

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. schedule	POTUS, Tuesday, November 30, 1999 (partial) (1 page)	11/30/1999	P6/b(6)
001b. briefing paper	Event, Statement on Paid Parental Leave (partial) (2 pages)	11/30/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Domestic Policy Council (Nicole Rabner)
OA/Box Number: 15418

FOLDER TITLE:

NPRM [Notice of Proposed Rulemaking] re Birth and Adoption Unemployment
Compensation Initiative [1]

2012-1035-S

kc1071

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]

PRESIDENT CLINTON: TAKING NEW STEPS TO SUPPORT AMERICA'S PARENTS

November 30, 1999

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

--President Clinton, May 24, 1999

Today, President Clinton will announce a new rule that empowers states to develop ways of offering paid leave to parents following the birth or adoption of a child. Specifically, the proposed regulation will allow states to use their unemployment compensation systems to help offer paid leave to new parents. This innovative step builds on the President's longstanding efforts to support America's parents and strengthen America's working families.

MAKING PARENTAL LEAVE MORE AFFORDABLE. A 1996 study by the Commission on Family and Medical Leave found that the most significant reason why parents did not take advantage of unpaid leave after the birth or adoption of a child was the expected loss of income. Today, President Clinton will announce proposed regulations that will enable new parents, through the unemployment insurance system, to take leave without sacrificing the wages their families need. The rules respond to the President's Executive Memorandum of May 24, 1999, directing the Secretary of Labor to allow states the opportunity to experiment.

ENCOURAGING STATES TO CREATE MORE OPTIONS. Several states have asked the Administration whether they could have the authority to adapt their unemployment compensation systems for this purpose. This pilot program will be wholly voluntary for states, and states will have considerable flexibility in designing their own programs. The regulations will be published in the Federal Register for public comment and are also available for review on the Department of Labor's website at <http://www.dol.gov>.

HELPING PARENTS BALANCE RESPONSIBILITIES AT HOME AND AT WORK.

Throughout his Administration, President Clinton has fought to provide families with the tools they need to meet their responsibilities both at home and at work. The President has:

- Signed the Family and Medical Leave Act, providing workers with up to 12 weeks of unpaid, job-protected leave;
- Fought for and won dramatic expansions in after-school programs, including \$450 million in the FY 2000 budget agreement, more than doubling the program's size;
- Fought for and won significant increases in Head Start, including \$607 million in the FY 2000 budget agreement, helping low-income toddlers prepare for school;
- Proposed a new tax credit for families struggling with long-term care costs;
- Put forward an ambitious initiative to make child care better, safer, and more affordable for working families; and
- Proposed expanding the FMLA to cover more workers and allow leave for more parental activities, including parent-teacher conferences and routine doctor's visits.

BIRTH AND ADOPTION UNEMPLOYMENT COMPENSATION (UC)

Q&A

11/30/99

Q: What is the Birth and Adoption Unemployment Compensation (UC) initiative?

A: This effort responds to the President's Executive Memorandum issued May 24, 1999, directing the Secretary of Labor to allow States the opportunity to develop innovative ways of using UC to provide partial wage replacement to parents on leave following the birth or adoption of a child and to evaluate the effectiveness of using the UC system for these or related purposes. This regulation will permit interested States to experiment with methods for allowing the use of the UC program for this purpose.

Q: Will States be required to develop UC programs for new parents?

A: No. State participation is wholly voluntary.

Q: Who will be eligible to receive UC for the birth or adoption of a child?

A: This experiment extends only to parents on approved leave or who otherwise leave their employment to be with newborns or newly-adopted children. Time taken for personal illness or to care for other family members is not compensable under this proposal.

Q: Is the President exceeding his legal authority by proposing this change through regulation instead of in Congress?

A: No. The Department of Labor has the authority and responsibility to interpret Federal UC statutes and has done so in the past with the UC program's requirements in such areas as jury duty, temporary layoffs, illness, and training.

The Administration is proposing to exercise this authority to examine how the UC system could help provide benefits for workers who take leave after the birth or adoption of a child. This pilot program would be voluntary, and is simply part of the Administration's overall effort to help working parents both on the job and at home.

Q: Would this change unfairly impact unemployed workers by draining resources away from the unemployed to provide for parents taking leave?

A: No. Each state has the responsibility to assess the cost to its unemployment fund whenever coverage changes, benefit expansions, or tax changes are considered within its UC program. Consequently, we expect prudent state decision-makers to examine the state's solvency and projected taxes and benefit payments under current law before deciding to enact any birth and adoption UC legislation.

Q: Why is this initiative limited to parents of newborns and newly-adopted children?

A: Data from these State experiments will help evaluate the proposition that providing paid leave through UC to new parents will increase the parents' attachment to the labor force. The experimental program is limited to the parents of newborns and newly-adopted children because this class of employees is small and easily-defined. This can allow us to determine whether paid leave helps individuals maintain, or even improve upon, their connection to the workforce by enabling them to better meet parental and family needs.

States remain free to use other mechanisms, such as separate funds or a Temporary Disability program, to reach other populations.

Q: How much will this proposal cost?

A: The cost estimate, which is based on the voluntary nature of the experiment and the expressed interest of a small number of states, ranges from zero to \$76 million.

Q: How will the rule deal with such issues as benefit amounts and employer costs?

A: The guiding principle of this regulation is to allow for maximum State flexibility within the experiment's parameters, as States currently have in determining UC policies. Consequently, each State will establish its own eligibility requirements and benefit amounts. Although the model State legislation accompanying the proposed regulation socializes costs, each State will decide whether to spread costs broadly throughout the system or limit costs to the particular employers whose employees use this benefit.

BIRTH AND ADOPTION UNEMPLOYMENT COMPENSATION (UC)
QUESTIONS AND ANSWERS
Revised 11/29/99

1. What is the Birth and Adoption UC initiative?

This effort responds to the President's Executive Memorandum issued May 24, 1999, directing the Secretary of Labor to allow States the opportunity to develop innovative ways of using UC to provide partial wage replacement to parents on leave following the birth or adoption of a child and to evaluate the effectiveness of using the UC system for these or related purposes. This regulation will permit interested States to experiment with methods for allowing the use of the UC program for this purpose.

