 1997

— Pauline Please let me or Chris know ASAP.

MEMORANDUM FOR THE VICE PRESIDENT

FROM: GREG SIMON
SUBJECT: Children's Hospitals Connection Project

Goal

To connect every children's hospital to the Information Superhighway by providing a computer lab/video conferencing center that children can use to stay in school, send e mail to friends and relatives, and communicate with other children in other hospitals.

Strategy

1. Beginning with the largest children's hospital in each state, survey the resources already available for the use of computers and networks. ^{+DC}
2. Develop a variety of computer lab/video conference center models that respond to the resources and infrastructure available in the various children's hospitals.
3. Work with the Redstone group, George Lucas (who has a "virtual world" project for bed-ridden children) and other private sector groups that will support the installation of the necessary equipment, software, connectivity and training.
4. Develop, in cooperation with the Directors of the Children's Hospitals, a rollout plan that ensures that the hospitals are connected to each other and to the nearest schools.
5. Announce the rollout plan in the State of the Union as further fulfillment of our pledge to connect every hospital, classroom and library.

4b. Have the Cyber Ed truck visit children's hospitals in DC + each state.

Staff

OVP	Greg Simon, Jim Kohlenberger, Liz Stock
DPC	Bruce Reed, Chris Jennings
NEC	Tom Kalil
HHS	Sec. Shalala, Audrey Nora, Don Lindberg (LOM) ^{Joe Bafford}
OMB	Nancy-Ann Min
HRC	Melanne Verveer
MEG	Araceli Ruano
OSTP	Henry Kelley



FAMILY PHOTO

Wedding portrait: President Clinton poses with Susan Schraufek and Erik Westerlund at their wedding reception.

Part of, but Apart From, It All *Clintons Have Complex Relationship With City*



By Amy Goldstein
Washington Post Staff Writer

The Rev. J. Philip Wogaman will never forget the first Sunday that Bill and Hillary Clinton arrived for the 11 a.m. service at Foundry United Methodist Church. The first couple trudged the eight blocks from the White House through a foot of snow after one of the worst storms in a decade.

James Spaid will never forget the first round that he caddied for Clinton at Robert Trent Jones Golf Club in Gainesville. To thank him, the president removed his own baseball cap, borrowed a pen to sign his name and placed the cap on Spaid's head.

Tommie Adgerson, who has overcome years of homelessness and addiction, will never forget his Thanksgiving with Clinton at Blair Shelter in Northeast Washington. Holding a carving knife behind the serving table, the president asked whether he preferred turkey or ham.

During the four years since they arrived at the White House, the Clintons have moved through the lives of ordinary Washingtonians. And they have fashioned Washington into a version of home.

For every president and his family, Washington is a place of many meanings. It is the hub of power and of domestic life. Local neighborhoods and institutions are props for political statements and for fun. Interactions, large and small, are laden with symbolism.

For the current first family, the relationship with the capital city is one of contradictions.

Clinton is the only president in the 20th century who has not maintained a private home or retreat outside Washington. His life is moored here to an uncommon degree. Yet he is the president who heightened the separation of the White House from the city by closing part of Pennsylvania Avenue.

Clinton portrays himself as a populist. He is a champion of public education. Yet his daughter, Chelsea, who will turn 17 next month, attends Sidwell Friends School, one of Washington's exclusive private schools.

Clinton identifies with John F. Kennedy. The 35th president became a fulcrum of Washington "society." Yet Clinton prefers the company of his family and a circle of old friends.

Although the Clintons are regarded by some as isolated, they often venture from the White House. Unlike the Reagans and even more than the Bushes, "the Clintons have been all over the city," said historian Carl Sferrazza Anthony, who has written about first ladies.

See FAMILY, E19, Col. 1

COURTESY OF THE WHITE HOUSE

'First caddy': President Clinton with James Spaid at the Robert Trent Jones Golf Club in Prince William County.



BY DUDLEY M. BROOKS—THE WASHINGTON POST

'First minister': The Rev. J. Philip Wogaman recalls the Clintons trudging through a foot of snow to attend services.



The First Family: Part of, but Apart From, It All

FAMILY, From E17

Clinton is known for jogging around town. He goes a few times a week when the weather and his travel schedule permit. His most common route lately has been through Fort McNair in Southwest Washington, although he also jogs on the Mall, at Hains Point and occasionally in Rock Creek Park.

Less publicized are the long, impromptu walks that Hillary Rodham Clinton takes in Foggy Bottom and Georgetown, wearing a baseball cap and sunglasses to try to look inconspicuous. If a passerby stops her to remark that she looks like the first lady, Hillary Clinton replies, "So I've been told," according to one of her aides.

The Clintons strive for normalcy as parents. They attend back-to-school nights and fund-raising auctions at Sidwell and performances of the Washington School of Ballet, where Chelsea studies 2½ hours each weekday. They take family bicycle rides along the C&O Canal. Once, Hillary Clinton biked up Connecticut Avenue to meet her daughter at the National Zoo, where she had been assigned a school project.

The family drops in on restaurants, often on Sundays after church, with no more than an hour's notice. One Saturday evening in April, as Clinton dined with Chelsea at one of his favorite spots, the Sequoia restaurant in Georgetown, a wedding reception was underway. The extroverted president volunteered to pose for pictures with a startled bridal couple, two young doctors who had just started their salads.

Despite the Clintons' many outings and



BY FRANK JOHNSTON—THE WASHINGTON POST

'First jogger': President Clinton goes running with a Secret Service agent near the Jefferson Memorial late last year.

sion. Abraham Lincoln is said to have shaken hands for three hours on New Year's Day in 1863 before retreating upstairs to sign the Emancipation Proclamation.

If earlier Washingtonians had greater access to the White House, earlier first families roamed the city more readily.

Hillary Clinton also has selected community projects, although less regularly and less visibly. In recent months, she has supported the Washington Interfaith Network, a fledgling group formed by local African American ministers that is trying to improve housing, create after-school programs and reduce crime.

found himself seated in the middle of a long folding table, directly across from the first lady. He asked his questions.

In retrospect, he has another one. "Who would think an addict and alcoholic like me would be sitting eating Thanksgiving dinner with the president?" said Adgeron, 39, who

of the flower corps in the Washington School of Ballet's "Nutcracker." (Chelsea is the second first daughter to study at the ballet school, which created a special class for preschoolers in the early 1960s so that Caroline Kennedy could take lessons.)

The Clintons have tried many local restaurants, including the Bombay Club, Galileo, Kinkead's, Nora and Red Sage. The first family had Easter dinner last year at the Four Seasons Hotel in Georgetown.

It was the weekend after Easter that guests at Susan Schraufek and Erik Westerlund's wedding party at Sequoia noticed the president and his daughter having dinner in an adjacent room.

When the catering manager asked Clinton whether he would congratulate the newlyweds, the president offered to do something more. With their thank-you cards, the couple sent copies of the picture taken by the White House photographer. "I had my husband on one side and him on the other," said Schraufek, 33. "Here I am grabbing his back like he is my uncle or something."

Spaid, senior caddy at Robert Trent Jones Golf Club, treasures the pictures the White House photographer has taken of him with the president. And he treasures the fact that, on his second outing at the club, the president greeted him by saying: "James, how is your son, Zach? Let's see, he's got to be 8½ months now."

Spaid, 35, said he believes it is difficult for a president to relax, even at golf. Some of his

Despite the Clintons' many outings and their efforts to bridge the gulf between the powerful and the people, they have no contact with many familiar features of Washington life. Neither Bill nor Hillary Clinton has ridden the Metro in the last four years. "It would be very disruptive for the system," said Neel Lattimore, the first lady's spokesman.

Frequent movie-watchers, the Clintons arrange for screenings at the White House, often on Friday nights. Sometimes, they invite friends. They have seen more than a dozen films in recent months, including "My Fellow Americans," in which two former U.S. presidents flee assassins, and "Independence Day," in which the White House is blown up by space aliens.

They do not go to local movie theaters. The logistics of security would be too difficult.

The president "loves going out. He loves people," said Thomas Caplan, a novelist and one of Clinton's roommates when they were students at Georgetown University, who has remained a friend. "He hesitates sometimes to go because he worries that he is inconveniencing people. . . . I would feel the same way if I closed the streets when I traveled."

Such a quandary—how to be part of the city without unduly disrupting it—is a phenomenon of the second half of the 20th century. Earlier, the walls between presidents and citizens were more permeable.

The President's House, as it was first known, was opened to the public for the first time on New Year's Day in 1801, shortly after President John Adams and his wife, Abigail, moved in. The building was incomplete and lacked furniture, but the event became an annual tradition that lasted until Herbert C. Hoover abolished it during the Depres-

lies roamed the city more readily.

During part of her husband's administration, Eleanor Roosevelt maintained an office at Dupont Circle. "She hurried down the driveway and out the front gates to the bus stop or, on a sunny day, marched resolutely a full 10 blocks up Connecticut Avenue. . . . And on her way back, she gathered up people to bring home for lunch," J.B. West, a former White House chief usher, wrote in his book, "Upstairs at the White House."

Roosevelt was the foremost of many first ladies who have used their position to draw attention to local causes. Dolley Madison was a patron of a Washington orphanage. A century later, Ellen Wilson crusaded against alley dwellings, slums behind the stately houses of Georgetown and Capitol Hill.

But it was Roosevelt who worked most intensely on the city's problems, including substandard reform schools, nursing homes and psychiatric hospitals. She led wives of members of the Cabinet and Congress on inspection tours of poor housing and sanitation, according to Allida Black, a historian who has written about Roosevelt.

Following Roosevelt's example, Jacqueline Kennedy championed a Washington National Cultural Center, later named for her husband; promoted the redevelopment of Pennsylvania Avenue; and helped to prevent the destruction of 18th-century town houses on Lafayette Square.

Her successor, Lady Bird Johnson, used Washington as a main site for her interest in "beautification." She led efforts to clean parks and statues, provide playgrounds in blighted neighborhoods and landscape the route from National Airport into the city along the George Washington Memorial Parkway.

after-school programs and reduce crime.

Children have been a frequent theme of her community interactions. She worked with Mother Teresa and D.C. Mayor Marion Barry to create a home in Chevy Chase for pregnant teenagers who plan to give up their babies and for infants awaiting adoption.

Each of the last three years at Christmas-time, she has visited Children's Hospital to greet children who are ill. Socks, the first cat, has accompanied her.

The day before their most recent visit, Ashley Thomas, 8, who is receiving chemotherapy treatments, was told by her mother that she had been chosen to escort the president's wife through the cancer unit.

The next morning, Ashley was sitting in bed, eating her breakfast of Frosted Flakes, when a nurse said the first lady had arrived. "I went to meet her in the hallway. She shook my hand," Ashley said. "I took her to all the different rooms . . . to meet the other kids. I was so happy because I never met her before."

Adgerson had a similar sense of pride the afternoon in 1995 when President Clinton and his wife came for Thanksgiving dinner at Blair Shelter, on I Street NE.

That morning, Adgerson memorized the questions he wanted to ask the first couple. What were the president's plans for reducing homelessness? How would he combat drug use in the nation's cities? He drilled himself as he stood in Blair's third-floor dormitory, dressing in the white shirt, print tie and new green suit he had acquired through a clothing store's donation to the shelter.

At 2 p.m., after he had waited in the cold for the Secret Service to check the shelter, after an agent had made sure his name was on the checklist, after Clinton had heaped turkey and ham onto his plate, Adgerson

with the president," said Adgerson, 39, who has been sober for nearly two years, has graduated from a job-training program and has attained an apartment and a \$5.75-an-hour job at a CVS pharmacy. "It gave me some hope that I can better myself. . . . He got to hear my voice. I got to hear his. . . . One man breaking bread with another."

The Clintons go into the community to relax as well as to perform good works.

Twice a year, Hillary Clinton visits the Georgetown Klinger Skin Care Salon in Friendship Heights. Like many who interact with the first family, the salon's manager, Nancy Elliott, is protective of Hillary Clinton's privacy. She discussed the visits only after securing permission from the White House, a New York public relations firm and the salon's corporate headquarters.

Hillary Clinton, occasionally accompanied by her daughter, enters through the front door on Wisconsin Avenue, walks to the second floor and is ushered into a private room for a standard, eight-step facial that lasts 1½ hours. She pays for the \$72 treatment with a credit card.

The Clintons patronize the arts.

Earl A. "Rusty" Powell III, director of the National Gallery, was "up to my elbows in the garden" on a Sunday in May 1993 when he received a telephone call at home from a member of the gallery's security staff. In two hours, the Clintons wanted to visit the Impressionist exhibit from the Barnes Collection.

They have attended concerts, plays and dance performances at the Kennedy Center and shows at the National and Warner theaters, as well as their daughter's performances as "favorite aunt," a court lady and a member

partners "are champing at the bit" to offer pointers. "They are throwing down balls for him. 'Mr. President, try this.' They want to say, 'I taught the president that.'"

Some of the first family's most frequent encounters with Washingtonians are for spiritual, not recreational, purposes.

They have attended Foundry at least once a month since the big snowstorm in March 1993, less than two months after Clinton took office. That Sunday morning, Wogaman, the senior minister, had just come out of a small chapel, where he had led a near-empty 9:30 a.m. service, when his wife said: "Guess what, Phil? There are a couple of Secret Service here, and they told me the Clintons are walking to church."

By now, members of the congregation are accustomed to the metal detectors on the way into the sanctuary.

Wogaman draws little attention to the first family's presence. Each week the Clintons are there, just before the benediction, he asks the congregation to remain in place for a few minutes afterward. He does not mention why. The Clintons leave quietly.

But their presence nevertheless has effects. Preaching without notes, gazing from the pulpit into the faces of the 500 congregants in the dark oak pews, Wogaman never forgets for an instant who is seated in the front pew on the right. "He is right there. It isn't that many feet away."

The Clintons' presence has an effect on the congregation, too. "It gives us an unusual window onto the humanity of power," Wogaman said. "Power is exercised by real human beings. They sing the hymns and pray the prayers."

The Washington Technology Initiative (WTI)

“A Bridge to the 21st Century for the Nation’s Capital”

Vision: Washington should be the vital center of a National Capital Area in which all America can take pride. It should not be just a city of monuments and government agencies, but a strong living, working, learning community that embodies America’s strength, diversity and hope for the future.

A sad paradox: The reality is that while government agencies modernize and rely increasingly on technology and high tech jobs multiply in the Washington suburbs, large areas of the city are increasingly isolated and disconnected from jobs and hope for the future. D.C. is losing population, neighborhoods are decaying and crime rates are high. Stressed and ill-equipped schools are unable to prepare students for the jobs of the 21st century -- jobs that increasingly require computer and technological skills. Too many adults lack the skills to support a family and welfare reform will intensify the problem.

The Washington Technology Initiative (WTI) proposes a collaboration among Federal agencies, private employers, schools and citizens to break through the isolation. It has two main themes:

Skills for 21st century careers -- teaching both young people and their parents basic and advanced computer literacy, connecting them with the wider world of the Information Super highway, certifying Industry skills, preparing them to become problem solvers and qualifying them for immediate employment.

Public/Private Partnerships -- connecting government agencies and public/private corporations with schools and community hubs, seek win-win opportunities for the long term stability of the Initiative,

build on expertise and knowledge of partnerships, create an educational infrastructure and install technology, implement learning centers and self-initiated curricula for youth and adults, train users of systems and create a new platform for change and growth.

Building on strength: Washington area is second only to Silicon Valley in growth of technological jobs. Partnerships are already forming or in place to link Washington neighborhoods with jobs for future. At Roper School an effort was fueled by the matching grant award received by a nonprofit organization from the U.S. Department of Commerce. Students and parents, working during and after school (in the Ronald Brown Technical Learning Center) learned applications from April to June and in July, students were being paid to teach technology during summer programs. The Novell Corporation is expanding this effort to Ballou Senior High and has given the high school the curriculum that will enable students and community members to qualify for national certifications.

The Ballou effort also involves partnership between the school and the U.S. Immigration and Naturalization Services. This project utilizes the agency's skills, which are not unlike those found in every federal agency, to improve the infrastructure of a local high school. This effort serves as a model for benefits that can be achieved when the Federal government works with local educational organizations.

In another case, community hubs are being set up in strategic locations around the city to provide an innovative Internet access and entrepreneurial business training program for at-risk youth and young adults, designed to close the gap between those who have access to information and those who do not. This Washington Area Project for Youth is an outgrowth of the partnership between Bell Atlantic - DC and Youth Link and has quietly placed every graduate in a full time paid position. When people can support their

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families, they have started down the path toward economic self-empowerment and away from welfare as we know it today.