2. Will States be required to develop UC programs for parents of newborns and newly-adopted children?

No. State participation is wholly voluntary.

3. Who will be eligible to receive UC for the birth or adoption of a child?

This experiment extends only to parents on approved leave or who otherwise leave their employment to be with newborns or newly-adopted children. Time taken for personal illness or to care for other family members is not compensable under this proposed program.

4. When will parents be able to collect UC after the birth or adoption of a child?

It is difficult to predict when individuals will be able to collect UC to be with their newborns or newly-adopted children. The Department of Labor (Department) anticipates publication of a final regulation in early 2000. States may enact legislation authorizing a Birth and Adoption program based on this regulation. Each State's legislation would set the dates to begin operation of the program in its State.

5. How will the regulation deal with such things as benefit amounts and employer costs?

The guiding principle of this regulation is to allow for maximum State flexibility within the experiment's parameters, as States currently have in determining UC policies. Consequently, each State will establish its own eligibility requirements and benefit amounts. Although the model State legislation accompanying the proposed regulation socializes costs, each State will decide whether to spread costs broadly throughout the system or limit costs to the particular employers whose employees use this benefit.

6. Why use the UC program for this type of paid leave? Don't States have other resources available to them?

While States may have other options available to them, legislation was introduced in several States during 1999 and prior years to make individuals on various types of family and medical leave eligible for UC. The President's directive to the Department essentially requires that States be provided the flexibility -- on a voluntary basis -- to pay UC to parents who take approved leave or otherwise leave employment after the birth or adoption of a child.

The proposed regulations for this experiment, within certain parameters, leave the specifics of each State plan to its legislature, which will need to pass specific amendments to the State UC laws to authorize such payments.

7. Under what authority is the Department issuing these regulations to permit this use of UC funds? And why is the Department issuing regulations and not seeking legislation as some members of Congress have suggested?

The Department has the authority and responsibility to interpret Federal UC statutes and has done so in the past with respect to its interpretation of the UC program's requirements that beneficiaries be able to work and available for work in such areas as jury duty, temporary layoffs, illness, and training.

Therefore, in response to the President's Executive Memorandum, the Department is proposing to exercise this authority to implement an experimental program to examine the use of the UC system to provide benefits for workers who take approved leave or otherwise leave employment after the birth or adoption of a child.

8. Why is this initiative limited to parents of newborns and newly-adopted children?

In following the President's directive, the Department is seeking to assist States that may want to use their UC systems to enable more parents to be with their newborns or newly-adopted children as part of an overall interest in supporting policies which help Americans balance the responsibilities of family and work.

Data from these State experiments will help to evaluate the proposition that providing UC to the parents of newborns and newly-adopted children who take approved leave or who otherwise leave their employment will increase their attachment to the labor force. In order to gain information on the impact of adapting the UC program to address the needs of such employees, the Department is defining the experimental program to cover the parents of newborns and newly-adopted children. This class of employees is a small, easily-defined group that can be used to test whether compensating absences from employment will assist individuals in maintaining, or even improving upon, their connection to the workforce by enabling them to better meet their parental and family needs.

The Department believes the needs of parents in balancing work and family are an important area for experimentation. States will remain free to use other mechanisms, such as separate funds or a Temporary Disability program, to reach other populations.

9. **Some critics of the President's directive cite the Department's own concerns about State unemployment fund solvency as a reason not to allow States the flexibility to offer these benefits. Will these regulations undermine fund solvency?**

No. The Department expects that a State will not enact changes without assessing the effect on the solvency of its unemployment fund. Each State has the responsibility to assess the cost to its unemployment fund whenever coverage, benefit expansions, or tax changes are considered within its UC program. Consequently, the Department expects prudent State decision makers to examine the State's solvency and projected taxes and benefit payments under current law before deciding to enact Birth and Adoption UC legislation.

10. **In 1997 the Department of Labor, in response to a bill introduced in the Vermont legislature, stated that the UC program could not be used to pay leave taken under the Vermont family and parental leave program. Why has the Department changed its policy in this area?**

The Vermont bill would have permitted all individuals taking leave for a variety of reasons under its family and parental leave program to receive UC. The Department interprets Federal UC law to require, in general, that individuals be able to work and be available for work to be eligible for UC. In response to changes in the workforce and societal needs, the Department is considering expanding its interpretation of "able and available" to permit the payment of UC to provide partial wage replacement to employees who take approved leave or otherwise leave their employment to be with their newborns or newly-adopted children. Because this would be an expansion of the Department's earlier interpretation, as set forth in the response to the Vermont proposal, the Department is issuing a notice of proposed rulemaking to permit the public to comment on the

interpretation. The Department is proposing an experimental program, which would allow the Department to test whether providing parents with UC at this point in a child's life will help employees maintain, or even promote, their connection to the workforce.

- 11. Massachusetts also introduced a bill that would pay UC to individuals on family and medical leave. The estimated costs of that bill were \$200 million. How does this compare with the Department's estimate?**

The Department's cost estimate which is based on the voluntary nature of the experiment coupled with the expressed interest of a small number of States and limited to those individuals who could be eligible for the birth and adoption experiment, ranges from zero to \$68 million. The Massachusetts cost estimate was based on a much broader group of potential recipients and includes costs for individuals who are on leave under the Family and Medical Leave Act and the State's maternity law, and others not covered by either law.

- 12. How much could the average worker expect to receive in Birth and Adoption Unemployment Compensation benefits?**

States have a great deal of flexibility in the unemployment compensation program and those that choose to adopt Birth and Adoption UC can design their own programs. However, if a state chose to follow the model legislation, the worker could receive up to 12 weeks of Birth and Adoption UC benefits. The national average weekly unemployment benefit amount is about \$200, making the average total benefits \$2400.

- 13. When will public comments on the proposed rule be due?**

The proposed regulation will be published on December 3; the deadline for the 45 day comment period will be January 17, 2000.