The Washington Technology Initiative builds on successful community-based projects and adds new capacity to the region. One of the highlights of this process is an adoption of the WTI by the newly formed "National Corporate Commission on Educational Technology." This organization of CEOs from technology companies around the country has been commissioned by Vice President Gore to build local councils that can provide technological solutions to the challenge of education. These CEOs have been asked to assemble, with the expectation of creating a living and learning technological environment that represent the best this country has to offer. In addition, they will be asked to bring resources and install the lessons-learned from the many R&D efforts already undertaken by their individual organization. Washington, D.C. will become the place where technology is used as the tool to showcase business development and economic empowerment, not for a day but for a lifetime. Our request, therefore, is to make the WTI the showcase of the national organization. This represents a tremendous asset and provides a linkage between our duality of purposes, local requirements and national agendas. This buy in is critical for the overall success of the community.

In addition to the work mentioned above, the announcement of the "Universal Service Fund," that will provide resources for community networking as part of the Telecommunications Act, brings another dimension to the WTI. This fund is expected to become available in May 1997 and, as currently outlined, has the capacity to provide significant funding to the WTI if we can get our effort to become the National thrust.

This, however, is not intended to minimize our Federal Government's role in the WTI. There will

have to be an investment of capital from the Federal Government as well as an investment of resources and technology from the private sector but the payoff is phenomenal. Over time, this project will become self sustaining and capable of transforming an entire city. There is a groundswell of people waiting for the good news; the time for chaos is over. The Washington Technology Initiative has the ability to unite the District of Columbia and renew America's pride in the Nation's Capital like no other project can. Every aspect of the Initiative is exportable and can be implemented in cities throughout the country. Now is the time and Washington, D.C. is the place.

Moving from vision to reality -- The following efforts serve to link the many grassroots, nonprofit organizations, federal agencies and corporations in a unified, cohesive thrust that raises the WTI to a point of pride and esteem for every citizen in the District of Columbia. It will be led by DC's educational system and structured around successful programs piloted by community-based nonprofit organizations. The planning and roll out of the following key components are expected to begin immediately and will be jump-started by the announcement of the initiative during President Clinton's Inaugural address:

- A. An appeal from President Clinton or Vice President Gore to the "National Corporate Commission on Educational Technology," a group of CEOs and leaders from around the country that have been commissioned by Vice President Gore to foster a national commitment to educational technology and to bring their collective knowledge to improving America's educational system through the use of technology.
- B. Net Day 'DC -- Coordinate and implement a Net Day in the District of Columbia that utilizes the power of DC's communities, DC Tech Corp. and the many local and Federal government agencies to

provide technology and infrastructure to the city's schools and community hubs. Each agency will be asked to partner with a specific school(s) and to build on the experiences gained and documented by the U. S. Immigration and Naturalization Service and Ballou's public/private partnerships. A major press campaign will be launched to bring parents and corporations to schools and community hubs for the purpose of providing funding and volunteer services that will wire, network, prepare and link the infrastructure of schools and local facilities to each other and the Information Superhighway.

- Work can and must start immediately with the staff of WTI, Congresswoman Norton's Office, and members of the District of Columbia Public Schools if we are to meet this date. At the formal announcement we will be expected to have created the partnership list and sought everyone's commitment to participate. Once commitments have been received, we must do the fundraising to get the wiring kits, technology, professional development and networks to not only wire the schools but to also provide usable connections to the Internet.
- C. Move to integrate advanced technology skills into the curricula of DC schools and offer skill enhancements in community locations in effort to create a stream of talented workers capable of fulfilling the employment opportunities offered in the Washington, D.C. area. This linkage will be supported by the public/private partnerships created through the DC business community, via Federal City Council (FCC), Chamber of Commerce, DC Board of Trade, etc. These organizations will not only offer jobs to qualified graduates, they will provide internships, executive loan programs and instructors, to schools and community hubs. The ability to support welfare reform by providing jobs and training, while assisting business in their search for qualified workers, creates a "win-

win" opportunity for all involved and initiates a long term survival strategy for the WTI.

- The business community will be brought on board as soon as possible in order to gain their commitment to the strategies that are emerging. Their participation will become the validation needed to gain attention to the outcomes stated by the WTI.

D. A champion sought to make an appeal to the various philanthropies and corporate contribution funds that could support this District's need for funding project and operational expenses. This area lends itself to a coordinated effort to make this a central theme for organizations to support and thereby gain greater support.

E. Funding sought through the efforts of President Clinton and the Federal government to support the initiative.

- A major announcement by the Clinton Administration will be the key move to jump-start the WTI. There has also been discussion to move this to a bipartisan platform and gain the support of the Speaker of the House.

F. Training and ongoing support will be provided to teachers and instructors to ensure the vitality of the initiative.

G. A request will be made to the leaders of technology in the Washington, D.C. region for their participation in this initiative. Efforts have been planned or initialize and could greatly impact the direction of the WTI. The nonprofit and for profit leaders have been seeking solutions and, given their participation, could short cut our learning-curve significantly.

Timeline -- This four-year initiative will be founded on the following actions:

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- January
- President Clinton's announcement
 - Create, fund and engage organization to lead and staff efforts
 - Provide information and communicate vision to leaders and community groups throughout the city
 - Identify major milestones
 - Link with first staff-to-staff meeting of the National Corporate Commission on Educational Technology
- February
- Announcement of initiative at National Net Day Conference
 - Establish central location for Initiative
 - Collaboration between WTI and the progress made under the DC Public Schools' Goal 2000: Educate America Act, Technology Taskforce
 - Gain commitment to do facility assessments and construct technology plans
 - Link with World Bank initiative
 - Prepare proposal for inclusion in "Universal Service Fund"
 - Fund is scheduled to be available in May as a result of the new Telecommunication Act
 - A conference to announce initiative to schools, community hubs and all organizations involved in effort
 - Create, align and coordinate school/federal/local government partnerships
 - gain commitment and establish focal points
 - Seek funding for Net Day

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|-------|--|
| March | - Inventory and assess schools |
| | - Seek funding for Net Day |
| April | - Net Day for the Nation's Capital |
| May | - Seek funding from Universal Service Fund |

WTI Implementation Strategy

The purpose of the WTI Implementation Strategy is to provide specificity to the visions and goals outlined in the WTI master document. In addition, it is intended to provide the logical connections and plans that enable the WTI to become self sufficient at the end of four-year implementation period. There are four “Functional Components” that comprise the WTI. They are Administration and Guidance, Education, Business Development and Economic Empowerment. Each has a unique implementation strategy, however, each must adhere to the following set of design principles:

- **All components of initiative are expected to be fully implemented within four years.**
- **Components should be built on lessons-learned by established successful corporate, community and government programs.**
- **Solutions must strive to be replicatable.**
- **Each Functional Area should have a phased implementation approach.**
- **Technological revolution and teacher/student evolution must coexist within the context of this plan.**
- **Data security, as well as, physical security must be emphasized, incorporated and approved prior to the installation of any infrastructure or physical site renovation.**
- **Maintenance, operations and future upgrades must be incorporated in plans.**
- **Professional development can only be provided for those sites that will be supported by infrastructure and application installations.**

ADMINISTRATION AND GUIDANCE

The WTI will be supported by an Advisory Council of CEOs from major business organizations from the around the country as well as throughout the DC region. Each will be expected to provide vision, resources and contribute lessons-learned from initiatives already undertaken by their organizations. The cornerstone to their engagement is to bring the “best -practices” to this initiative and to assist in defining the role business can play in determining the outcomes that enable them to hire graduates of the DC school system. This will require an active relationship between curricula developers and members of specific industry groups for the purposes of crafting unique vertical instruction that brings with it employment opportunities.

Solutions created by this commission will be designed to facilitate replication throughout the United States and will serve as a focal point for America’s school to work initiative, as well as, an integral component for our national welfare reform movement.

Just as critical is the need for businesses to gain a benefit from their involvement in the WTI. This group of CEOs will define those benefits and institute those practices that will produce skilled employees.

Goal: Create an Advisory Council to provide support for the WTI.

Plan: Seek support of “**National Corporate Commission on Educational Technology**”, a newly formed commission organized by Vice President Gore to investigate the role of technology in education. This group is intended to move slowly as it organizes to achieve its goals. This may or may not fit within the guidelines of the WTI and may require a separate commission of CEOs capable of addressing the needs of the WTI. While the needs of the WTI are similar to those of the Commission

of Educational Technology, the time requirements appear to be vastly different.

- Actions:**
- Seek President Clinton's and/or Vice President Gore's commitment to support the WTI's need for an Advisory Council.
 - Coordinate meeting(s) of local and national businesses, school systems from the DC area and nonprofit organizations to define outcomes and establish requirements.
 - Create a staff organization to install, implement and support the WTI over the initial four year period.
 - Solicit funding to implement the WTI.
 - Create marketing and publicity rollout.

EDUCATION

The WTI will support the goals and visions of the Goals 2000: Washington, D.C. State Educational Technology Plan, the District of Columbia Public Schools' (DCPS's) Reform Agenda and Bringing Educational Services to Students (BESST) document. Our goals will have been accomplished when all of our learners become:

- A. Quality Producers**
- B. Self-Directed Learners**
- C. Knowledgeable Problem Solvers**
- D. Informed Decision Makers**
- E. Collaborative Leaders**
- F. Community Builders**

Goal: The WTI will assist the District of Columbia's educational systems in assuring that every high school graduate, by the year 2000, has mastered the technological tools that will enable them to participate in the 21st Century marketplace.

Plan: Provide infrastructure, curricula integration, and professional development for grades K through

12. Education will have two major focuses:

- A. Horizontal - Mastery of those technological tools or core competencies that are needed across all disciplines and skill areas. These are the primary tools for research, communications, reporting and data collection, i.e., word processing, spread sheet, graphics, database, use of the Internet.
- B. Vertical - Mastery of those tools that support specific or unique skill areas. A student must be capable of using horizontal tools prior to being enrolled in any vertical program, i.e., hospitality industry, automotive training, pre-med, pre-engineering, technology certification.

Actions: Net Day and Connection Strategy

- Partner every school in the District of Columbia with a Federal Government Agency based on the work completed by the U.S. Immigration and Naturalization Service/Ballou Senior High School partnership.
- Provide wiring, workstations and telecommunication connections to every school in the District of Columbia via a professional/volunteer workforce. Funding required to buy wire, workstations, communication connections and provide telecommunication lines.

- Announce WII and Net Day Plan during NetDay National Convention, February 5, 1997.

Physical Site Renovations

- Provide electrical and facility upgrades to support technology. Technology is required where instruction is provided, not only limited to locations where there are electrical outlets.

After School Programs

- Modeled after the “**After School Extended Learning Period (ASELP)**” at Roper Middle School in the District, schools will have the opportunity to run after school programs that utilize technology as the entry to new learning pedagogies. These programs are intended to link communities and schools, offering adults as well as students opportunity to extend their learning period. These centers are opened after school and, where applicable, during the weekends. Issues pertaining to security and instruction must be ironed out and clearly resolved prior to the opening of the program. The ASELP is primarily staffed by teachers and community volunteers, however, where industry partnerships can be realized, there appears to be a vital resource that could contribute to this initiative.

The second thrust of the ASELP is to provide technology to the homes of those communities that are under-represented or disadvantaged. Per the Roper Model, students and their families were given computers once they had completed

a vigorous "Certification" process. The student are required to fulfill a community project, maintain good grades, learn the technology, and finally, complete a "Life Skills" program ,in which issues, i.e., dress appropriate for an interview, on the job behavior, resume writing, budgeting , etc., were tried and discussed.

Professional Development

- Teachers will be certified in the use of technology and those applications unique to their curricula. As in the case of Roper Middle School, each teacher is required to participate if they wish to continue a teacher in Roper. This requirement is necessitated because technology will be installed in every classroom and is intended to be used for instruction. (It is understood there may be several areas where students will take the leadership in the development of curricula however it is the role of the instructor to guide the process.)

BUSINESS DEVELOPMENT

The WTI has been founded on the basis that there must be an integral link between education and industry if there are to be new possibilities for employment in the 21st Century Marketplace. Business must be improved as a result of its relationship to WTI in addition to the gains made by the city's citizenry.

Goal: The DC area is second only to the Silicon Valley in the number of technology related jobs that are available. The WTI goal is to provide the needed skills, mentoring and experiences that will make the graduating class of 2000 a major funnel for employment opportunities for those students wishing to become full time employees or who opt to attend America's colleges and universities.

Plan: Work through the Federal City Council (FCC), DC's Board of Trade, DC's Chamber of Commerce and the Advisory Council of the WTI to gain the commitment of those companies who wish to participate in this project. These companies will invest resources to ensure the curricula meet the general and specific requirements of their industry.

Actions: Novell/FCC/INS Initiative

- Work has been initiated at Ballou Senior High School and Woodson High School to craft a unique educational experience in which several students will utilize infrastructure designed and implemented by the U.S. Immigration and Naturalization Service (INS). Novell, the world's largest producer of networking software, has agreed to provide the curricula and train instructors so that students can receive a national certification, Certified Novell Administrator (CNA). The course requirements for this curricula is no more difficult than Algebra II and will be completed, by the Ballou seniors, in June 1997. The entry level salary nationally for people with this certification is approximately \$32,000.00.

The FCC has joined the project by providing the advanced technology to equip the technology lab, but far more importantly, they will link these students to employment opportunities when they graduate from high school. This initial effort will serve as a demonstration and proof of concept with the expectation that this will be expanded throughout the school system in the '97-'98 school year.

This project is not limited to Novell. It can and will be applied to all programs that have an industry focus, i.e., automotive specialties, the hospitality industry and the health service speciality area.

ECONOMIC EMPOWERMENT

The WTI will build Community Hubs in those community based programs that have demonstrated success in the delivery of services to residents of the District of Columbia. These hubs will mirror the technology and infrastructure located in schools and will serve to initiate a global communication system that will support the District.

Goal: Provide a solution that capture students and families beyond the physical boundaries of the school building.

Plan: Provide infrastructure and training to community based organizations located in strategic positions throughout the city.

Action: Work with active programs such as The Urban Family Institute, Marshall Heights CDC, The Latin American Youth Center, the Boys Club etc.

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(as of 12/17/96)

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February 19, 1997

MEMORANDUM FOR THE PRESIDENT

CC: ERSKINE BOWLES

FROM: ANN LEWIS

SUBJECT: COORDINATED OUTREACH PLAN FOR D.C.

This memorandum suggests a coordinated outreach plan to accompany your plan for the District of Columbia, making the best possible use of Presidential events, the other principals, and Cabinet and sub-Cabinet efforts.

The Four Principals

Events featuring yourself, the First Lady, the Vice President, and Mrs. Gore will be the most powerful demonstration of your commitment -- both to the community and to the media. For the first half of the year, we recommend that each principal commit to one D.C. event every two months. (During the summer, we would review this commitment and readjust for the fall as necessary.) This effort will require coordinated scheduling of events, and a regular review of events and invitations to ensure that we are making the best use of the principals' time.

As we move forward, Carol Thompson-Cole will review requests, suggest events, and recommend priorities. Communications will work with the principals' schedulers to coordinate events.

Preliminary suggestions include:

- Participating in one of D.C.'s four Net Days, to be held every Saturday in April;
- Joining clean-up efforts in D.C. Parks around Earth Day, also in April;
- Having a principal present for one or more efforts by federal agencies (for example: NASA is working with D.C. schools, GSA is donating computers);
- An ice hockey rink in Southeast has been renovated for neighborhood use (it is important to hold some events in Southeast);
- A separate announcement of our school construction effort for D.C. (ConnieLee), if we are not ready to announce it by this Friday's event.

Cabinet and Sub-Cabinet

We will build on the work that is already being done through agency partnerships throughout the District. For example, the Department of Labor is helping the District to develop a school-to-work program.

For two weeks in March, after you announce your economic development package, we recommend asking members of the Cabinet to hold high-visibility events throughout D.C., making clear that this commitment is administration-wide and long-term. By packaging these events together, we can ensure maximum attention.

In April, May, and June, we will work with Cabinet Affairs to schedule high-visibility events that build up existing agency efforts and announce future commitments.

Preliminary events could include:

- Announce each piece of technical assistance in the D.C. plan with the appropriate Cabinet secretary (for example, HUD or GSA).
- Announce creation of summer jobs for D.C. youth (working with OPM, last year nearly 900 summer jobs were made available at the agencies; we expect more this summer); *challenge to private*
- We may consider having you, as part of an upcoming D.C. announcement, ask members of the Cabinet to report on what they have already done in D.C., and on what more they can do -- giving us the opportunity to highlight both in a report.

Steve Silverman of Cabinet Affairs will coordinate agency activities and participation in events.

D.C. Interagency Task Force

As you know, your interagency task force holds monthly meetings in addition to smaller working group meetings on critical issues, and has accomplished a great deal. For example, it has provided summer jobs to D.C. youth at federal agencies, worked with HUD and D.C.'s faith community under the leadership of the First Lady to increase home ownership, and worked with HUD and private businesses to open computer learning centers around the District. The Task Force should continue to be a source of good ideas.

We have begun regular meetings with representatives of Communications, OMB, Cabinet Affairs, and the First Lady's Office to generate and review events and ideas.

TENTATIVE CALENDAR:

February:

February 14 -- First Lady spoke at Cleveland Elementary School, challenged law firms to adopt schools

February 21 -- President announces DC Reads initiative with First Lady and General Becton

March:

March 7 -- President announces D.C. economic development package

March 14-21 -- Cabinet members do coordinated D.C. events

April:

April 26 [tentative] -- First lady joins Sidwell parents for "Christmas in April," fixing up D.C. housing

Participation in one of D.C.'s four Net Days (to be held every Saturday in April)

Principals join clean-up efforts in D.C. Parks around Earth Day

public-private
challenge

7 Column
7 Letter to Law Firms
7 Gen'l Becton
Chicago

7 Community bank
7 microcredit
7 school-law firms

Chicago
targeted low-perf'ee
schools

Competent
Construction
Gen'l Management
moral
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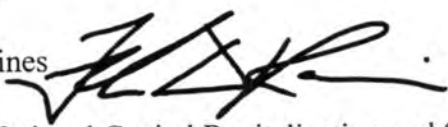


EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

THE DIRECTOR

February 19, 1997

MEMORANDUM FOR THE PRESIDENT

THROUGH: Erskine Bowles
FROM: Franklin D. Raines 
SUBJECT: Status of The National Capital Revitalization and Self Government Improvement Plan

Introduction: Advancing the President's Plan

The President's Plan was introduced on January 14 and in the five weeks since introduction has gained considerable support in the community and in Congress.

Speaker Gingrich has designated Congressman Tom Davis (R-VA) as the point person to gain Congressional support for the President's Plan. Davis is very enthusiastic about all of the elements of the plan and he has scheduled hearings, beginning February 20th, to build a record toward introduction of legislation in April with passage before Memorial Day Recess.

I have been briefing community leaders and members of Congress for the past several weeks. From town meetings arranged by Delegate Norton to Congressional leadership meetings on the Hill, the reaction has been generally positive. Predictably, some groups want more funding in certain areas that they care about. Others have expressed specific concerns in areas such as community safety, sentencing, education, and District governance. However, the fundamental elements of the President's Plan are widely supported.

Our immediate next steps are:

- **Agree with District on Memorandum of Understanding** - An important message in the President's Plan was the need for the District officials to demonstrate a willingness to be accountable and accept responsibility for meeting conditions necessary for the success of the Plan. The Memorandum of Understanding (MOU) is designed as the mechanism for demonstrating this accountability. It will be signed by the Mayor, The President Pro Tem of City Council and signed or affirmed by the Chair of the Financial Responsibility Authority. The City Council and the Authority will be asked to formally approve the MOU before the Administration transmits legislative language implementing the President's Plan to Congress. (Key elements of the MOU are described below)

- **Prepare Legislative Language** - Under the direction of OMB's Legislative Resources Divisions, agencies are drafting the relevant sections of a bill that would implement the President's Plan. Preliminary draft language and sectional analysis have been received from all agencies and concerns or conflicts are being addressed. As noted above, Congressman Davis has indicated that it is his intention to introduce a bill in late April and initiate a process that would include final passage by both Houses by the Memorial Day recess. While White House Legislative Affairs and OMB staff both agree that the timetable is ambitious, we believe that the best hope for success lies in bi-partisan, bi-cameral, bi-branch cooperation centered on Davis' leadership.

- **Continue Community Outreach** - A separate memorandum (attached) outlines the continuing two-part strategy for community outreach. While gaining support for the President's Plan is a key element of the outreach because of the keen interest in its elements, an equally important component is letting the community know of our concern for the District and the fact that we will work with them as fellow DC neighbors to make our community a better place. The education event you are participating in on February 21 is the latest in a series of outreach events designed to reinforce these dual messages. In the coming weeks, it may be important to use your office to emphasize particular elements of the President's Plan, such as the Economic Strategy.

Status of Major Elements of the Plan

While the President's Plan is organic in nature, some of the elements were more developed than others when they were released in January. Further work toward legislation has lead to some modifications and this process will continue to evolve. Presented below is the current status of the elements along with the MOU conditions that are being discussed with the District.

■ **Criminal Justice System:**

DC Courts -- The January 14 proposal calls for the Federal government to take responsibility for funding DC Courts. We are tentatively planning to fund the DC Courts (\$129 million in 1998, inflated in subsequent years) as a pass through in a new account under the State Justice Institute, an independent Federal agency. Neither DOJ nor the Judiciary wanted to be responsible for this funding, even on a pass through basis, out of fear that it would create competition for their own budgets within the CJS appropriations subcommittee.

DC Offender Services (pretrial services, parole commission, and supervised release programs) -- The proposal calls for these services to be funded through a Trustee until such a time as ultimate responsibility is transferred to the Courts and the Federal government (\$10 million in 1998, inflated in the outyears). Questions remain about: the scope of offender services to be provided (the January 14 proposal called for funding of parole services; DO

believes it would be more efficient to fund pretrial services as well); who appoints the Trustee; and how the Federal funds will flow to the Trustee.

DC Corrections (sentenced felons) -- The January 14 proposal called for the operations of the District's prison system to be placed under a Trustee until certain conditions are met, after which responsibility for sentenced inmates would be transferred to the Federal Bureau of Prisons. Funding for operations (\$169 million in 1998, inflated in subsequent years) and for capital improvements (\$900 million over three years for repair of Lorton and the construction of additional facilities) would be through the Trustee for a transition period of 3-5 years.

Questions remain over who will appoint the Trustee and whether the Trustee will be a District or a Federal entity. DO is proposing that the AG pick the Trustee, with the approval of the Oversight Board, but we are unsure whether this is acceptable to DC.

Sentencing Guidelines -- The proposal calls for the Bureau of Prisons to take responsibility for incarcerating District felons who are sentenced in accordance with Federal "standards" that are now being defined. To meet these standards, the MOU will require DC to amend its criminal code to provide sentences comparable to those imposed on Federal prisoners for comparable crimes. In addition, the District will need to sentence these felons in accordance with truth-in-sentencing requirements (determinate sentencing, abolishing parole and limiting good time release). The DO, White House Counsel and OMB are now considering how to incorporate these changes into legislative language. One issue is the extent to which the Federal government will need to amend the DC criminal code directly rather than waiting for the District government to make the needed changes itself.

- **National Capital Infrastructure Fund** -- The proposal announced January 14 provides Federal funding of \$125 million for 1998 only for any highway or mass transit capital project in the District. In addition, the NCIF would be authorized to accept payments in lieu of taxes from tax-exempt organizations (such as hospitals and universities) and other entities. The NCIF would be governed by a five member Board responsible for selecting the projects to be funded. The Board would consist of one member each appointed by the Mayor, the city council, the Financial Authority, and two members appointed by the Secretary of Transportation. Secretary Slater would like to add several new elements to this proposal:
 - Have the NCIF assume responsibility for DC's "National Highway System" (75 miles of the District's 1,086 total road mileage). National Highway System (NHS) routes include all principal arterials into the District -- bridges plus roads like Connecticut Avenue, Wisconsin Avenue, and Pennsylvania Avenue;
 - Additional Federal funding of \$17 million yearly for operations and maintenance of the NHS routes in DC. In addition, DC would be allowed to use certain other Federal-aid highway funds for local roads;

- Allow the Board to choose either the DOT or the DC Department of Public Works administer contracts for NHS projects.

OMB regards the DOT suggestion as an improvement on the original NCIF proposal, and is working to vet the idea with relevant District and Congressional officials.

■ **Economic Development Corporation**

Our proposal to establish an Economic Development Corporation for the District of Columbia is intended both to promote job creation and stimulate new investment in the District. While years of disinvestment in the nation's capital cannot be reversed overnight, our strategy here is to foster local development of long term, viable economic development strategies that will increase the District's tax base and induce greater employment by the private sector of DC residents. The EDC will be an independent agency of the District governed by a nine member Board of 6 local business and community leaders plus representatives from the DC government, the Control Board and the Federal government.

Although it will receive an initial injection of Federal funds (\$25-50 million), its primary economic resource will be a variety of tax benefits -- totaling approximately \$250 million over 5 years -- that the EDC may use to stimulate the hiring of DC residents by businesses located in the District and to foster new investments. Over half of these tax benefits are expected to take the form of wage credits. Small business expensing and additional tax exempt financing will be provided. Finally, we propose to have the EDC make available an innovative new form of allocable tax credits that it will be able to use as incentives for financial institutions making loans for new investment in buildings and equipment as well as to encourage direct equity investments. It is our intention to stimulate participation, including equity investment, in the Economic Development Corporation by District regional and national business.

■ **Medicaid**

It is our proposal to assume an increased share of the District's Medicaid payments by treating the District as if it was a City contributing the maximum possible under current laws and regulations. This would change the District's matching rate from 50% to 30% and save more than \$150 million for the District in Fiscal 1998.

Before the end of Fiscal 1997, the District will be required to cooperate with HHS to create a plan for upgrading Third Party Liability systems and staffing; settling cost reports with hospitals on a timely basis; acquiring a comprehensive management information systems and improving behavioral health service delivery.

This proposal has meet with good support and there has been no adverse reaction to date. We expect that changing the formula will evoke additional requests from other States and spark debate in Congressional committees.

■ Pensions

The Federal Government will assume specific liabilities for police, firefighters, teachers, and judges. This assumption of liability recognizes that when these plans were transferred to the District they had an unfunded liability of more than \$2.0 billion. While the District has made current payments, this liability has grown to about \$5.0 billion. This is beyond the fiscal capacity of the District to fund.

Before the assumption by the Federal Government of liability, the District must establish, through collective bargaining as required, a new plan to fund the benefits for police, firefighters, teachers and judges that were not assumed by the Federal Government; comply with all funding standards on the new plan; and transfer to the Trustee or the Federal Government all assets as well as books and records.

This proposal has been technically challenging. I want to acknowledge the excellent support of from the NEC staff and the staff of the Pension Benefit Guaranty Corporation. The proposal is not yet fully understood by District officials and we will be sharing more detailed information as it is available from the actuary. The primary objection to the pension portion of the Plan has come from those who believe that the Federal Government should fund its pension obligations on an actuarial rather than a pay as you go basis. They assert that "spending down" the District pension assets to pay current beneficiaries of the plan is irresponsible despite the "full faith and credit" pledge that we make to all beneficiaries. They further assert that it is just a budget gimmick. The Plan is consistent with the way we treat other Federal employees and does not attempt to unduly benefit balancing the Budget.

■ Treasury Lending

Treasury will make available short-term and intermediate-term (15 year) loans to the District. The short-term loans would finance essentially intra-year cash needs while the intermediate-term loans would be designed finance up to \$500 million of the District's accumulated deficit. Both loans would ease the cash problems of the District, but they are not required to use either, especially if the capital markets are available to them.

The MOU will require that at the time of the borrowing, the District and the Authority must certify that there is no access to capital markets; that borrowing is consistent with the current Budget and Financial Plan; and the Secretary may require certain security conditions.

The District and the Authority recognize the need for the lending provisions. They are determining the best mix of borrowing to allow the District continual liquidity. Treasury is also working on language regarding security and other terms. It is likely that there will be some Federal budget scoring for the loans.

■ **Personal Income Tax Collection**

The Internal Revenue Service would be allowed to offer to the District, at no cost, its services for collection of Personal Income Taxes.

The MOU will require that before the District can use the IRS's services, the DC code be amended to conform to the requirements of the Internal Revenue Code and the District would need to enter into an agreement with the IRS.

The District has been lukewarm to this at best. It is not clear what their objections are. We have not included any economic benefits from this proposal in our estimates of District budget savings.

Evaluating New Ideas

Throughout the Administration have been formal and informal mechanisms for evaluating new ideas generated from within and outside the Administration. A prime example of a good idea put into place was from Rodney Slater when he was administrator of the Federal Highway Administration and suggested deferral of the District's match under the Federal Aid to Highway's program. This has allowed much needed construction to continue despite the District's fiscal situation.

Not all ideas have been good. Senator Jeffords and others proposed private school vouchers which the Administration, led by the Education Department, resisted in the strongest possible way. It is not an overstatement to say that each day members of the President's DC Force, coordinated by Carol Thompson-Cole, are meeting with District Officials, community groups and Congressional representatives. In the course of these meetings, they receive and evaluate many new ideas. Some of these are vetted with other Departmental or White House staff while others are set aside.

For example, Secretary Rubin met yesterday with Representative Eleanor Holmes Norton to discuss the latest iteration of her tax plan. While the Secretary cannot recommend support, he and Delegate Norton came to an agreement that the Administration would continue to remain essentially silent on her new idea. This was communicated to the other members of the DC group so that they could proceed accordingly.

Last year, Chairman Gingrich asked a group of Congressmen to constitute task forces to address a series of DC's problems. He recently shared with me his observation that the problems of the District were significantly more complicated than he had realized a year ago. Currently, I do not know of any major proposals coming from the Speaker, but we have good channels of communication.

The two major new ideas currently under discussion are related to governance of the District (Charter Change and the Council Manager form of government) and Community Safety (Particularly the Mayor's relationship to the police). Our posture is described below:

- Governance - Carol Thompson-Cole has been participating as a member of the Federal City Council DC Agenda Project. This group is looking at the historical antecedents of Home Rule in the District and will, at some point, make recommendations for change in the Charter or recommend that the District formally undertake a Charter Review. Delegate Norton is particularly sensitive that this unelected group not overstep its bounds and has asked Carol to keep her apprised of developments. Both Senator Lauch Faircloth (R-NC) and Representative Charles Taylor (R-NC) have stated an interest in considering a City Manager form of government in the District. Both men chair the Appropriations Subcommittees on DC in their respective chambers. There is considerable opposition to an imposed change in the form of government in the community, and we continue to monitor the situation. I do not believe that there is anything inherent in the current Mayor/Council form that inhibits good management of government.

- Community Safety- The Financial Responsibility Authority has initiated a study, along with the City and Eric Holder the US Attorney, to determine what steps need to be taken to improve police protection in the District. This study was undertaken even before the recent police shooting. White House Counsel Charles Ruff was active in this effort as DC Corporation Counsel and has maintained his involvement at OMB's request. The Authority is being briefed by its consultant this week, and I have asked to meet with them shortly thereafter to assess the situation.

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001. letter	Herbert Miller to President William J. Clinton [partial] (1 page)	01/20/1997	b(6)

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- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Let me see

THE PRESIDENT HAS SEEN

2-24-97

Herbert S. Miller sends his proposal for Celebration 2000 - A Bridge To The Future on January 1, 2000, a forum where the presence and commitment of the world's leaders can be focused to rally around your vision of a new era in global communications and commerce.

file DC



ami

January 20, 1997

President William J. Clinton
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC

Dear Mr. President:

You suggested at last month's Holiday Dinner that I send you this proposal for **Celebration 2000 - A Bridge To The Future**. This global millennium celebration on January 1, 2000, has been conceived as a forum where the presence and commitment of the world's leaders can be focused to rally around your vision of a new era in global communications and commerce.

I believe that an international event of this magnitude, building upon expectations of this significant date, would make manifest your Administration's world leadership in bringing the planet closer together through world telecommunications and commerce. Economic cooperation is the best foundation for world peace.

I would be pleased to assist whomever in your Administration is responsible for furthering this concept.

Sincerely,

Herbert S. Miller

P.S. After we met, I ran into Bob Burkett who felt that Michael Ovitz would love to sink his teeth into Celebration 2000.