WASHINGTON

Labor Dept. plan offers paid leave for child care

States could use their unemployment funds to pay workers who want to take some time off to care for a new child, under a Labor Department program outlined Tuesday.

The rules expected to take effect early next year, would provide income for workers who, under the 1993 Family and Medical Leave Act, have the right to take up to 12 weeks of unpaid leave to care for a new baby or an ailing relative.



Herman: Endorses new leave subsidy

The subsidy would be about \$200 a week for the average family, Labor Secretary Alexis Herman said. States would not be required to offer the new benefit, which would be paid out of unemployment insurance funded by federal and state payroll taxes paid by employers.

President Clinton said that "giving states the flexibility to experiment with paid employment leave is one of the best things we can do to strengthen our families and help new mothers and fathers meet their responsibilities both at home and at work."

EUROPEAN DEFENSE: The United States endorsed moves by Germany, France and Britain to develop a rapid deployment force within NATO to deal with crises that don't affect the Atlantic alliance as a whole. "We would like to share that responsibility," State Department spokesman James Rubin said. The new structure would relieve the U.S. military of bearing most of the burden.

WISH LIST: "I'll probably get in trouble for mouthing off," Rep. Tom Davis, R-Va., said at a breakfast meeting where he confessed he would prefer Vice President Gore over former senator Bill Bradley as the Democratic presidential nominee. Davis, the head of the National Republican Congressional Committee, said that "presidential atmospherics" will affect the outcome of the House races he is trying to win. He said Gore "personifies" Washington "which we're all set to run against," while Bradley is "an outside candidate, ... new and undefined."

— Kathy Kiely

POLITICS: Hillary Rodham Clinton, the likely Democratic candidate for a Senate seat from New York, criticized New York Mayor Rudy Giuliani, her likely GOP opponent, for cracking down on the city's homeless. Noting that Christmas celebrates "the birth of a homeless child," she criticized the mayor's policy of no longer allowing the homeless to sleep on the street and sanctioning them for not seeking work.

► In California, millionaire businessman Ron Unz, who led the ballot initiative to dismantle bilingual education, dropped his bid for a Senate seat in order to concentrate on a new initiative to limit campaign contributions and use public funds to help finance campaigns. Four GOP candidates are vying to take on Democratic Sen. Dianne Feinstein.

HERO HONORED: The Army presented its Knowlton Award to Charles Chibitty, the last surviving member of an elite World War II group who used its native Comanche Indian language as an unbreakable code to relay sensitive U.S. military messages during the crucial weeks following the D-Day landings in Europe.

The award, established in 1995 by the Military Intelligence Corps Association, recognizes individuals for outstanding intelligence work. It was named for Lt. Col.

Thomas Knowlton, who served in the Revolutionary War.

Chibitty, 78, was one of 17 in the unit known as Comanche Code Talkers. In the code, Hitler was called posah-tai-vo, which translates as "crazy white man."



By Dennis Cook, AP

Chibitty: World War II veteran received the Knowlton Award.

EX-CONGRESSMAN SENTENCED: Former representative Austin Murphy, D-Pa., was sentenced to probation for his role in a Fayette County, Pa., voter fraud scheme. Murphy, 71, denied wrongdoing but pleaded guilty to a misdemeanor count of violating state election laws. He served in Congress from 1976 to 1994.

Written by Paul Leavitt with staff and wire reports

'Stop the WTO': Protesters say goal achieved

Police blame small faction for violence at conference

By Patrick McMahon
and James Cox
USA TODAY

SEATTLE — They came before dawn, dressed as trees, ears of corn, bananas, clowns, monarch butterflies and sea turtles. Thousands of protesters marched from every corner of the city, heading for the Washington State Convention and Trade Center with one purpose.

"Stop the WTO," protesters shouted as they blocked at least half a dozen streets leading to the center. They confronted police and shattered store windows. Seattle police officers, reinforced by state and suburban police and FBI agents, fought back with clouds of tear gas, pepper spray and rubber-like pellets fired from rifles.

But the protesters ultimately succeeded, first in delaying for five hours and then in closing down the opening ceremony of the 135-member World Trade Organization conference. The ceremony was to have taken place at the Paramount Theater, across Pike Street from the convention center.

"Those who were arguing that they were going to shut the WTO down were in fact successful today," Seattle Police Chief Norm Stamper said. About two dozen people had been arrested as of 5 p.m., he said. Minor injuries were reported.

Authorities announced a 7 p.m.-to-7:30 a.m. curfew, effective Tuesday evening. Gov. Gary Locke said two unarmed National Guard units would assist police today.

Enduring the protest were several thousand WTO delegates, lobbyists and trade officials gathered here to launch a three-year round of trade-liberalization negotiations. It is the largest international trade summit ever held on U.S. soil.

As of 9 a.m., there were so many protesters on the streets that many delegates, including U.S. Trade Representative Charlene Barshefsky, several members of President Clinton's Cabinet and United Nations Secretary-General Kofi Annan, could not leave their hotels.

At least a few delegates had their motorcades blocked by the crowds as they tried to reach the site of the opening ceremonies. One delegate, the Colombian trade minister, said her car was attacked by masked demonstrators.

In the early afternoon, WTO chief Mike Moore announced that the opening ceremonies had been canceled but that WTO would proceed with its first working sessions at the convention center at 3 p.m. By then, at least some of the streets had become passable.

Protesters claimed success.

"The objective for the day has been achieved, and we think we have succeeded," said Denis Moynihan, a spokesman

for a coalition of groups formed to resist the WTO. "This is only the beginning of a movement," Moynihan, from Boston, predicted more protests today as Clinton arrives to address the convention. "Our success, coupled with gross police overreaction, will certainly fuel more spirited non-violent direct action," he said. "Our goal is to send the WTO packing forever."

The morning crowds, estimated at more than 7,000 by FBI officials, were swelled just after noon when another 20,000 marchers organized by the AFL-CIO paraded peacefully through downtown Seattle. Many businesses around the convention center closed for the day.

Craig Johnstone of the U.S.