THE PRESIDENT HAS SEEN

2-24-97

AMERICAN MALLS INTERNATIONAL

2620 P STREET, N.W.

WASHINGTON, D.C. 20007

(202) 338-5200 FAX (202) 338-6014

cc: [unclear]

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need reply

Be

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*cc: Miller
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see
[unclear]*

Celebration 2000 - A Bridge To The Future

On January 1, 2000, in cities around the world, celebrations are planned to welcome in the new year, new century, and new millennium. From small to grandiose, these preparations reflect the western world's fascination with the coming era, and its hopes for a peaceful and prosperous future. Despite their good intentions, however, these celebrations lack a single unifying element: the presence and commitment of the world's leaders to begin a new era in global communications and commerce. We propose that on January 1, 2000, a series of events coordinated with these significant national and international celebrations will occur, to demonstrate a new international vision by the world's leaders for the new millennium: **Celebration 2000 - A Bridge To The Future**.

Beginning from Japan, world leaders would travel in relay fashion with the sun during the 48 hours that constitute January 1, 2000. They would travel via supersonic transport to major cities in China, Europe, Africa, South America, and North America. In each location, a significant national event symbolic of international cooperation and trade will be visited and celebrated to welcome in a new millennium of global connectedness.

At each site, the host nation would propose a celebration meaningful to its own vision of trade and cooperation. These events would be linked by advanced telecommunication facilities, bridging the distances between nations with instantaneous participatory voice and vision transmitted via broadcast, cable, and Internet text, audio, and video.

As an example, **Celebration 2000's** east coast U.S.A. component could include the celebration of the decade of The New District Of Columbia. The Nation's Capital is poised to step onto the world stage as a pivotal location for international commerce and communication. The Washington Center Alliance is actively planning to integrate downtown planning elements such as the new World Convention and Telecommunications Center which is scheduled to open on January 1, 2000.

Each of the selected events would be attended by several world leaders, who would move on to the next event via supersonic transport, where they would be greeted and joined by other world leaders who would then take over the ceremonial duties and travel to the next destination. These legs could occur simultaneously or otherwise as necessary to maintain the timing of the events. In this way, the spirit of cooperation would fly around the world with the sun: a powerful and compelling gesture of unity drawing the attention of the whole world to those projects and policies representing the new millennium, setting the agenda for the next generation.

Alice M. Rivlin

2838 Chesterfield Place, NW

Washington, DC 20008-1015

February 27, 1997

Melanne Verveer
Office of the First Lady
The White House
Washington, D.C. 20500

Dear Melanne:

I am following up on the good conversation we had with the First Lady about her desire to highlight successful community efforts in D.C. I attach a list of really good efforts in different parts of the city. Well planned visits to several of these projects would give Mrs. Clinton a first hand view of the serious problems of the city and the people who are working to fix them. She could interact with groups of citizens, talk about her own commitment and get some press attention to people making a difference.

Let me know what else you need and how the First Lady would like to proceed.

I hope things are going well with you.

Warm regards,

Alice M. Rivlin

cc: Carol Thompson Cole
Ann Dibble Jordan

Common Theme: Linking Poor Mothers, Youth and Children to Work and Education

Ward 1 Columbia Heights Youth Build Project

**Collaboration of Latin American Youth Center (LAYC) and
Development Corporation of Columbia Heights (DCCH)**

This collaboration of two outstanding community-based organizations offers young people ages 16-24 a 12-month training and education program in the building trades that leads to GED's and job placements. The program is multicultural involving 33 Latino, Caribbean, African-American and African youth. These young people graduate on March 18. Through the program 10 attractive, affordable homes are being renovated for ownership in a neighborhood dominated by subsidized housing.

LAYC is the premier agency serving Latino and other immigrant young people in the city. DCCH has a strong record of redevelopment through the Nehemiah project and other successful economic development programs including micro lending. Bob Moore has the best handle on the economics of the neighborhood of any CDC leader. DCCH has found a private developer to partner with them in redeveloping Clifton Terrace--probably the most notorious housing complex in the city. (HUD is very eager to sell the property.) There are enormous numbers of Section 8 certificates about to expire throughout the entire neighborhood--adding great peril to families, especially when combined with welfare reform.

Community Family Life Services

Community Family Life Services (CFLS) was incorporated in 1969 and to provide a wide range of social services to low-income and homeless persons in the metropolitan area. Among the services offered are: emergency crisis intervention including rent and utilities assistance, food and clothing distribution and counseling; employment services including on-the-job training opportunities at 3rd and Eats restaurant and Deja Vu, a Bethesda thrift store; permanent and transitional housing; and youth programs.

CFLS works to stabilize individuals who have been homeless by helping to meet a continuum of needs. One of the more interesting site visits might be CFLS-operated 3rd and Eats which attracts 600 customers daily for breakfast and lunch. Located near Judiciary Square, the restaurant is a training ground for low-income, unemployed clients who are trained in the culinary arts and some aspects of retail management. About 25 students are trained annually in the 16-week program which covers food preparation and handling, among other topics. Upon graduation from the program, trainees have obtained jobs averaging \$7.00 per hour with such restaurants as the Hard Rock Cafe, Phillips and Hogates.

Urban Family Institute

The Urban Family Institute was founded in 1991 by Kent Amos to create urban neighborhoods in which every family has the resources and support necessary to realize their full potential to ensure

that no child grows up without close guidance, discipline, and nurturing of caring adults. The program currently is in operation at the 175-unit public housing development at 620 Morton St, NW. Each school day between 3:30 and 7:30pm, 17 mothers are working with 100 children in a basement recreation room of one the project buildings. The program is currently operating on a shoe string budget and much of the renovation work for the facility was done by the parents.

Ward 8 Jubilee Enterprise, Trenton Park

Jubilee Enterprise is engaged in a partnership with community residents to transform neighborhoods through the development of large-scale apartment complexes. Their work in Ward 8 has redeveloped over 1,000 units in 3 properties. The resident leaders attest that both the changed living environment and the involvement of residents at each step of the rebuilding efforts are allowing people to break out of the cycle of poverty. A Jubilee Enterprise visit could include all 3 properties or just one. Trenton Park is 60 percent Section 8 and has a number of families on welfare and in marginal employment situations. Livingston Manor has several special programs for formerly homeless families in collaboration with other nonprofit groups and churches. Park Southern has a mature residents council run by very sophisticated community leaders.

Alternate: North Capitol Neighborhood Housing's Tyler House and Home Institute for Preschool Youth (HIPPY) at Center City Community Corporation

Greater Washington Board of Trade

1) Ward 7 Community Business Partnership

The Community Business Partnership matches Board of Trade (BOT) members' expertise and access to markets with small, neighborhood business owners in a partnership with two premier CDCs: Marshall Heights Community Development Organization (MHCDO) and the Development Corporation of Columbia Heights.

This is a new program with great promise. The kick-off event on February 18 at the Chesapeake Bagel Bakery at 3839 Minnesota Avenue, NE was terrific. The Bagel Bakery and a mop manufacturing company owned by James Powell (who employs welfare mothers and sells industrial mops to Giant Food, Inc. and others) are located across the street from each other. A visit would offer a focus on Ward 7 jobs and job creation. MHCDO has a great record on job creation--bringing a shopping center they now own back on line and getting a Safeway built with hundreds of jobs for neighbors. NOTE: Officials from the Navy Yard attended the BOT event and are looking for help with developing restaurants, shops and service for the 5,000 existing employees and 5,000 NEW employees coming into the Navy Yard.

2) Metropolitan Region The Potomac Conference

The Potomac Conference is a group convened 2-3 times a year by the Board of Trade. It is a very high level group of about 60 elected officials and CEOs from throughout the region. The group recently examined the implications of federal downsizing in detail and is fostering new

relationships with federal officials to address the issue. We have asked the Potomac Conference to address welfare reform in the same way in the coming months.

With initial funding from the Meyer Foundation, Wider Opportunities for Women and the Greater Washington Research Center are preparing a presentation on welfare reform that includes: the number of families affected and timing of their possible loss of benefits; the wages necessary for them to become self-sufficient; the type and location of current job vacancies in the region and what would be necessary to link welfare recipients to these jobs; and the attitudinal barriers of CEOs and recipients. The presentation to the Potomac Conference should be ready by September.

Ward 8 East of the River CDC Learning Center

East of the River Community Development Corporation (ERCDC) was established in 1988 to address the economic development, housing and community service needs of the Ward 8 (Anacostia/Congress Heights) community. ERCDC provides strategic economic development, supports and implements housing revitalization and construction, provides technical support and expertise to area residents and entrepreneurs and stimulates community and social service activity to improve the quality of life in Ward 8. ERCDC has helped over 100 businesses and renovated and constructed 500 units of housing since its inception.

East of the River has opened a youth learning technology center that serves 20-25 on an after-school basis to become trained in computer skills.

Ward 1 & 8 Living Stage

The Living Stage company has been working with a group of teen mothers for 3 years. The women are ages 15-18 and all attend high school in Southeast. Their children range in age from 1 to 3. The company works with the mothers through theater and therapeutic techniques to improve their self esteem and parenting skills. The young women have experienced serious home and school problems, but most have good relationships with their children's fathers and have professional aspirations for themselves. Most of the girls live with their own mothers who receive welfare.

They meet at Living Stage, 14th and T Streets, NW every Tuesday from 12:30-3:30.

A visit could include the opportunity to watch the girls work with the company (behind a mirror) and then talk with them and possibly meet their children. The visit could also be done in two parts--with the opportunity to talk with the girls in their Southeast neighborhood.

Wider Opportunities for Women (WOW)

Wider Opportunities for Women sponsors a support group for welfare recipients who are attending college. The meetings are held at WOW, 815 15th Street, NW, on the final Tuesday of each month at 6:00pm for two hours. Child care is provided. A stop gap fund has been created through private funds to help welfare mothers stay in college; members are assisted with financial

aid, school loans, and other resources; and mentors are invited to attend many of the sessions to talk about their transition to careers. About 20 women come to each meeting, most of them with some of their children. They represent attendees from Howard, UDC, American, George Washington and Trinity College. Dinner is provided for mothers and children and guests. In addition, WOW has been doing a small sample longitudinal study to identify the barriers welfare recipients face to attend college and to document the wage and career benefits of college attendance. By mid-spring, WOW hopes to have forty participants in the research project, which includes quarterly interviews with each participant.

Alternately, this meeting could be held at the **D.C. Private Industry Council Community Business Center** located in the Shaw neighborhood at 100 Florida Avenue. This facility is being used--supported by federal HHS monies--to train low-income individuals for jobs or self employment in the printing and copying business by operating a business and teaching work skills to welfare recipients, homeless adults, and former offenders.

EASY OPPORTUNITIES

Wards 7 & 8 Fort Dupont Ice Arena

Located in northeast Washington at the border of Wards 7 & 8, this sports facility is in one of the worst public housing areas of the city. For years, it has served as the only city facility for ice hockey, mainly for students attending independent schools, such as Gonzaga.

The Friends of Fort Dupont Ice Arena (FFD), comprised mainly of parents whose children attend private schools, incorporated themselves as a charitable organization and assumed management of the rink from the U.S. Park Service last year, thus saving the rink from closing. In addition, FFD sought out neighborhood groups with whom to partner to create a community outreach program for area children and undertook a capital campaign to raise funds for the renovation of the rink.

The result is the "Kids on Ice" program, involving approximately 100 children who live in the Kenilworth-Parkside development, and students who attend Sousa Junior High and Kimball Elementary Schools. Next year, the program expects to accommodate 1,000 children or more.

In kind contributors include NIKE, Guest Services, Embassy Suites Hotels, and Clark Construction. The University of Michigan is also involved in providing rink management services. Several hundred thousand dollars also has been raised for the renovation costs.

National History Day/Project of The Historical Society of Washington, D.C.

National History Day fosters academic achievement and intellectual growth in secondary school students (grades 6-12). A series of local fairs will take place on March 20 (Hart Middle School, SE), April 8 (Shepherd Elementary School, NW) and May 3 (Martin Luther King Library) to select the District of Columbia Public School (DCPS) participants to represent the DCPS at the national contest in June.

The Historical Society assumed sponsorship of the program in 1992-93, when the school system could no longer fund or manage it. The students will present in one of the following categories: Historical Papers, Individual and Group Projects, Individual and Group Performances, and Individual and Group Media Presentations.

Kennedy Center's Concerts for Everybody Program

The Kennedy Center will kick off its new 6:00 p.m. free public programming in the great hall of the Center on February 28, 1997. The daily 45-minute free concerts will feature many community performing arts groups.

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 11, 1997

REMARKS BY THE PRESIDENT
AT ANNOUNCEMENT OF ECONOMIC PORTION OF
DISTRICT OF COLUMBIA PLAN

East Room

4:40 P.M. EST

THE PRESIDENT: Thank you. Thank you very much. Mr. Vice President, Representative Norton, Representative Moran, members of the administration, Mr. Mayor, Chairman Bremer, Mr. Evans, and especially all the citizens of the District of Columbia who are here today. You know, every year millions of visitors come here, but even those who don't come know a good deal about our Capital. America's eyes and the eyes of the world constantly focus on Washington. They see the good, and there is much good.

There is history here, everywhere -- tremendous resources and talent from all over the world. But there is more, as well. There are the people of the District, some of whose families have lived here for generations. They are hardworking and they are committed to making the community and their neighborhoods better. There are businesses which strive to make it, sometimes under very difficult conditions. There is much dedication and much heart.

In my State of the Union address, I said that we have to renew our Capital City, to make it the finest place to learn, to work and to live, because people here deserve no less and because the District matters beyond the city limits. The city is every American's home, and it should be every American's pride. Our Capital City must reflect the best of who we are, what we hope to become and where we are going.

Washington started as a planned city. George Washington, Thomas Jefferson, and a soldier and architect named Pierre L'Enfant shared a vision of order and beauty -- the boulevards, the museums, the monuments reflect their vision. But this is a different time and our city needs a new and different vision -- one that reaches where the magnificent vistas end; one that touches our schools where too often books and teachers are in short supply; our streets where too often children are robbed of their futures, their freedom, and law-abiding citizens too often live in fear of the few who break the law. One that touches the lives of those who want to be responsible in work, but lack the opportunity to do so. One that makes businesses want to locate here, to create jobs here, to give the community new economic life and spirit and vitality.

Our strategy must begin to reset the course for a better life for all who call the District home. Our challenge is to revitalize the city as the Nation's Capital, to improve the prospects of self-government to succeed, and to make it a place where people really want to live, to work, to do business. We can clearly do this.

From New York to Chicago to San Francisco we have seen new life brought to urban areas. Unemployment is down, crime is down, things are looking up. We know that if we empower people and

MORE

we help them within the economic framework, they will do the rest, and that is the heart of our strategy.

Of course, our Capital City faces enormous challenges. Of course, these challenges are, to some extent, unique to D.C. and have been a long time in the making. But at least now we have a plan and we are committed. More of you in more ways than I have ever seen before are committed.

We at the federal level must help our Capital City to lift itself to the point where it can be a model for the nation for revitalization. Working together, we can and we must make Washington once again the proud face America shows to the world.

As the Vice President said, there are steps which have been taken already, but now it's time for the next step, our economic plan for the District of Columbia -- an important piece of a larger strategy, to build on the work begun and on what we have learned from success stories in other cities about what actually is working there. It reflects our agenda to revitalize urban America. It addresses the unique needs of the District. It recognizes that only the people of the District can lift it up in the end, so it gives people the tools to do the job.

Our \$300 million plan has two parts: First, it will provide \$250 million in federal tax incentives for jobs and capital to strengthen the economic base in our Capital City. Second, it will provide \$50 million in federal commitment to help capitalize a new, non-federal public-private partnership, the D.C. Economic Development Corporation.

The Corporation will develop an economic development strategy, coordinate large-scale development projects, support efforts to create jobs and business opportunities. It will have broad powers to facilitate many existing plans such as the Monumental Corps, the Downtown Interactive and the New York Avenue plans. The Economic Development Corporation will be authorized to allocate a new D.C. Capital Credit, which will provide \$95 million in tax credits for investors in and lenders to D.C. businesses. These credits will be worth up to 25 percent of the amount invested or borrowed. This will help to bring and keep businesses where jobs are needed, and they will be given on a competitive basis to investors and lenders who can do the most for the District and its people.

The Corporation will also have authority to issue tax-exempt private activity bonds to finance businesses in hard-hit areas. And it will be able to receive transfers of land or development rights from the federal government and from others. It will work with the National Capital Infrastructure Commission we're creating to make certain that infrastructure and economic development build on each other.

The Corporation will be a driving force for our Capital's renewal, for it to take its rightful place in the fast-growing economy of this region and in our nation. The federal government's investment of \$50 million in the corporation is just a start. Our goal is to involve all sectors of the economy in helping the District.