Chamber of Commerce said he hoped demonstrators made their point on Tuesday. If the demonstrations continue today, Johnstone said, "it will have been worse than I expected. Some people will rally to the demonstrators' cause, but an awful lot of people will be turned off by it." The police "have given the demonstrators a great deal of leeway," Johnstone said. "Nobody wants to see a confrontation of the (1968) Chicago Democratic convention type. It would be irresponsible to criticize the city or the police at this point."

Rep. David Dreier, R-Calif., said he was "appalled at the mob tactics being used to stifle debate and dialogue at the World Trade Organization." He called on labor leaders here to denounce the tactics.

"Peaceful protest is an honored American tradition, but mob violence is quite another matter," he said. "As Americans, we can disagree on issues like global trade. But as Americans, we should be united against violence undermining open debate."

San Diego Mayor Susan Golding, whose city narrowly lost out to Seattle for the right to host the WTO session, said she encountered demonstrators as she entered her hotel Tuesday. "It wasn't a pleasant conversation," she said, "but we got in."

The WTO negotiations that

began Tuesday are intended to lower trade barriers in agriculture, services and industry and to set rules for electronic commerce, biotechnology and foreign investment. The WTO, based in Geneva, interprets and enforces trade rules agreed to by member nations.

The critics and protesters here have lambasted the WTO for meeting in secret. They blame the organization for eroding human rights, harming the environment, and lowering wages and labor standards. They say trade liberalization concentrates too much power in the hands of multinational corporations.

Many who came here to protest expected to be arrested.

Han Shan, WTO coordinator for the Ruckus Society, an organization in Berkeley, Calif., that trains protesters in non-violent resistance techniques, said: "The protesters aren't rioting. The police are rioting."

He criticized the police use of tear gas, pepper spray and resin pellets.

Police Chief Stamper, however, said, "I think (the department) has handled this exceptionally well." He blamed the violence and confrontations on a small faction of activists. "We've had an excellent relationship with many of the demonstration's planners."

► More coverage, 1A, 3B

Clean Energy for the 21st Century – A package of initiatives to further demonstrate the Administration's commitment to addressing climate change, both by reducing domestic emissions of greenhouse gases and by encouraging the adoption of clean energy technologies in developing countries:

Investing in Clean Power – A proposed rule, and proposed legislation, to reduce emissions from older coal-fired power plants, a major source of greenhouse pollution. Rule would tighten standards but provide companies new flexibility to meet. Legislation would set a cap on carbon emissions from utilities, and could include financial incentives to retire old plants or switch to cleaner fuels. Would have major public health benefits by reducing smog and other air pollutants.

Choosing Fuel Economy – Challenge automakers to voluntarily provide American consumers with more fuel efficient cars and SUVs (as they are doing in the European market) and pledge to raise fuel economy standards if they don't.

Clean Energy Abroad – A \$250 million program, based on the recommendations of the President's Council of Advisors on Science and Technology, to promote clean energy technologies in developing countries through research, development, and export incentives.

Lands Legacy – Launch a new package of initiatives, and a Lands Legacy tour, to build on the Administration's conservation accomplishments and protect additional lands across the country:

Protecting Natural and Historic Sites – Presidential designation of sites warranting additional protection.

Permanent Conservation Funding – Secure guaranteed funding of at least \$1 billion a year for federal, state, and local conservation efforts.

Encouraging Private Land Conservation – A package of tax incentives to preserve farms, forests and other private lands.

Expanding Refuges – Set a goal of 100 million acres in refuges 2003, the 100th anniversary of the national wildlife refuge system.

Clean Water Across America – Set a goal of making all our rivers, lakes and coastal waters clean enough to fish and swim in doubling our investment in clean water over the next 10 years. Would increase funding to Clean Water State Revolving Funds (\$1.35 billion in FY 2000) and make them available to help farmers and ranchers reduce polluted runoff. Also call on Congress to reauthorize a strengthened Clean Water Act.

Greening the Globe – A new initiative to promote forest conservation and reforestation around the world, particularly in tropical regions facing the gravest threat of biodiversity loss. Would increase funding to USAID and other agencies to provide technical assistance and training, and increase funding for debt-for-nature swaps. Could challenge other developed countries to take similar effort or join us in a multilateral effort.

THE WHITE HOUSE
WASHINGTON

November 23, 1999

MEMORANDUM FOR MARIA ECHAVESTE

FROM: NEAL LANE *Neal*
SUBJECT: State of the Union Messages

I appreciate this opportunity to provide input for the President's Year 2000 State of the Union message. Science and technology should figure prominently in the record of accomplishments that will be featured in the address as well as in the initiatives announced to ensure continued progress toward the Administration's goals.

Accomplishments

When the President remarks on the eight years of record peacetime expansion in the U.S. economy, he should – as Alan Greenspan has – credit science and technology for much of the outstanding performance. Innovations in science and technology had multiple and reinforcing effects on the economy that:

- have resulted in improved productivity, yielding increases in wages or increases in benefits without letting loose higher inflation;
- have led businesses to continue to invest in high-tech capital equipment, making our capital stock more productive and profitable; and
- have provided U.S. businesses with payoffs from technology's efficiencies and from greater education in school and on the job that U.S. workers have acquired to keep pace with the new technology.

I hope the President will also remark on the progress toward a goal he and the Vice President established in 1994 of bringing the total national R&D investment up to 3 percent of GDP. By current projections, total annual R&D expenditures in the United States have outpaced growth in the economy as a whole for three consecutive years, with R&D as a share of GDP reaching 2.79 percent in 1999 – the highest since 1967. In 2000 the U.S. R&D/GDP ratio could exceed the all-time high ratio of 2.87 percent in 1964. The President's policies that spurred economic growth also spurred growth in R&D investment, and those investments will, in turn, ensure continued economic growth.