Our plan also includes a new D.C. jobs credit, available to businesses in the District that hire low- or moderate-income residents living in economically distressed areas. It would provide a 40-percent tax credit on the first \$10,000 of eligible wages in the first year of employment. This jobs credit builds on the work opportunity tax credit passed last year and my proposed welfare-to-work tax credit. Our plan will also allow small businesses in distressed area to deduct up to \$20,000 in additional expenses for certain equipment costs. Just as we are committed to seeing that

self-government works as it should, we have a commitment from the District government to cooperate fully in the Economic Development Corporation.

This is important, but we need more. I challenge business and community leaders to give their unqualified support to bringing back the District. If you're a business or an association in the District, don't give up on it. I commend the members of the National Association of Homebuilders, who decided to keep their headquarters here, because that's important for a truly national organization. And it's important for a truly international organization as well. I thank MCI for its decision to keep their offices in the District.

If you're a business making money in the District, then invest here. Follow the lead of Ford Motor Company, which is providing a line of credit to repair emergency police, fire and other vehicles, and Ford to set up an automotive program with three District schools.

I want to mention another example of good citizenship as well, and good business. Tomorrow, Secretary Cuomo will be on hand as Safeway opens a large supermarket in Southeast D.C. It sounds so basic to have access to a grocery store, but that area has not had one in 20 years. Safeway will create 200 new jobs. And we thank you, sir. Thank you very much. (Applause.)

I want to thank all the businesses who are here today for everything you do to support the District. I hope you will work with Director Raines and Secretary Rubin to develop concrete ways to participate with the Economic Development Corporation and the District and report back to me within 60 days.

The government will honor its commitment to the District. We know the federal presence here is critical to the local economy. We know that we must do more. And that is why I have issued a directive to ensure that agencies do all they can to stay here and to contribute here. We want to build on our presence wherever possible. For example, the Navy will boost employment at the Southeast Navy Yard by doubling its current levels by 2001, adding 5,000 jobs here in the District.

As District residents, the First Lady, the Vice President, Tipper and I will continue to do our part. Recently, the First Lady presented a check for \$18 million to repair our city schools coming from the Privatization of Connie Lee -- the institution that insures college and university bonds. And our public-private partnership will now benefit District school children. The First Lady also challenged law firms -- I thought that was good -- we don't have any shortage of law firms in D.C. -- (laughter) -- to expand their efforts to adopt D.C. schools, to visit with students, to develop relationships with them and mentor them.

I'm proud of all the departments and agencies in the federal government that have adopted D.C. schools. And I would like to say a special word of thanks to my Secret Service detail who gave that to the First Lady and me as a Christmas present not very long ago. I couldn't imagine a better gift. And the work they do at the Kramer School is something that I am particularly proud of.

As the Vice President said, our administration has worked hard to be a good neighbor. But I've asked the Cabinet to do more. You will hear and see a lot of our Cabinet Secretaries in the District. You will see them doing things.

In the next two weeks, for example, Secretary Albright and Ambassador Richardson will adopt local schools to teach children about diplomacy and geography. Secretary Glickman will announce a

renewed effort to glean surplus food from cafeterias at federal buildings to feed the hungry here in the District. And I'm asking all the Secretaries to report back to me within 90 days with a targeted plan of action for each department to do all it possibly can to help the District.

It has been said that Americans didn't think much of their capital until they had to defend it during attack in the War of 1812 when, as all of you know, in 1814 the White House was burned. In a way, history is repeating itself, because for too long, Americans have not thought enough about our Capital City. But Washington is still worth fighting for. In fact, it's more worth fighting for than ever.

The people I have seen who live in this city, who do miraculous things every day to try to help people make more of their own lives, to try to help kids in trouble, to try to turn things around and see people live up to their potential, deserve more than the rest of us have done. And I am determined that even though the solutions will not come overnight, we will provide our part of the effort. And, together, with local government and business, with the involvement of every citizen, we can have a strategy and implement a strategy that makes Washington the city we all know it ought to be, and that we must believe it will be.

Thank you very much. (Applause.)

END

4:53 P.M. EST

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

March 11, 1997

PRESS BRIEFING

BY OMB DIRECTOR FRANKLIN RAINES
AND MOZELLE THOMPSON, DEPUTY ASSISTANT SECRETARY FOR GOVERNMENT
FINANCIAL POLICY AT TREASURY
AND ELLEN SEIDMAN, SPECIAL ASSISTANT TO THE PRESIDENT
FOR ECONOMIC POLICY

The Briefing Room

5:05 P.M. EST

MR. HAAS: Hi, everyone. We just wanted to make some of our lead officials available to answer your questions. Frank Raines is here, the Director of OMB, Chair of the President's Task Force on D.C., who is spearheading this overall effort. Mozelle Thompson, Principal Deputy Assistant Secretary of the Treasury is here, and Ellen Simon is also here. She's Special Assistant to the President for Economic Policy, a member of the NEC and played a big role in the development of this plan, and we've got Ed De Seve from OMB, the Controller, who also has continued to be instrumental.

We are off-camera, are we not off-camera. Okay, fine. We're just on lights. We don't have any opening statement, so I'm just going to open it up for you for Frank and Mozelle and anyone else.

Q What was the President -- he talked kind of in general terms about helping D.C., but you did have a very specific program you laid out. Is that his speech, to introduce this program? And where is your program in Congress at this point?

DIRECTOR RAINES: Well, the President's plan that related to the city government's finances is doing quite well. We are in the process of agreeing on a memorandum of understanding with the local parties. There's been one hearing on it in the House, and there is an expectation that we're going to be moving forward in the legislative process quite rapidly.

I still hope to have a bill out of the House this spring and to have that bill enacted by Congress this year. So we are on path with the regard to the President's overall plan. Today, what we are talking about is that part of the plan that relates to the private sector, not the government of the District of Columbia, but the private sector of the District of Columbia, and what the President has done is propose a series of incentives for \$300 million, available over the next five years, to help build the private economy in the city.

Q Mr. Raines, one of the concerns we all are hearing is that you can create additional jobs, 5,000 more at the Navy Yard. But if those persons choose to live in the suburbs, the city gets no tax benefit except incidental taxes from sales and those kinds of taxes, but their income taxes will still be taxed by Richmond and Annapolis, and you won't help the city economically if those states get the tax money. How will you address that? You have it for the lower-level jobs, income jobs, but not for middle-class jobs.

DIRECTOR RAINES: Well, the President's plan is premised on incentives for activity in the District, the jobs credits are for

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people who live in the District. And, therefore, in order to qualify for the credit, you must live in the District. And that will go up to jobs paying as much as \$28,000. And so that is an incentive that will create jobs in the city as well as tax revenue.

With regard to the businesses, the businesses have to be in the city. And the businesses that are going to be taking advantage of the investment credits or that will benefit from the private activity bonds or other activities of the Economic Development Corporation will be taxpaying entities in the city, so that the plan that the President announced today is heavily focused on activity in the city that will be taxable. The President then went beyond that to say in addition to this effort and in addition to the efforts in helping the city balance its books, the government was doing all we can to maintain economic activity in addition to that.

Q If I could just follow up on the business aspect of it, the business creates or expands to an extra jobs, and 75 percent of those people live in the suburbs, the business pays taxes in the city, but those 75 percent would still pay taxes to the suburban states, is that correct?

DIRECTOR RAINES: They will continue to pay personal taxes where their personal taxes are levied under the various codes. But I don't think there's any denying that 100 new jobs in the city or 5,000 new jobs in the city are all going to be helping to renew the economics of the city, that this city needs to have that kind of economic momentum to encourage other investment. The city saw that momentum in the 1980s and we need to revive it in the 1990s.

Q You give a \$2 million cost on the private activity bonds over five years. How does that translate into volume? How many millions of bonds would that be?

DEPUTY ASSISTANT SECRETARY THOMPSON: It depends. It's really hard to say at this point. One of the questions, it's primarily private activity bonds are geared to project-based financing. We're looking at this to be able to provide fairly substantial leverage in order to be geared to individual projects, but it's very difficult to say right now until those projects actually come in.

Q So you're not sure then?

DEPUTY ASSISTANT SECRETARY THOMPSON: It's hard to say. What do you think, Ed, when you start talking about \$2 million -- cost. It's very difficult to say.

DIRECTOR RAINES: We'll let Treasury answer this one. We don't want to guess.

DEPUTY ASSISTANT SECRETARY THOMPSON: It's very difficult to say.

Q Is it safe to say under \$100 million private activity bonds?

DEPUTY ASSISTANT SECRETARY THOMPSON: I would say at the outset, yes. I would say that that's a safe level.

Q Can you guys walk through the technical explanation for the difference between what your scoring costs would be and what the value of the incentives is? Like \$250 million versus \$235 million -- what's the difference?

DIRECTOR RAINES: Most of that difference is simply that you can sign up for a credit during the five-year period, but that the actual use of the credit might move over into the sixth or

seventh year and we do five-year estimates. So the commitment level will be at the full \$300 million that we talked about, but some of the costs will fall outside the five-year period. So -- and also, we assume that some people will sign up for projects and some projects won't happen, and so you'll have some lapse during the time period.

Q Do you consider all of these permanent, or do they trigger off?

DIRECTOR RAINES: These are all permanent --

DEPUTY ASSISTANT SECRETARY THOMPSON: That's right.

DIRECTOR RAINES: Permanent changes.

DEPUTY ASSISTANT SECRETARY THOMPSON: That's right. And the important thing is, the EDC is there for 10 years, that it's going to be continuing its activity. What's important here is this thing was created to provide a structure for focused consideration of economic development issues in the District -- something that it really had to have before. So it's really an opportunity for the private sector and the public sector to blend together to focus on these precise question -- how do you develop the District economy.

Q Just a couple of questions. One, the President, in the tax side of his budget proposal, had a number of proposals to expand the provisions for empowerment zones and to create the financial incentives of the CDFI provisions. Is there anything in here that is different that goes beyond or doesn't go as far as those provisions? And then a second more technical question. In the budget, I believe this was originally scored as \$260 million, and now it seems to have gone up \$300 million. Is that correct, and if so, what's the difference?

DIRECTOR RAINES: The biggest difference is the capitalization level that we have here, accounts for the biggest difference than what we had before. We wanted to ensure that the jobs credit would also be available in some form to nonprofit organizations since they are such a big part of the local economy, so that we have provided funds to let the Economic Development Corporation mimic that for nonprofits who don't pay taxes, and they could have that same incentive.

But with regard to comparisons to empowerment zones, it's a little difficult. What we tried to do is to take the best features that we thought would work the best in the District and tune them to have the maximum impact in the District. So we drew from the same menu, but there isn't an exact walk between one and the other. This is really a unique combination of things that's designed for the District.

Q How are these 5,000 Navy Yard jobs coming about?

DIRECTOR RAINES: The Navy is consolidating its facilities as part of the defense downsizing, and they're closing facilities in a variety of places and then moving jobs around. What this means is that the Navy is moving 5,000 jobs into the city from outside.

Q And then, for the other part of the President's plan, is he going to have another statement when this other thing gets going we've been hearing so much about in terms of taking over parts of the D.C. government --

DIRECTOR RAINES: The President's already made statements on that.

Q So there's not going to be anything else? This is it -- that you're planning at this point?

DIRECTOR RAINES: I'm hurt that you don't think that my speaking on this is an adequate substitute for the leader for the free world. (Laughter.)

Q No, it's not that, but there are a number of issues -- there is some disagreement over the federal payment. There's some disagreement in Virginia over whether you're going to build at Lorton. And I guess we were looking for something that was kind of concrete, as saying this is the position of the White House and we don't plan to change it.

DIRECTOR RAINES: I don't think we could be more concrete. You must not have been there when I spent three hours speaking to the community on this.

Q Well, maybe you are just very diplomatic, because I got the impression there was room for maneuver when you spoke to Chairman Davis's committee.

DIRECTOR RAINES: No, our plan is before Congress now. A senior member of Congress has taken it as his top legislative priority to move that bill through. The Speaker of the House has asked him to make it a top priority. Both Houses have agreed with the White House that one of five task forces they would set up on important issues would be on the President's D.C. plan.

If you look at what's going on on the Hill, this is about the biggest legislative action that's actually occurring up there. I don't think there's any lack of activity. This one is actually a real bill, being put together by a real committee, that is intent on passing something. So I think we're in very good shape, and we're quite happy with the bipartisan response the President's plan has gotten. But as in any plan, there will be people who would say, I changed this and I changed that, and that's what the legislative process is all about, and I think Mrs. Norton and Congressman Davis are approaching that in a very logical and good fashion.

Q Regarding the jobs credit, am I correct in interpreting that large corporations like Bell Atlantic would benefit from this similarly. This isn't for new jobs, this is for jobs that are already in place?

DIRECTOR RAINES: No, this is for new hires. New hires of D.C. residents, so that if they hire a D.C. resident, whether they are a large company or a small company, they would be eligible for the credit if the individual met the criteria for the credit. And the major criteria is that they -- is where they live and what their pay level would be.

Q How long do they have to be a D.C. resident? Can I move here next week and get the credit?

DIRECTOR RAINES: As long as you keep living here.

Q And what's the income range?

DIRECTOR RAINES: Up to \$28,000.

Q Up to \$28,000?

DEPUTY ASSISTANT SECRETARY THOMPSON: Right, and as some indication that this intended to be focused on new jobs, it's a first year credit, so it really is geared toward that new hire -- so to

bring in people at the low and moderate income levels who are District residents and with District employers.

Q The seven-member board that is to be chosen -- when will that be chosen? And will the requirement be the same as the Control Board that they all be D.C. residents?

DIRECTOR RAINES: They'll be chosen after the corporation's established, after the legislation is passed. And they will be all D.C. residents.

Q The other question -- the President referred to -- what is the organization that is now being privatized and gave \$18 million for schools construction -- Connie Lee?

DIRECTOR RAINES: Connie Lee.

Q I have trouble with the acronyms. Now, Sallie Mae is being privatized too, right?

DIRECTOR RAINES: That's right.

Q Now, do they also -- do we have some overflow from their privatization process that can be directed toward D.C.? And if -- why don't they do that? And how much of that is there?

DIRECTOR RAINES: The reason that we had funds from Connie Lee is that we owned stock in Connie Lee -- the Education Department owned stock. And so, when they went private, they had to buy our stock. We don't own any stock in Sallie Mae.

Q And my final question is, is there a model of other cities -- I mean, you are our state for this particular purpose -- is there a model of another state to a city that has done something similar, which is somewhat like -- that we can use? Or is the model -- I don't know if it's considered applicable -- the Pennsylvania Avenue Development Corporation?

DIRECTOR RAINES: No, it is not -- the PADC was very much focused on physical development in one area, in a combination of public and private physical development. This is really an amalgam of ideas that have worked in other places. This is -- we hope will work like the best of the empowerment zones.

Q Cite one place that it has really worked that you use as an example. We could call them --

DIRECTOR RAINES: Well, I think, the President often cites Detroit and the commitments that they've gotten from the private sector behind their --

Q Renaissance City?

DIRECTOR RAINES: Well, it's beyond Renaissance City and -- where they have got a large amount from their private sector. But it also borrows some of the techniques that New York State has had in its Public Development Corporation. This is really -- what we asked the Treasury to do was to look at the best ideas out there and let's see if we can put them all together in a mechanism for the city.

Q You include no individual broad tax relief. Some of the residents have said that that's needed to keep the flight of the middle class from getting larger. Do you intend to provide this sort of relief, and-or do you support that idea?

DIRECTOR RAINES: Well, our position on that has been that we have not yet seen a plan that we think is affordable and that

is sufficiently targeted in terms of the benefit to the city. Most of the benefit of the plans that we have seen would go to people like me who live in the city already and would not have my activity influenced by the tax reduction. That causes the cost per benefit to be very high. We believe this plan -- that the cost-benefit ratio is quite good, and we get a lot for the dollars that are being invested.

Q A quick follow-up -- on the targeted jobs tax credit or the D.C. jobs credit, one of the big criticism of this sort of thing is that people say that people get replaced. Eligible low-income workers get a job, whereas people who previously had a job who aren't eligible for the credit get dumped out. Why do you think this will create more jobs for the District of Columbia?

DIRECTOR RAINES: Well, that criticism I haven't actually heard of these credits. The criticism I've heard more is that they've been insufficiently targeted. And this one is quite targeted and building on our past experience.

We think that this will provide a real incentive for employers to hire D.C. residents, whereas today they can be relatively indifferent to the residence of their employee. What we're saying is that for a worker whose making less than \$28,000 a year -- and there are a lot of jobs in this city that fit into that category -- that they can get a \$4,000 tax credit in that first year. And so, whatever concerns they might have about training or anything else, this credit will go to help offset that cost. So we think it should be a very powerful incentive.

Q The \$28,000 would be the ceiling for the moderate income?

DIRECTOR RAINES: That's right.

Q My question is how quickly do you think people might be able to actually see the manifestation of this proposal? If it were approved by Congress in its present form, how long would it take for the economic benefits to be visible in the city?

DIRECTOR RAINES: Well, a lot of that, I think, is going to depend on how we rally the business community. These credits are structured in a way that they could be used quite quickly in that there's not -- once the corporation's up and running, there's not a lot of bureaucracy and things to have to go through. And the only act by the employer is really going to be to make the hiring decision. And it will not be that complicated.

And on the capital credit, it's a very powerful capital credit. What it says is that if the -- if you're making a loan that the corporation is endorsing -- that you can get a tax credit equal to 25 percent of the investment, either equity or a loan. That's a very, very powerful incentive. And I think that the real issue for the corporation is going to be in how it is being sufficiently selective so they don't use up the credit on things that don't produce the biggest bang for the buck. So I think these are very powerful tools that the corporation is going to have that will make an enormous difference.

The \$95 million that, I think, that we are estimating for the capital credit is almost \$400 million of investment that would be leveraged by it. And for the investor, it's very big.

Q But the corporation is not going to oversee the tax incentives, though. Who's going to oversee that? And how much is that going to cost? I imagine a separate -- who is going to oversee who gets the tax incentives because there --

DIRECTOR RAINES: The job credits?

Q Yes. There are qualifiers, like for certain projects it says certain equipment costs. Who's going to determine which equipment --

DEPUTY ASSISTANT SECRETARY THOMPSON: You're talking about the additional expensing.

Q And the D.C. Capital Credit as well.

DEPUTY ASSISTANT SECRETARY THOMPSON: Well, let's talk about the additional expensing first. The expensing is something that IRS does all the time. So, it would be part of their regular course to look at the expensing and what qualifies depending on their regulations.

As far as the job credits go, that would be similar to how we handled the -- credit or whatever. That's administered right now on an overall basis by the IRS and the folks who work with the tax code.

The D.C. Capital Credit is a little different. The Capital Credit, though, because it's a project based credit and it's going to be competitively administered, that's something that the Economic Development Corporation is going to have to develop guidelines for, and it's going to have to go through individual projects to determine which best suits the needs of the District of Columbia.

Q A larger budget question, I can't let you escape without one. You've been doing a lot of outreach on the idea of a CPI panel. Are you ready to say that you found no consensus on that and the chances of the President endorsing that or the formation of that is probably unlikely?

DIRECTOR RAINES: We really haven't come to a conclusion yet. And our conversations continue even today. And so we don't really have a conclusion yet.

Q Did you find sufficient opposition or concern that you think that you think that in that amount of time in those conversations that you had that it's problematic?

DIRECTOR RAINES: Well, I think the issue from the beginning has been one in which people have been looking for broad-based consensus. And if it were -- if the spot of broad-based consensus were obvious, we could have all gotten there right away. So we have found an array of opinion, and we are now trying to see where do we go based on that array of opinion. But we're still out and talking to people.

Q Are you talking to people about alternatives to a panel?

DIRECTOR RAINES: We have been following up on suggestions from members of Congress that we look at various means of dealing with the inaccuracies or lack of accuracy in the CPI as a measure of cost of living. So we have been testing their ideas and we've been testing other ideas all along, and we're still sorting out what we think we've heard.

Q Do you think this plan will help D.C.'s very dismal credit rating?

DIRECTOR RAINES: Well, if our plan is successful, the combined effect should be very beneficial to the creditworthiness of the city if we can stabilize the city's finances and if we can improve the functioning of its private economy, that should both be

positives in the assessment by rating agencies of the creditworthiness of the city.

Q But that would take years to come to fruition, right? You don't see a bond rating change for years.

DIRECTOR RAINES: You know, I was in that business for a long time, and depending on how rapidly the city gets its budget in balance and whether or not we can take advantage of some positive trends that are already occurring, it could be a matter of years, but not forever for --

Q But, realistically, at least five years.

DIRECTOR RAINES: I don't know that that's true. It depends -- one of the reasons for the city to balance its budget this year is to get -- let's get this process moving. And I've seen it happen in cities in less than five years.

Q I was unclear about the President's -- the Navy move. Is it now the policy of the administration that the President is on record, or this administration, to stop agencies who want -- government agencies who want to move out of the District and say, no, I want you to stay in the District of Columbia?

DIRECTOR RAINES: We've had out a policy on that for a while.

Q What is it?

DIRECTOR RAINES: That our preference is that if agencies are moving, that if they can move in the city, it's our preference.

Q But will you actually stop agencies who, like the SEC, wanted to leave -- will you actually stop agencies and say, no, we want you to stay here because we want you to remain --

DIRECTOR RAINES: This is Ellen Seidman, who is a Special Assistant to the President.

SPECIAL ASSISTANT SEIDMAN: Yes, the answer is yes. You notice the SEC is still here. Several Treasury agencies have faced a decision on whether to move and where, and recently they've made the decision to stay. This is always a tricky decision because there are people who would like them to move elsewhere, but it's the policy of this administration that they stay here.

Q Well, can the President actually forbid them from moving, saying, well, we will not --

SPECIAL ASSISTANT SEIDMAN: You know, this is not the President's decision alone to make. There are folks in other places who help make these decisions. It's this President's policy, however, that to the extent he can, these people will stay here.

Q And then I have a question, Mr. Raines, about -- you keep on saying that the Norton tax plan is not affordable. That's sort of a litany -- sort of a mantra, excuse me.

DIRECTOR RAINES: But you keep asking the same question. (Laughter.)

Q Let me be a little more creative. Or maybe I've already asked the question so I beg forgiveness for being repetitive. Will the President veto the tax bill that Norton has proposed, or will he literally pick up the phone and tell Democrats not to vote for it because it is "not affordable"? What is the level of animosity toward this bill?

DIRECTOR RAINES: I don't think you would describe our view as animosity. We have said all along that we are prepared to look at alternative proposals that are complementary to the President's plan, and we'll continue to do so. And if there is a complementary proposal we will support it. If we don't believe it's complementary or affordable, then we won't be able to support it.

Q Would you veto --

DIRECTOR RAINES: We don't make veto threats in the absence of knowing something more about the substance.

Q Can I ask an informational question? Who is the senior Republican who is in charge of shepherding this legislation that you referred to -- nameless senior Republican.

DIRECTOR RAINES: Tom Davis is the chairman of the committee of the relevant committee. He has been quite specific that it is his intent to have legislation this year.

Q When are you going to send the legislation to Congress on the economic stimulus package and on the rest of the D.C. proposal?

DIRECTOR RAINES: We have already been working with the committee on the bill specifications, and it may well be that there will simply be a joint piece of legislation developed as opposed to our sending up our own piece of legislation. But we've been working with them from well before my hearing to help them in their own legislative process.

Q Is that Ways and Means, or is that only the D.C. committee?

DIRECTOR RAINES: It's our anticipation that Chairman Davis's committee will have the primary jurisdiction, and that he and the leadership will work out what, if any other, referrals will need to be made.

THE PRESS: Thank you.

END

5:55 P.M. EST

The Washington Post

AN INDEPENDENT NEWSPAPER

A Brighter Day for D.C. Schools

THERE'S A new look in store for at least 49 D.C. public schools, effective tomorrow—and anybody who cares can show up and take credit for it. After a most successful premiere last April, "Hands On D.C." will rally volunteers—students, teachers, parents, businesspeople, neighbors and whoever else wants to pitch in—for a session of refurbishing and scholarship fund-raising efforts for the city's schoolchildren.

The young men and women who organized this splendid venture last year enlisted some 1,700 volunteers then. Through pledges for the volunteer hours worked, they raised \$44,000 for local student scholarships and mentoring programs run by the College Bound and Funds for the Community's Future organizations. This year, "Hands On" leaders are hoping for at least 3,000 people who can fan out for hundreds of projects from basic upkeep to beautification inside and outside. The organizers say that all hands on deck will find work and, we're willing to bet, personal satisfaction. All skills are welcome, as a sampling of some of the projects shows:

There's carpeting to be done at Shaw Junior

High, to replace what's left of a 23-year-old carpet; a locker room to be painted at Anacostia High, where the football players and their coach will lead the effort; graffiti removal at Banneker High, Garrison Elementary, Lincoln Multicultural Middle School and Terrell Elementary; and wall, ceiling and floor tile work at Chamberlain High and the Sharpe Health School. The list goes on—landscaping, ball-field tilling, weeding and lining, artwork (a mural at Thomson Elementary and another at Malcolm X Elementary).

The all-volunteer inspiration behind this effort has generated private sponsors as well as an advisory board of members of Congress, school officials and business leaders. Washington Bullets star Chris Webber will help kick off the day at a 9 a.m. rally tomorrow at Shaw Junior High School, 10th Street and Rhode Island Avenue NW. Coordinators can be reached at 202-232-6151 or by e-mail to DCHandsOn@aol.com. With a strong turnout at the city's time-worn school buildings—average age 50—the "Hands On" volunteers hope for another dramatic demonstration of what a difference a day makes.

**THE CLINTON ADMINISTRATION'S
CONTINUED COMMITMENT TO THE DISTRICT OF COLUMBIA**
For planning purposes only

Wednesday, March 12

- **Secretary Andrew Cuomo** will attend the ribbon cutting for the Safeway Supermarket at the Hope Marketplace Shopping Center. The District will use \$1 million in Economic Development Initiative funds and \$11.5 million in federal loan guaranteed funds to assist in the development of the Good Hope Marketplace Shopping Center in the Anacostia neighborhood, an economically distressed community. The 96,000 square foot commercial shopping center, anchored by a Safeway Supermarket, is expected to create - early 200 jobs for low- and moderate-income persons in the area and better link residents to retail. (Jon Cowan 708-0980)
- **VA Secretary Jesse Brown** will deliver keynote remarks at the Horatio Alger seminar hosted by Eastern Senior High School. VA, along with Treasury and HHS, have established Partnerships in Education with Eastern. VA is currently working to enhance the computer lab at Eastern and provide specialized computer training for blind students. (Kathy Jurado, 273-5750)

Friday, March 14

- **Secretary of State Madeleine Albright** at 10:00 am will visit and adopt the Watkins Elementary School. The Secretary will use this as an opportunity to create an awareness even at early age of our connections to the world around us, and of the roots that America's people have in cultures from around the globe. *12th/ D Street SE* (Sandy Brown, 647-2492)

Saturday, March 15

- **Education Secretary Richard Riley** will deliver the Keynote address at 1:30 pm for the launch of the DC branch of "*Do Something!*" at UDC Auditorium. The theme of the day is "I Dream DC" Secretary Riley will join Harris Wofford, CEO of the Corporation for National Service, Congresswoman Eleanor Holmes Norton, Andrew Shue, star of *Melrose Place* and co-founder of *Do Something* National, Malik Yoba, youth services advocate and star of N.Y. *Undercover*, and students and residents from across D.C. for an afternoon of activities highlighting the themes of involvement in education, economics, government, health, and the community. D.C. *Do Something* inspires and assists young people to make fundamental changes in their communities. Through their Leadership Course, Community Coaches, Action Projects, and Grants Program, D.C. *Do Something* is supporting youth efforts to improve D.C. neighborhoods. (Anna Erdreich, 401-4389)

Monday, March 17

- **HHS Secretary Donna Shalala** at 9:00 am will do an event highlighting the “Health and Human Services Academy” located at Eastern High School. HHS has a memorandum of understanding with the DC Public Schools and the DC Government where HHS manages the academy: a “school withing a school” which has over 400 students who are interested in careers in health care professions. HHS provides a full time “Executive on Loan” to assist in program administration as well as sponsoring internships and summer employment. In addition to their regular course work, the students from the Academy attend an annual “Mentors Day” at HHS agencies each year to learn more about their particular interests. (Melissa Skofield, 690-7850)

Tuesday, March 18

- **GSA Acting Administrator David Barram** will formally present excess federal computers to the Options School at 10:00 am as part of the Administration’s Computers to Schools initiative and announce how other federal agencies are donating computers as well. The Options School is the only charter school in the nation for students grades 5-8 who are “at-risk” of dropping out of school. Its core curriculum is enhanced by the Museum environment and course offerings in computers, media-arts, television and radio, theater and dance -- all in small classes that give the child the best possible environment for learning. DC Public Schools have a 48% drop-out rate, 85% of those students who went through the Options program stayed in school. GSA has donated 185 computers and 9 printers to D.C. schools and 40 computers to the University of the District of Columbia. *Options School, 800 3rd Street NE* (Beth Newburger, 501-0705)
- **ONDCP Director Barry McCaffrey** will do an event at 11:15 am highlighting the Families and Schools Together (FAST), a program that provides support for at risk school children and their parents over a three year period. The FAST program is currently funded by NIDA in a variety of states. ONDCP intends to adopt the funding of another elementary school with the assistance of NIDA and Family and Child Services of Washington DC. *Noyes Elementary School, 10th/Franklin St. SE* (Robert Weiner, 395-6626)
- **SBA Administrator Aida Alvarez** will be the Keynote speaker at the Greater Washington Ibero American Chamber of Commerce luncheon at 1:15 pm at the National Press Club. *14th/F Street NW, 13th floor* (Jeanne Saddler, 205-6605)

Wednesday, March 19

- **OPM Director Jim King** will be on hand to celebrate the one year anniversary of the DC Career Transition Center where he hopes to present the Hammer Award to the center for their good work in coordinating and streamlining delivery of career transition services for displaced federal employees and contractors. *800 N. Capitol Street* (Rosalie Cameron, 606-1800)

- **CEA Chair Janet Yellen** will visit and adopt Moten Elementary School at 11:00 am. She will talk to both a 5th and 6th grade class to teach students about understanding economics and our economic system. Economics is one of the nine core subjects specified in Goals 2000. Dr. Yellens' lecture to the children will be based on Goals 2000 guidelines. *Morris/Elvins Road, Anancostia* (Michele Jolin, 395-5084)
- **UN Ambassador Bill Richardson** will visit and adopt Bell Multicultural School. Following up on the President's ongoing commitment to the District, the Ambassador will return to the school every three months or so to share his experience in his new job. He will report on both on his travels with the President (Mexico and Latin America) and his own travel (Geneva, etc.) He will explain his experience in diplomacy -- how you use words to avoid conflict, rather than violence -- and encourage the students to do the same in their lives. Ambassador Richardson hopefully will be seen as a role model, an inspiration to how these students can rise above where they started in life to achieve goals they may have only dreamed of.
- **Commerce Secretary William Daley and USTR Ambassador Charlene Barshefsky** at 2:30 pm will visit Ballou Senior High School. Ballou is the site of a unique program that concentrates on the link between computer education and employment, and the expanded uses of technology in DC schools. As envisioned, Secretary Daley and Ambassador Barshefsky would visit the computer class at Ballou and engage the students in a dialogue on the importance of gaining technology skills in order to compete in the global marketplace. Following the computer class visit, Secretary Daley and Ambassador Barshefsky would lead a roundtable discussion with officials from FEI, Ballou, D.C. Public Schools and the private sector on the issues related to expanding the Ballou program on a city-wide basis. *4th/Trenton Street SE* (Kelly Lees , 482-4883/Jay Ziegler, 395-3230)

Thursday, March 20

- **Agriculture Secretary Dan Glickman** at 3:30 pm will visit the Capitol Area Community Food Bank and announce how the USDA is helping high school students in DC and Maryland meet their graduation requirement by providing community service opportunities in food recovery, environmental protection, and anti-hunger projects. *645 Taylor Street NE* (Tom Amontree, 720-4623)
- **Secretary of Defense William Cohen** will participate in an event this afternoon with the Young Marines Program. The Marines Barracks at "8th and I" host a community outreach program with District community kids from the ages of 8 to 17. The Marines stationed at "8th and I" are mentors to these children and meet regularly for approximately 2 hours. The mentor program helps with homework and school work, building confidence, courage, and leadership skills while teaching them about the United States Marine Corps. (Kenneth Bacon, 703/697-9312)