Initiatives

Most of the growth in R&D investment has occurred in the private sector. Federal investment remains critically important, however, and I hope the President will take every opportunity to

ensure his vision – which has bipartisan support on Capitol Hill – endures. The SOTU address should reemphasize 4 objectives:

- World leadership in science and technology. The most tangible evidence of commitment to this goal would come in the form of a substantial increase in the 21st Century Research Fund. This fund represents the kind of pure investment that characterized the early strategy of this Administration, and might well be renamed the 21st Century Research Investment Fund for this occasion. I hope to see particular emphasis given to all of the peer-reviewed R&D programs.
- A balanced R&D portfolio. As the President stated in the Online Town Meeting, we need to see substantial growth in the physical sciences and engineering disciplines (e.g., chemistry, physics, astronomy and space sciences, mathematics, and geosciences), with particular emphasis on the R&D initiatives identified by my office and OMB. For example, initiatives in the following areas would support advances in a number of disciplines:
 - *Information Technology:* This initiative will deliver to every American in every community the power of instant knowledge and instant communication. It will yield a stronger economy, better jobs, and higher quality health care and education for all citizens.
 - *Nanotechnology:* This initiative will lead to the following potential applications: nanoparticles for improving drug delivery, minute sensors for earlier detection of cancer, computer chips capable of storing trillions of bits on information on a pin-head, advanced materials stronger than steel, and artificial photosynthesis for clean energy.
 - *Climate Change Technology:* This initiative promotes research aimed at technologies that lower carbon emissions, reduce greenhouse gas emissions, and increase the efficiency of energy and materials used in transportation, buildings and manufacturing. One illustration of the potential of this initiative is the Partnership for Advanced Technology in Housing (PATH) site in California where the heating/cooling costs of new homes are less than \$23/month, and construction costs are about \$40/square foot – roughly \$25/square foot cheaper than the average cost for a single family home.
- Research to solve critical national problems. The President has called for research and development to give us tools to address problems that will confront us as we enter the new millennium. We need to develop technologies to fight emerging security threats such as chemical and biological weapons, or attacks on our national information systems and other critical infrastructures.
- Preparation of the 21st century workforce. Substantial growth in university-based basic research, important in civilian and military research but particularly important for DOD (which has decreased its basic research spending by more than ten percent in real terms since the start of the first Clinton Administration), is the best way to ensure that this country is well positioned to prosper from advances in science and technology. It links education with scientific advance, which are both vital to the economy.

I look forward to discussing these ideas with you after Thanksgiving.

November 24, 1999

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed
Eric Liu

SUBJECT: State of the Union/Budget Ideas

Below is a brief overview of some of the ideas we are now developing for the budget and State of the Union. This list is by no means fixed. We've grouped the ideas by subject area, but many of them can and should be placed in a thematic framework of "next generation challenges."

Education

In addition to fortifying some key existing initiatives (teachers, accountability, after-school, charters), we would propose a slate of new proposals that focus on the future of public education.

- Class Size. We'll seek \$1.8-2.0 billion, at least \$500 million over what we won this year.
- Accountability Set-aside. Increase this year's \$134 million earmark to \$250 million.
- After-School. Our goal is at least 1 million kids in the program, at \$700-900 million.
- Charter Schools. To reach the President's goal of 3,000 schools, about \$180 million.
- Small Schools Initiative. New funding to reinvent the high school, enable smaller scale.
- Teacher Quality. Pay-for-performance demonstration, based on Denver's experiment.
- Principals Academies. Seed programs or fellowships to train public school principals.
- Test Prep for Disadvantaged Students. Help subsidize SAT/ACT prep for minorities.
- Distance Learning. Working with NEC to widen access to AP courses online.
- School Report Cards. Help states develop school report cards for parents.
- Achievement Incentive Fund. Bonuses for Title I schools that raise student achievement.
- Teacher Recruitment. We are developing a proposal on this.
- School Safety. Among other ideas, a national tipline to prevent violent incidents.
- Schools of the Future Fund. A pool of capital to finance local innovations in education.

Crime

- 21st Century Policing Initiative. \$1.275 billion request for the next installment in hiring up to 50,000 new officers; law enforcement technology; community prosecutors.
- National Gun Enforcement Project. Unprecedented resources in firearms enforcement:
 - *More ATF agents*. Fund 500 new ATF agents to investigate more gun trafficking cases.
 - *New ATF inspectors*. 100 new inspectors to ensure industry compliance with gun laws.
 - *1,000 new Federal gun prosecutors*. 1,000 new prosecutors to work with U.S. Attorneys.

- *Comprehensive tracing.* First step in an effort to trace every crime gun in America.
- *Expanded ballistics testing.* Help law enforcement catch more gun criminals.
- Re-entry Initiative. This focuses on the re-entry of released offenders into communities. It includes local supervision partnerships, re-entry courts, and more probation/parole officers.
- Police Gun Buybacks. This initiative would encourage state and local police to end the practice of re-selling used police guns and confiscated crime guns on the civilian market.

Health Care

- Medicare/Prescription Drugs. This would be our same plan, with several *potential* modifications to reflect likely higher drug cost estimates, reduced baseline spending, lessened appetite for provider payment reductions, and likely improved Medicare trust fund solvency: (1) drop BBA extenders – not credible in the wake of BBRA; (2) dedicate more surplus/tobacco tax to help pay for drug benefit; (3) dedicate less of surplus to solvency.
- Health Insurance Coverage Options. There is a range of proposals we are considering:
 - *Disability.* Removing arbitrary limit on Medicare coverage for Kennedy-Jeffords.
 - *Medicare.* Medicare buy-in for certain 55 to 65 year-olds.
 - *Parents.* Allowing states to cover of parents of children in Medicaid and CHIP.
 - *Outreach.* To enroll uninsured children in Medicaid/CHIP, with emphasis on schools.
 - *Immigrants.* Restoring state options to cover legal immigrants.
 - *Small Business.* Encouraging small businesses to offer health insurance.
 - *Individuals.* Tax credit for individual insurance to address current tax inequity.
 - *Self-insured.* Accelerating the tax deduction for the self-insured.
- Quality and Consumer Protections. There are three initiatives here. First, the Patients' Bill of Rights. Second, new privacy protections. Third, outcomes-oriented health care research.
- New Medical Technologies. To address both the promise and the peril, we 1) invest more in NIH and research; 2) address abuses, including inappropriate licensing of genetic material, insufficient protections for human subjects in clinical trials, Internet drug sales, bioterrorism.
- Family Support. Recast our long-term care proposal in a package of family policies.

Welfare and Poverty

- Child Support. A package to 1) collect more child support; 2) provide more reliable support for mothers and children; and 3) help low-income fathers get jobs to support their kids.
- Welfare-to-Work Grants. New investments to help both long-term welfare recipients (mostly mothers) and non-custodial parents (mostly fathers) get and keep jobs.
- Cars-to-Work. There are several ways we could help low income families get the transportation they need to get to work, including loan programs and targeted car leasing.
- Housing/Homeownership. More HUD vouchers, and other tools to boost homeownership.

- Individual Development Accounts. Also "child development accounts," to set aside savings for kids, as well as other tools to build assets for low-wealth families.
- Food Stamp Outreach. Additional efforts, as well as a proposal on elderly nutrition.
- Legal Immigrant Benefits. At a minimum, we would adopt last year's proposals.

Families/Youth

- Child Care Subsidies. We would move CCDBG from mandatory to discretionary.
- Child Care Quality. Target our Early Learning Fund more on licensing and quality.
- Paid Leave. We are developing a demonstration, and also exploring a tax credit incentive.
- Temp/Contingent Workers. We are looking at ways to address this booming sector.
- Youth Empowerment Fellowships. To identify and reward youth-driven social innovations.

Service/Philanthropy

- AmeriCorps Reserves. Modeled on Army Reserves, a way to tap former AmeriCorps volunteers in continuing service. Also, a substantial budget request for AmeriCorps itself.
- Nonprofit SBA. We are looking at creating an SBA-type entity to help nonprofits.
- Philanthropy. We are considering a range of tax incentives to encourage more giving.
- Social Venture Fund. To help bring entrepreneurial grass-roots ideas to scale.
- Community Coaches. In schools, to guide students in community service.

Immigration/Civil Rights

- ESL/Civics Initiative. We are also looking to streamline naturalization/citizenship.
- AgNet Registry. Our electronic job registry for growers and migrant workers.
- INS Financing Reforms. To ensure sufficient funds for immigration services.
- EEOC/Equal Pay. Increased funding for EEOC and funds for our equal pay initiative.
- Hate Crimes. We will continue to push for legislation. We are also developing an idea that would target funding to a network of U.S. Attorney-led local working groups on hate crimes.

Tobacco

- Farmers. Studying proposals to make settlement funds for tobacco farmers tax-exempt.
- Look-back Proposals. We are developing a number of variations, as well as our excise tax.
- Litigation. We will again propose funding for the Justice Department lawsuit.

Technology and Other Policy Ideas

- Digital Divide. A public-private initiative to increase access to the Internet for the poor.
- Civic Engagement. New ideas on voting, jury duty, civilian-military relations.
- Food Safety. We are developing a package of proposals that may include a single agency.
- Homeless Access. Help states make Medicaid, CHIP and other programs more accessible.
- Domestic Violence. In addition to VAWA II, a new "safe workplaces" initiative.
- Native Americans. We are putting together a package on education and other areas.

THE WHITE HOUSE

WASHINGTON

November 24, 1999

MEMORANDUM FOR MARIA ECHAVESTE

FROM: GENE B. SPERLING

SUBJECT: FY 2001 BUDGET IDEAS

This memorandum provides a brief description of new ideas we are considering for the 2001 budget.

Education

- *Stay in College:* To address the rising, especially among minorities, college drop out rate by increasing appropriations for grant programs and encouraging colleges to front-load grants (for example, award a student's 4-year eligibility for Pell Grants in the first 2 years.) To create partnerships with colleges and businesses, similar to the GEAR UP program that would help provide guidance on course selections for solid career tracks, internships, work-study and mentoring that would make transitioning into the work world easier

Children

- *Universal 0-5 Preschool:* An initiative combining child care, early learning, Head Start and parenting education for a major and universal 0-5 initiative.

Poverty

- *Expand the Widow Benefit for Social Security to 75 Percent of the Couples' Benefit and Provide a Credit (\$10,000?) for up to Five Years Spent Raising Children:* The President could move further in endorsing a specific widow poverty option. He could also say that he would like us to get together and *do this option in a paid for manner that does not affect solvency.*

Taxes

- *Eliminate the Marriage Tax Penalty – for the EITC Also:* Make the standard deduction for married couples double that of single filers. An alternative proposal could be better targeted and thus provide more for those who pay a penalty. It could also be pitched as being pro working family. We could make a new deduction that would be a fraction of the lower earner's income – so that couples with only one earner would not get marriage penalty relief, but couples who paid the largest penalty (those who earned about the same amount) would get the largest bonus. EITC marriage tax relief would be an integral part of this proposal.

Banking Reform/Financial Services

- *Financial Privacy:* Initiative to protect personal financial privacy as an overarching administration goal in the President's final year in office that would deal with consumer protection issues and fixing problems with the Financial Modernization bill.
- *America Saves Initiative/financial Literacy:* A Clinton initiative to encourage savings and financial literacy for all Americans with a separate New Markets focus.

New Markets/Economic Development

- *Propose New \$100 Million Broadband Deployment Initiative for New Market Areas:* Provides grants to states and local areas to plan for and install high-speed Internet access infrastructure to help attract new business and job opportunities in our Nation's under-served communities.
- *Internet Access for Rural America:* Fiber optic cable is replacing traditional copper and coax cable as the primary source of data transmission. In rural areas, however, the small numbers of users per mile make the cost of installing fiber optic cable prohibitively expensive. In the Pacific Northwest, the Department of Energy's Bonneville Power Administration (BPA) has installed fiber optic cable within its right-of-way to provide communications between its facilities. In order that it has room to expand its data transmission capacity in the future, BPA's fiber optic cable contains excess capacity which BPA's has begun leasing to public utility districts (PUD) so that they may offer data transmission access to internet providers and their rural customers. BPA simply provides the backbone of the system, and the PUDs have to pay for the cost of local interfaces. The President could propose expanding such a program to all of the Federal power administrations, bringing affordable Internet access to a much greater geographic area.
- *Digital Divide:* Launch a bold initiative to help close the digital divide, by:
 - Expanding support for Community Technology Centers (currently at \$32 million);
 - Providing tax incentives for broadband investment in distressed urban and rural communities;
 - Encouraging the development of content that will help empower low-income families (e.g. adult literacy, English as a Second Language, local information on child care, health care, transportation, information needed to start own micro-enterprise); and
 - Subsidizing PC and Internet access to the home for low-income households;
 - Encouraging the private sector to provide PCs and Internet access with a "telecommuting tax credit."
- *Native American/New Markets Initiative:*

Health

- *Encouraging Small Businesses To Offer Health Insurance:* Creating a new tax credit for small businesses who decide to offer coverage by joining coalitions; encouraging private foundations to support coalitions by allowing their contributions towards these organizations to be tax exempt; offering technical assistance to small business coalitions from the Office of Personnel Management. This proposal was in the President's FY 2000 budget. (Costs: \$100 million over 5 years).