- **Transportation Secretary Rodney Slater** will do an event to provide child safety seats to needy families in the District of Columbia and to highlight their proper usage. The event will highlight the President's policy priorities on the District of Columbia, Children's Health, and Early Learning. In an effort to improve child transportation safety, the Department has partnered with organizations to provide child safety seats to needy families. The event also provides an opportunity to highlight and discuss the proper way to seatbelt children in cars. (Steven Akey, 366-4570)
- **Acting Labor Secretary Cynthia Metzler** will kickoff this years Summer Jobs Initiative. (Howard Waddell, 219-7316)
- **FEMA Director James Lee Witt** and DC Fire Chief Otis Latin will announce that FEMA and the DC Fire Department will jointly sponsor a juvenile firestarter workshop to enhance arson prevention in the District. Also, the National Fire Academy, a part of FEMA, will work with the District Fire Department to design and conduct a strategic leadership course in fire prevention. (Vallee Bunting, 646-4600)

Friday, March 21

- **Interior Secretary Bruce Babbitt** at 9:30 am will hold a press conference on the Mall to highlight the completion of the roadway by Raoul Wallenberg Place and 15th Street. Bus loads of youngsters from the District of Columbia and cities across the country will descend on the National Mall area in downtown Washington during Spring Break to visit national monuments, tour the Smithsonian, and enjoy the urban hubbub of the nation's capital. Efforts to improve the 15th Street corridor, one of the main access roads into the Mall and Monument areas, has been an ongoing joint effort between The National Park Service and the Federal Highway Administration. Interior Secretary Bruce Babbitt will join students from D.C.'s Wheaton Elementary School to highlight these and other federal efforts to improve the transportation corridors and federal property in the District of Columbia. (Stephanie Hanna, 208-6416)
- **EPA Administrator Carol Browner** at 11:00 am will attend the Ribbon Cutting at the Kramer Middle School for Environmental Studies for the opening of their new computer laboratory. Both the Kramer Middle School and the EPA are partners in the Anacostia River Watershed Association. The school, renamed the Kramer Middle School for Environmental Education in 1996, serves grades 6, 7, and 8. Kramer is the first public middle school in Washington, D.C. to have environmental education as its major focus. The nearby Anacostia River and its wetlands serve as a part of the children's educational experience. Because the school had no computer facilities to access environmental information, EPA in September, 1996 provided a grant for \$24,000 for a computer laboratory and has provided technical support for the computer laboratory. This assistance will enable students to develop computer skills and have access to the wealth

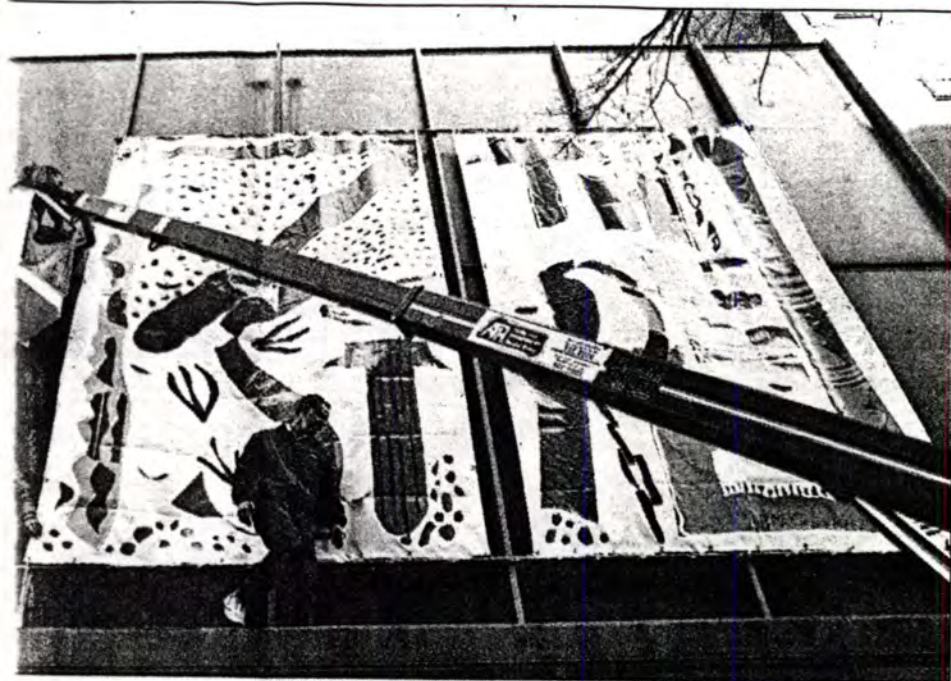
of environmental information on the Internet. This project has significant potential as a model for EPA to work through the public school system in urban economically-disadvantaged neighborhoods to engage the broader community in protection and restoration of the environment. *1700 Q Street SE* (Loretta Ucelli, 260-9828)

- **Attorney General Janet Reno and HUD Secretary Andrew Cuomo** will join together to focus on HUD's "Get Tough" initiative. The Get Tough Initiative is a strengthened enforcement effort directed at landlords of HUD-insured properties who defraud HUD or divert funds from keeping up mortgage payments or the condition of housing. HUD is stepping up the resources that it will devote to identifying and investigating these instances of abuse, and Justice, through the efforts of United States Attorneys here and across the nation, will continue to pursue civil and criminal enforcement efforts. This initiative is a targeted, pro-active program and will booster HUD's efforts to provide safe, affordable and decent housing. The venue of the event will be a location in DC where HUD already has pursued a successful civil enforcement effort against a landlord found to have engaged in "equity skimming." (Greg King, 616-2777 & Jon Cowan, 708-0980)

DISTRICT WEEKLY

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PHOTOS BY NANCY ANDREWS—THE WASHINGTON POST

bbard, on the left, and Mark Christianson install the work, as Schuchter walks in front.

fe on 7th Street

D.C. Students Give Gift of Themselves

10th-Graders Helping To Teach First-Graders

By Sari Horwitz
Washington Post Staff Writer

Cardozo High School teacher Spencer Salas used to watch the tiny, spirited children running to elementary school across the street in the morning and wonder how he could harness their energy to motivate his 10th-graders, who often straggled in late.

His creative answer—a program in which Cardozo's 10th-graders help teach the Meyer Elementary School first-graders how to read by sharing stories they have written—drew first lady Hillary Rodham Clinton and other city and national leaders to Cardozo last week.

Clinton—joined by D.C. school Chief Executive Julius W. Becton Jr.; former senator Harris Wofford (D-Pa.), the chief executive officer of the Corporation for National Service; and D.C. Council member Frank Smith Jr. (D-Ward 1)—said that Salas's program is just the kind of learning experience she wants replicated in other District schools.

The Cardozo program is part of a larger "service-learning" initiative coordinated by Funds for the Community's Future. The organization will send AmeriCorps VISTA volunteers to every D.C. high school next year to encourage similar programs that blend service projects with classroom lessons.

At Cardozo, in the Shaw neighborhood of Northwest, the 10th-grade tutors are Latino students, many of whom have been in this

See CLINTON Page 2 Col 1

First Lady Pays Visit To Cardozo

CLINTON, From Page 1

country only a few years and are struggling to learn to read English themselves.

"Both groups of students learn from each other," Clinton said. "This improves the Cardozo students' own skills in English and writing, and it improves the young children's reading skills."

The students and their teacher said that perhaps an even more



BY NANCY ANDREWS—THE WASHINGTON POST

Hillary Rodham Clinton, flanked by teachers C. Delores Scott and Spencer Salas, observes the students.

"Both groups of students learn from each other."

— Hillary Rodham Clinton

valuable experience is being shared by Cardozo's Latino students and the group of children, most of them African American, they tutor—an understanding and appreciation of each other.

Long-simmering tension between African American and Latino students is a growing problem at Cardozo and other city schools. But there's an altogether different relationship between the Latino

tutors and the African American children they read to, said the students.

"Little children don't judge you," said Sonia Medrano, a 10th-grader who moved to Washington from El Salvador a year ago. "They just see the person you are. They accept us no matter what the color of our skin is or what race we are."

The story Sonia read to the first-graders yesterday was one she wrote about an African proverb that "a thief is always under suspicion." Her story recalled the time money was missing from her room and she discovered that her brother, Jaime, took it.

"Now when I leave my money and I don't find it again, I think Jaime took it again," she read to the children. "And maybe he didn't take it." A first-grader asked her what the words *thief* and *suspicion* meant. Clinton asked Sonia how long it took her to write the story (15 minutes).

"It makes you feel important when you're teaching someone," Ada Garcia, another Cardozo tutor, told Clinton. "It makes you feel like you are something."

Clinton has visited five District schools in recent months. Last week, she and Canadian first lady Aline Chretien joined sixth-graders

at Burrville Elementary in Northeast who waved and said hello to students at a Canadian school with the help of video conferencing technology.

Clinton won over Cardozo's faculty with her praise for the school's junior ROTC members, her interest in their two-year-old program and her participation in a round-table discussion. She scored big with students and teachers when she accused reporters of focusing mostly on youths who get into trouble.

"The president and I know the vast majority of our young people are doing the best they can to navigate through their teenage years," Clinton said.

Report Reveals

By Todd Shields

Washington Post Staff Writer

Chemical contamination in the Chesapeake Bay comes increasingly from many small sources rather than from a few large industrial outlets, according to a survey of scientific knowledge about pollutants in the bay.

The report comes as some environmentalists call for renewed focus on risks posed by toxic chemicals.

According to the survey, such sources of tox-

POTENTIAL DC EVENTS

March 13, 1996

Paul J. D.

Visit DC school adopted by US Secret Service (Katy getting information). If we planned this before HRC leaves for Africa, the children could track her trip in Africa, either in books or on the internet if they have access to the world wide web, and then she could tell them about the trip when she returned. This is particularly nice since the Service will be traveling with her to Africa.

Christmas in April. HRC was invited to participate in the Sidwell CiA rehab project on April 26 (the week of the volunteerism summit). Under CiA, organizations pay money and provide volunteers to work on a home or school rehab project. Sylvia Mathews liked the idea of having White House staff volunteer at CiA projects, although CiA has a limited ability to accept a large number of volunteers unless they come with money (\$1,500) to sponsor more houses. Some law firms also participate in CiA at schools. Alternatively, HRC could participate on April 12 in "Hands on DC," which is similar to CiA but raises money for college scholarships for DC students while repairing DC public schools. (See attached *Post* editorial.)

Visit Cardozo High School. We have a standing invitation to visit Cardozo High School, which Covington & Burling has adopted and where AmeriCorps participants work with the community on repairs. Cardozo runs a Saturday Academy. On the first Saturday in April a former Supreme Court clerk from SE DC will talk about life choices, on the second Saturday they will explore the internet, and on the fourth they will participate in Christmas in April.

National Women's Business Center. HRC could participate in a women's small business round table at the NWBC, which was established in July 1996 to provide women with education and training, one-on-one counseling, and networking opportunities to start or expand a business. Their classes are aimed at women moving off public assistance and women breaking the \$1 million sales mark. I am getting more information on the SBA's involvement, but I know it is significant.

< Betty & - women's NWC >

Rivlin ideas that Carol liked:

Visit the Urban Family Institute program at a 175-unit public housing project at which 17 mothers work with 100 children each afternoon. The UFI was founded by Kent Amos to create urban neighborhoods in which every family has the resources and support necessary to give their children the nurturing they need. Carol knows the group.

Youth Build. As you know, this HUD program trains youths for the building trades by work on low-income housing rehab. Rivlin recommended attending a graduation ceremony that will occur while HRC is in Africa, so a Cabinet member may attend instead, but I am checking whether there are other sites in DC she could visit. Our FY98 Budget level funded the program.

HIPPY. There is a HIPPY program in DC that HRC could visit and which Rivlin mentioned without providing details.

Community Business Partnership. The Board of Trade and two excellent CDCs are partnering to help neighborhood businesses. This is a new effort, and HRC could visit one of their sites, a mob factory in NE that employs welfare mothers.

Fort Dupont Ice Arena. Carol really encourages us to visit the ice area, which is located in one of the worst public housing projects. The entire village got together to save it from closing, renovated it with donated funds, and are now running programs for the kids. This should be done soon while it is still winter. I am checking why the US Park Service was planning on closing it, but Carol says this is a good one.

Other ideas:

Summer Jobs. I have asked for DOL to send us a memo on DC summer jobs, providing us with the current status, what are goals should be for this summer, a time line, and a recommendation on challenging the private sector to come up with additional jobs. Carol thought it important we announce federal participation at any event on summer jobs, and she will push OPM.

Melanne, would you like me to ask Alice Rivlin about her ideas for bringing the Single Mothers Scholarship Fund to DC?

(R)



CHILDREN'S STUDIO SCHOOL 1824 BILTMORE ST NW WASH DC 20009

April 15, 1997

*Tell to me
about this
response*

TO: Melanne Verveer
FROM: Marcia McDonell, President

John Schnur suggested I contact you. I have been trying to reach you regarding the attached letter to Hillary Clinton. Please call me soon.

Thanks.

2nd article

Marcia

(one of six pages)

(202) 397-5880



CHILDREN'S STUDIO SCHOOL 1824 BILTMORE ST NW WASH DC 20009

April 14, 1997

Mrs. Hillary Rodham Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20006

Dear Mrs. Clinton:

At the suggestion of General Julius Becton, CEO and Superintendent of DC Public Schools, I am writing to invite you once again to join children, families and artists for an intimate and lively personal tour of Children's Studio School's exhibit **Black Broadway and Beyond: Life in the Shaw Community** at Cleveland Tri-School in Shaw, where we have been "In-Residence" for the past five years. Understandably, you were unable to tour the exhibit on February 14, when you visited Cleveland; however, the focus of *this* visit to Cleveland School to see Children's Studio School's unusual exhibit -- is an extraordinary opportunity and setting to:

- celebrate your Early Childhood Conference, by focusing the country's attention on a pioneering approach to educating very young children, now being emulated across the country;
- highlight your strong personal commitment to both the arts and education;
- support your and the Clinton administration's belief that the arts are essential to every child's full development;
- discover first-hand how conceptual and contemplative very young children become by working through the arts -- with artists as teachers -- as a *total process of education*;
- bring attention to both an effective educational partnership between DC Public Schools and Children's Studio School (now celebrating its 20th anniversary); and

Hillary Rodham Clinton

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April 14, 1997

- place focus on the first arts and humanities school of its kind in the country: Children's Studio School's Charter School and Studio Complex.

The exhibit, created by three - to 10-year old children working with professional, experienced artists/teachers over last summer, documents the rigorous experimentation, creation, observation, interpretation, and evaluation processes of the children, who interviewed elders and researched the resources of their neighborhoods to become "urban planners," designing, constructing and critiquing their ideas in multiple forms. The children, from mixed (predominantly low)-income and culturally diverse families and neighborhoods, developed ideas for improving their communities and the lives of all residents. Their complex concepts are well documented and articulated based upon their critical analysis and recognition of our city's needs.

As both a steadfast children's and educational advocate, you would, I am sure, delight in the depth of contemplation and reflection exposed in the children's constructions, photographs and writings, and how in their joyful work they naturally confront complex "academic" topics, such as mathematical and engineering principles, without inhibition. Children's Studio School has been lauded by educators and administrators alike -- for its success in integrating the arts into education and for its once-radical and effective approaches to educating children.

From its inception in 1977 as an all-day school taught by artists as teachers and now in its fifth year In-Residence in DCPS, our mature and respected artists/teachers, in collaboration with classroom teachers incite, excite and encourage children into developing investigative, explorative, multidimensional ways of knowing -- enabling them to critique their own ideas and beliefs, and those that they encounter in the world -- by working in and through the arts in Studio School's nationally recognized, transcultural Arts As Education© process.

Through this pedagogical approach, children integrate the arts and their own rich cultural experiences into the Studio's in-depth and intensive educational process. As they employ principles fundamental to the disciplines of architecture, visual art, performance art/theatre, dance/choreography, music/composition and creative writing to solve problems and absorb concepts found in "traditional," often linearly taught classroom subjects and concepts, such as mathematics, the sciences, reading/literacy, history and humanities studies, children develop superior academic capabilities and a genuine excitement for the learning process.

DCPS's first-designated Charter School -- Children's Studio School's Public Charter School and Studio Complex will make DC a model for both invention in the arts and education and successful public-private partnerships. It will continue the tradition of nationally-recognized educational innovation by making the Complex a center for

Hillary Rodham Clinton

3

April 14, 1997

children of culturally- and income-diverse families and artists, both day and night. Our charter will be home to a thriving, interactive center for arts in education with children's studios, artists studios, performance and exhibition spaces, and will essentially augment the definition of "school" -- while simultaneously maintaining focus and intent on the education of the children.