- *\$1,000 Tax Credit for Workers with Disabilities:* Provide workers with significant disabilities with an annual \$1,000 tax credit to help cover the formal and informal costs that are associated with and even prerequisites for employment, such as special transportation and technology needs. (Costs: \$700 million over 5 years)
- *Expanding Assistive Technology:* This proposal would double the budget for assistive technologies that enable people with disabilities to work. (Cost: \$35 million for 2001)
- *Keeping Out of Institutions and Getting to Work:* Provide support staff for the disabled allowing more people with disabilities to live at home and to contribute to the workforce. Furthermore this would free up people who are now taking time out from their jobs to help out their disabled relatives.

Reinventing Government

- *Green Pages in the Phone Book – Government Service and Hotline Numbers:* Develop a Green Pages section in the phone book that would describe in plain English basic rights and regulations the Government enforces, and services it provides with 1-800 numbers to find out more.

Child Labor

- *Call for a New Global Effort To Educate Children to Avoid Child Labor:* Presidential appeal to the international community to provide resources to reduce child labor by extending primary education to all children in poor developing country – (Cost – UNICEF estimate: \$7 billion annual global)

Trade

- *Increased Trade Compliance in China:* Devote a small amount of money (e.g., \$5 million) to increase the number of people at ITA working to ensure that China is complying with our trade agreements (30 people). This could also meet the requests of the AFL-CIO and NAM, who have both asked for increased trade compliance funding. And it could help build support for China WTO.

Savings

- *Son of USAs:* Tax policies modeled on Universal Savings Account that are potentially less expensive that would provide SEED money to help families establish the habit of saving for retirement.

HighTech

- *Information Technology for the Twenty-First Century:* This is the second year of a multi-year effort to significantly expand our investment in information technology research in three areas (VP has called for doubling IT research over 5 years): (1) Fundamental IT research; (2) Scientific and other applications of IT; (3) Economic, ethical, legal and social implications of the Information Cost: Last year's request was an increase of \$366 million.
- *Internet for Economic Development Initiative:* To expand Internet and its applications in 11 developing countries. Elements of initiative include: policy reform (encouraging developing countries to adopt Internet and e-commerce friendly policies); training of people in developing countries; support for applications of Internet – including e-commerce for small and medium-sized enterprises, distance learning, and telemedicine. Cost: \$45 million.

Manufacturing

- *Manufacturing Initiative:* To strengthen the competitiveness of US Manufacturing. This preliminary list of proposed initiatives have been grouped as follows:
 - Incumbent worker training;
 - Increasing manufacturing exports;
 - Development and diffusion of technologies;
 - Sustainable manufacturing



This Facsimile is from the
Administration for Children and Families
370 L'Enfant Promenade SW
Washington, DC 20447

Date: 1 / 1

This Transmission consists of this cover plus 2 pages

To: Nicole

From

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Administration for Children and Families

Phone #: (202) 401-9200

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Son of ELF: some thoughts

The next step in the Administration's education agenda: improving the education of children before they enter school. [I think the initiative needs to be presented as primarily educational.]

What is the goal? To make sure as many kids as possible enter school ready to learn. Children who enter school more prepared do better years later (see, e.g., most recent Abecedarian results). Head Start is of course a great program, but it is a very intensive intervention appropriately focused on the most disadvantaged children. We need a broader-based school readiness program, to complement the Administration's K-12 initiatives -- class size, America Reads, GEAR-UP, etc.

How to translate this goal into a program? The goal of the program is make sure that as many kids as possible who are in out-of-home care are in settings that promote their cognitive development.

Ways for communities to do this:

- Increase the number of children in pre-K programs, including child care programs (hard to make the distinction, really, but people get more excited about the words pre-K or preschool) that are accredited/meet nationally recognized standards -- NAEYC, APHA, American Academy of Pediatrics, etc. This could be done by expanding the enrollment of accredited programs or helping programs become accredited, or both.
- Increase the number of children in pre-K programs that meet Head Start performance standards or (more controversial) expand Head Start and Early Head Start programs by, for example, adding above-poverty children. What, you ask, is the distinction b/w a pre-K program that meets Head Start standards and a Head Start program? I think the difference is that the latter is directly funded by and under the oversight of HHS (we monitor compliance with the standards).
- Converting accredited (or high-quality by another measure) part-day or part-year pre-K/preschool programs to full-day.

States would be required to demonstrate progress toward the goal of getting more children in high-quality settings. States that failed to do so would be required to enter into a corrective action plan and could face a loss of funding (eventually). For example, target numbers (preferably ranges) of additional children in high-quality settings could be arrived at through negotiations with HHS, which would then monitor progress toward the targets.

States could be allowed to use a percentage of the dollars for parent education, including center-based educational efforts as well as home visits. [I'm not sure this is necessary, given that the inclusion of parent education in the ELF didn't help us much with the opposing faction in the mommy wars -- or with anyone else for that matter.]

States could apply for permission to use a percentage of the dollars for efforts that are related to, but would not lead directly to, accreditation. For example, if a lower-income community has no pre-K programs that are even close to being accredited, it could devote funds to enhancing provider training or compensation, reducing child: staff ratios or group sizes, increasing the number of unannounced visits by inspectors, etc. The State would still need to document progress toward targets in those areas.