Your visit to our exhibit will reinforce the benefits and achievements of charter schools throughout the nation, while highlighting the uniqueness of the new Children's Studio School charter amidst the many unusual public charter schools nationwide. Your presence will also highlight positive programs that are often overlooked amidst the upheaval in DC Public Schools and demonstrate that wonderful things are occurring (and continuing to occur) in the overly maligned school system.

Please call me soon to arrange your personal tour of the exhibit.

Sincerely,

Marcia McDonell
President

INSIDE

The Washington Post

Education Review

CHILDREN'S STUDIO SCHOOL:
ART IN CHILDREN'S EDUCATION

SUNDAY, APRIL 6, 1997

FREE
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Vol. 28, No. 9

1968 • Now in Our 29th Year of Publication • 1997

TheInTowner

MARCH
1997
Next Issue
April 11

Burr 1968 • Selling Washington D.C.'s Future Neighborhoods • The 20th Year

Arts School in Shaw Seeks
Help to Acquire Building;
Will Become Charter School

By P.L. Wolff

Founded 20 years ago by artist and arts educator Marcia McDonnell, the Children's Studio School is scheduled to open next fall as the Public Charter School of the Arts and Humanities. But to make this plan work, a 35,000 to 50,000 square-foot building is needed.

Meanwhile, this independent, community-based school is conducting its highly innovative program "in residence" at the Cleveland Elementary School at 8th and T Streets under an arrangement with the DC Public Schools. Notwithstanding the plans to expand, McDonnell, the school's president, expects to continue her program at Cleveland next year if funding arrangements can be assured.

As explained by McDonnell, being "in residence" at Cleveland means that Children's Studio school engages artist-educators to work with Cleveland School children and teachers on an in-depth collaborative basis. This includes conducting professional development workshops for teachers to fully integrate the "creating process of active inquiry and critical thinking into their pedagogies" and to conduct organize art and performance events for families and the surrounding community.



Nine-year-old Zekita Shaw's sketch of a church, submitted as part of her examination of neighborhood characteristics.

Known for its unique approach to education, this acclaimed program was praised a few years ago by the former National Endowment for the Arts chairman, Livingston Biddle, for providing "such consistency of quality... such experimentation, such critical selective thought so evident in both process and product." (See, "Public Schools Invite Arts Program for Kids to Shaw Community," InTowner, March 1993, page 1.)

As a member of the DC Public Schools Arts and Humanities Pilot Initiative, McDonnell's program works with the National Gallery of Art, Washington Performing Arts Society, Kennedy Center and other local cultural institutions, helping to make these more accessible to all children and their families. In a recent visit to the Cleveland School, the new school superintendent, General Becton, expressed great interest in the program and, according to persons present, appeared very responsive.

Last year's panel evaluation by the DC Commission on the Arts and the Humanities singled out the program's students as "achieving academically at a much higher level than children at other schools" and that they were "self-disciplined and fascinated with their work." The panel also determined that the program is "a powerful model"; "has tremendous community impact"; "effectively integrates the arts into the curriculum and successfully utilizes artists and educators [and] merging together science and art effectively accelerates the learning process for the children."

With these and other findings, including that the "relationship with DC Public Schools represents an exemplary partnership," the panel evaluating Children's Studio School for a grant award, stated, "... this program was the most exciting of all the applicants."

SCHOOL

From p. 1

Through the efforts of the "exceptionally-qualified, mature artist faculty," comments McDonnell, "an environment has been created in which the children are encouraged to think independently and to confront and engage themselves in the examination of new ideas through their work in multiple artistic disciplines which, in turn, embody academic concepts and processes of mathematics, sciences, literacy development, history, geography, etc."

Small (one teacher for every 12 students), mixed-age groupings of three-to-ten-year olds explore architecture, interdisciplinary performance art, creative writing, music and multimedia visual art to, as McDonnell characterizes the approach, "interrogate the past, present and future of the community and their own personhood within it. The children, guided by their artist-teachers, develop intuitive, analytical and expressive abilities as they work through the creative process."

By expanding the program into its new charter school, possibly the only one of its kind in the nation, McDonnell and her artist-teachers will be able to provide an academically challenging, innovative curriculum which merges with the arts and will function as a "cultural center for the whole family," with performances and exhibits both by children and local artists within the community.

Here, "children will develop their capabilities in ways which are not even thought of in most schools, learning through a variety of multi-sensory and multi-media experiences, building upon the foundation of their personal histories and knowledge and utilizing the vast resources of their home communities and local cultural institutions, and, of course, working with architects, writers, painters, musicians, dancers and other artists as their teachers."

But to make this new charter public school and studio complex a reality a building of at least 35,000 square-feet is required, although a much smaller facility would make possible at least the first year of operation. While no building has yet been secured, McDonnell is optimistic that the private sector will rally to the cause with donated space that can be occupied in time for the start of the school year. The preference is to remain in Shaw or to locate nearby in Cardozo, Columbia Heights, Mt. Pleasant or Adams Morgan

so as to be able to continue serving those neighborhoods.

To get a better idea of what the program is all about one ought to visit the Cleveland School during regular school hours to view "Life in the Shaw Community: Black Broadway and Beyond," an exhibit of work by students of the Children's Studio School. These young artists, writers and architects, three-to-ten-years-old, mostly from Shaw but joined by children from Northeast, Southwest and Anacostia, have assessed the Shaw neighborhood's past and present characteristics and needs and then have rendered the community into poetry, watercolor, designs and architectural proposals, music and multi-media visual art.

The exhibit, which continues through March, represents the culmination of the school's 1996 "City As Studio" Program in which the children contemplated their social relationships and their surroundings and sought to articulate the questions which they would treat in their work: "What are the ways that the people of Shaw helped each other? How should people communicate and behave in order to have peaceful interactions? How can and do we learn from each other, across ages and generations? Why did the white people separate themselves from the black people? Why are there so many broken things here—windows, sidewalks, bottles—and what feelings are behind these ruptures, or cracks? What does the neighborhood need and how can the existing space be used most effectively to fulfill those needs?"

WHERE TO CALL TO GIVE HELP

Business people, developers, philanthropists or others who might be able to assist are urged to call school president Marcia McDonnell at 387-5880

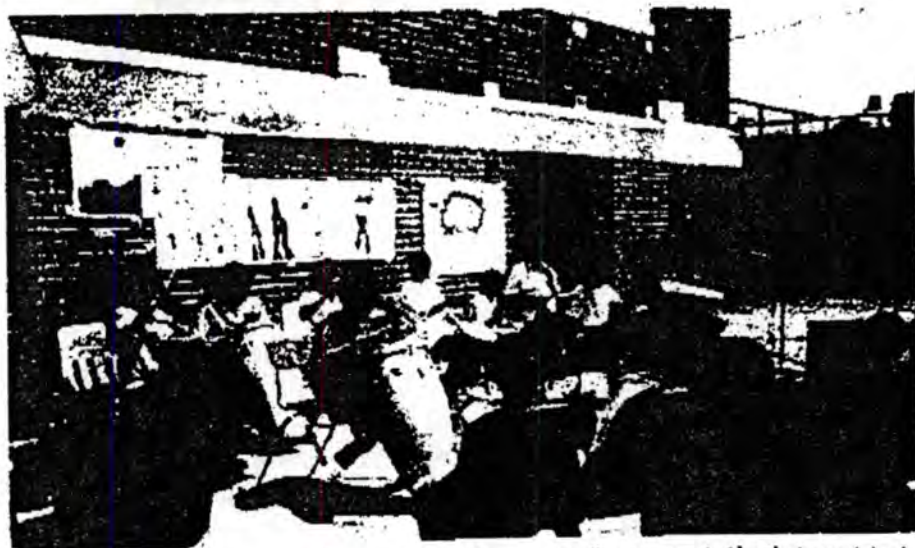
To confront these issues the children scrutinized past development maps; researched articles, books and documentaries; interviewed business owners, artists, parents and grandparents. They also took extensive photographs of the area, toured the refurbished Whitelaw Hotel, Lincoln Theater, and the soon-to-be refurbished Anthony Bowen YMCA that will be known as the Thurgood Marshall Center.



Researching the neighborhood with architect-teacher David Vollin and performance artist-teacher Kwelismith. The group has just come from the old Anthony Bowen 'Y' on 10th Street, south of U.

They discussed the impact of these issues in the context of the importance of arts and self-help organizations, segregation and desegregation, vandalism, and the effect of construction of Metro's Green Line in the area.

Through their creations, the children expressed their concerns and understandings and envisioned solutions. As 10-year-old Thomas noted, "It's like in the past you think everything was peaceful. But people was fighting each other then too. People need to find other solutions to their problems." □



Children performing their song poem "In My Community," accompanied by their musician/composer-teacher Brother Ah for an audience of parents and friends in front of Cleveland School.

DC COMMISSION ON THE ARTS AND HUMANITIES

1995-96 Panel Evaluation and Comments: **Children's Studio School**

- ...An incredible leader in arts education reform
- Serves as a powerful model for other DC Public Schools
- Has tremendous community impact on children and their families
- Effectively integrates the arts into the curriculum and successfully utilizes artists and educators
- The panel was impressed with the high caliber of artists involved
- Relationship with DC Public Schools represents an exemplary partnership
- Children are achieving academically at a much higher level than children at other schools; they are self-disciplined and fascinated with their work
- The merging together of science and art effectively accelerates the learning process for children
- [Children's Studio School is] bridging cultural backgrounds and encouraging interaction between parents, students and teachers
- Director has a strong track record in managing artists and the organization
- Applicant has a strong track record for managing difficult situations such as the loss of their space a few years ago. Overall the organization is financially and managerially sound.
- The organization has faced some challenges but has been able to turn misfortunes into successes.
- The panel felt that this program was the most exciting of all the applicants.

FROM :

1997.01-15

17:09

#531 P.02/02

THE WASHINGTON POST COMPANY

1150 Fifteenth Street, N.W., Washington, D.C. 20071

(202) 334-6620

Fax: (202) 334-1031

ALAN G. SPOON

President

January 15, 1996

Ms. Beth Dozoretz
Options HealthCare, Inc.
240 Corporate Boulevard
Norfolk, VA 23502

Dear Beth:

Below is the list we discussed. I'd be glad to discuss shortening it if you would like.

1. Business and Community Organizations

Kenneth R. Sparks -- Executive Vice President of the Federal City Council, a non-profit, non-partisan organization dedicated to projects which would benefit the nation's capital. Mr. Sparks is also an Executive Committee member of the Greater Washington Research Center of Washington and a National Capital Development Corporation member.

John R. Tydings -- President of the Greater Washington Board of Trade, a large business group representing roughly 2,000 firms in the region. Mr. Tydings is also an Executive Committee member of the Greater Washington Research Center of Washington.

2. City Finances

Alice M. Rivlin

Carol O'Cleireacain -- Director of Brookings Institution's D.C. Revenue Project, a study researching city finances for the D.C. Financial Control Board. Ms. O'Cleireacain is also the former Budget Director and Finance Commissioner for The City of New York.

Page Two

3. **Business Executives**

Terrence C. Golden -- Chief Executive Officer of Host Marriott Corporation and Chairman of Reality Corporation and former administrator of the General Services Administration. Mr. Golden is also the former co-chairman of the D.C. Commission on Public Education and remains actively involved in educational issues and projects.

Delano Eugene Lewis -- President and Chief Executive Officer of National Public Radio and former president and CEO of C & P Telephone of Washington. Mr. Lewis is also former president of the Greater Washington Board of Trade and a board member of the Eugene and Agnes Meyer Foundation.

4. **Philanthropic Activities**

Julie Rogers -- President of the Eugene and Agnes E. Meyer Foundation, one of the community's largest and most influential private foundations. Ms. Rogers is also Chair Emeritus of the Washington Regional Association of Grantmakers, a network of private, corporate and community foundations.

Harriet M. Ivey -- Vice President, Community Relations of Fannie Mae and Senior Vice President and Executive Director of Fannie Mae Foundation, whose primary mission is to support national and local non-profit organizations working to provide decent and affordable housing in communities throughout the U.S. Ms. Ivey is also Chairwoman of the Washington Regional Association of Grantmakers.

5. **Religious Leadership**

Reverend Wallace Charles Smith -- Since 1991, Reverend Smith has been pastor of the Shiloh Baptist Church in Northwest Washington, whose congregation is the largest or second-largest in the city. Reverend Smith is a member of the Executive Board of the Chester Branch of the NAACP and had been pastor of the outreach ministry at Nashville's First Baptist Church and a professor at Vanderbilt University.

FROM :

1997.01-15

16:56

#528 P.04/04

Page Three

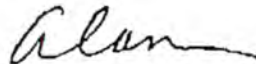
H. Beecher Hicks, Jr. -- Senior Minister of the Metropolitan Baptist Church in Northwest Washington and President of Kerygma Associates, a religious consulting service. Reverend Hicks is also co-chair of the American Baptist Ministers Council of D.C. and a member of the board for the Council for Court Excellence.

6. **Education and Other**

Floretta Dukes MacKenzie -- Founder of the MacKenzie Group and a director of numerous boards including WETA, Riggs National Corporation, Howard University, Marriott Corporation and Pepco. She is also a member of the Visiting Committee for the University of Maryland, College Park. Ms. MacKenzie was Superintendent of the District of Columbia Schools from 1981 to 1988 and has served as Deputy Assistant to the Secretary, U.S. Department of Education.

H. Patrick Swygert -- President of Howard University and former President of the State University of New York at Albany.

Best regards,



AS:wjb



Northwest Church Family Network, Inc.

c/o 206 New York Ave, NW, Washington, DC 20001 • (202) 347-7510

April 17, 1997

Ms. Melanne Verveer
Chief of Staff, First Lady's Office
The White House
Washington, D.C.

Dear Melanne:

I am writing in follow-up to our conversation yesterday regarding the possibility of Mrs. Clinton touring Northwest Church Family Network at her convenience or attending our opening tentatively scheduled for the afternoon of June 12. As I mentioned, ten of the 30 units have been renovated, and at the opening, the Board will be officially welcoming ten families to their new homes.

Let me briefly describe the Network and our goals. This is a collaborative effort of Holy Redeemer, St. Aloysius, and Holy Trinity to provide semi-permanent housing (three to five years) in a safe, nurturing environment to 30 women and their children in transition so that the mothers can have the opportunity to develop the skills they need to become self-sufficient. A program manager will work with the families to ascertain their needs -- child care, any additional job training, on-going addiction counseling, etc. -- and link the family to the needed services in the neighborhood such as Perry School, HIPPIY, etc..

Much has happened in a short amount of time. The two run-down buildings located at 206 New York Ave., N.W., were purchased for \$350,000 in February 1996, just 14 months ago. Partnering with Paul McElligott's North Capitol Neighborhood Development for hands-on technical assistance and with Pete Forster at Clark Construction for in-kind services, the Board has been able to leverage grants and loans from McAuley Institute, Fannie Mae, D.C. Community Partnership, the Jesuit Community, local churches, foundations and individuals. Our fundraising to date totals some \$330,650 (70% of that being from the private sector) of the estimated needed \$1 million, but as a result we have been able to retire some of the purchase debt and renovate the ten units! The renovation of the remaining 20 units is scheduled to be completed by Fall 1997. As needed, rents will be subsidized by churches, individuals, and groups who will be asked to "adopt a family."

In addition, we are now holding final interviews with the candidates for the program manager who will join the Network in May as our first staff person.

I think the Network is an example of what churches and other groups can do locally to address a national problem, and this is why the Board thought Mrs. Clinton would be interested in seeing the project. Mrs. Clinton's leadership on this issue and her lending her name to these efforts are invaluable as groups and communities here in D.C. and around the country try to make a difference for those who need housing as they acquire needed skills. Please look over the attached list of Board members. You know several Board members as well as our partners and know of the dedication and skill that they bring to an effort like Northwest Church Family Network.

This provides an overview of the project and our plans. Needless to say, we would be happy to provide any additional information that would be helpful.

On behalf of the Board, I greatly appreciate your considering our request. I know that Mrs. Clinton is very busy and understand that she simply cannot respond to all the requests she receives so I'm grateful to you for whatever you can do.

Sincerely,



Charlotte Mahoney
Member, Board of Directors

attachments

cc: Fr. Bava, President

NORTHWEST CHURCH FAMILY NETWORK BOARD

as of April 11, 1997

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202-544-3863 FAX

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202-628-0401 FAX

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