There could be, as in the ELF, a requirement that States distribute dollars to communities – it's hard to imagine what else States would do with the money anyway. The question is, would we specify the process by which the funds would be distributed (competitive vs. formula)? I think it depends on whether the ELF skeptics have a view on the question.

In order to receive the funds, States and communities would be required to set up bodies, representing a variety of constituencies, that would coordinate early childhood education efforts in the State or community – targeting geographical and programmatic areas (e.g., programs for infants and toddlers) of greatest need. Communities could use a very modest percentage (e.g., 5 percent) of the dollars to support the activities of these coordinating entities.

The dollars would be targeted in some way to less affluent communities (e.g., those with a median income below the State level) but we don't need to spend a lot of time on this issue now.



**Executive Office of the President of the United States
Office of Management and Budget**

*Office of Information and Regulatory Affairs
Human Resources and Housing Branch
New Executive Office Building
Room 10235
Washington, DC 20503*

FAX TRANSMITTAL

FAX: 202-395-6974

DATE: 12-1-99

TO: Nicole Rubner

FROM: Joe Luckey

Total number of pages (Including Transmittal Sheet):

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Recipient's Fax Number:

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Comments:

Revised OPM Child Care regulation

Public date: _____

6325-01

OFFICE OF PERSONNEL MANAGEMENT

5 CFR Part 792

RIN: 3206-A193

AGENCY USE OF APPROPRIATED FUNDS FOR CHILD CARE COSTS

FOR LOWER INCOME EMPLOYEES

AGENCY: Office of Personnel Management

ACTION: Proposed rule

SUMMARY: The Office of Personnel Management (OPM) is proposing a rule to set forth how agencies may use appropriated funds to reduce child care costs for lower income Federal employees. The intended effect of this rule is to enable lower income Federal employees to better afford child care.

DATES: Comments must be received on or before [Insert date 30 days after date of publication in the FEDERAL REGISTER].

ADDRESSES: Send written comments to Anice V. Nelson, Office of Personnel Management, Room 7315, 1900 E St. N.W., Washington, DC 20415-1300.

FOR FURTHER INFORMATION CONTACT: Patricia Kinney, Office of Personnel Management, 1900 E St. N.W., Room 7315, Washington, DC 20415-1300; Phone: (202) 606-1313; Fax: (202) 606-2091.

SUPPLEMENTARY INFORMATION: Federal families are more challenged than ever before to meet the expenses of child care. Child care is a labor-intensive service that requires adequate, trained staff to provide child care services that are safe and appropriate for children and their families. An increasing number of Federal families are finding that affordable child care is getting more difficult to find even when their own agencies sponsor on or near-site child care centers. Vacancy rates in federally sponsored child care centers have grown due to the affordability problem. Despite efforts of non-profit organizations to raise funds through charitable contributions, the affordability of child care for lower income Federal employees sometimes remains out-of-reach since child care costs can translate into 25 to 50 percent of a Federal family's total family income.

Reduced child care tuition, as a result of agency contributions permitted by this law, can have significant impact on employees' ability to utilize safe and reliable child care. Benefits to the agencies include better recruitment and retention of qualified personnel, lower absenteeism and improved morale. Improved retention can result in significant recruitment and training cost savings to agencies. Over the past ten years, anecdotal evidence from on-site Federally sponsored child care centers has shown that more and more employees consider the availability of affordable child care as a major reason for choosing one job over another. An added benefit for agencies that sponsor on-site child care centers is that they can expect to see improved Federal employee participation in their centers. For small agencies that have been unable to provide agency-sponsored on-site child care centers, this law would permit them to assist their employees with a variety of other child care choices.

Sec. 643 of Pub. L. 106-58 authorizes the use of appropriated funds to assist lower income Federal workers to access child care services. This law, enacted by Congress, became effective on September 29, 1999, and remains in effect for one year. The law enables Federal agencies, for the first time, to assist their civilian employees with costs of child care. Until now, the only financial remedy for Federal employees was through limited fundraising conducted by non-profit boards of directors for Federal child care centers. That type of assistance has been inadequate for lower income Federal employees. Financial assistance for Federal employees in non-Federal child care and for family child care has been virtually non-existent.

Child care exists in a variety of forms. Because child care is not universally available through agency-sponsored child care centers, Pub. L. 106-58 permits agencies to work with a broad range of providers to ensure that child care is more affordable to lower income Federal employees.

Note: Use of pronouns, we, you, and their variants throughout this part refers to the agency.

E.O. 12866. Regulatory Review

This proposed rule has been reviewed by the Office of Management and Budget in accordance with E.O.12866.

Regulatory Flexibility Act

I certify that these regulations would not have a significant economic impact on a substantial number of small entities because they would only apply to Federal agencies and employees.

List of Subjects

5 CFR 792

Alcohol abuse, Alcoholism, Drug abuse, Government employees.

U.S. Office of Personnel Management

Janice R. Lachance
Director

Accordingly, OPM is proposing to amend part 792 of title 5 of the Code of Federal Regulations as follows:

**PART 792—FEDERAL EMPLOYEES' HEALTH AND COUNSELING
PROGRAMS**

1. The authority citation for part 792, Subpart B continues to read as follows:

AUTHORITY: Sec. 201 of Pub. L. 91-616, 84 Stat. 1849, as amended and Transferred to sec. 520 of the Public Health Services Act by sec. 2 (b)(13) of Pub. L. 98-24 (42 U.S.C. 290dd-1) and sec. 413 of Pub. L. 92-255, 86 Stat. 84, as amended and transferred to sec. 525 of the Public Health Service Act by sec. 2(b)(16)(A) of Pub. L. 98-24 (42 U.S. C. 290ee-1).

2. Subpart B is added to read as follows:

Subpart B—Agency Use of Appropriated Funds for Child Care Costs for Lower Income Employees—What is the new child care legislation and to whom does it apply?

Sec.

§792.201 What does the new law permit?

§792.202 What is the purpose of the new law?

§792.203 Are there any special reporting and oversight requirements related to this law?

§792.204 Should we notify anyone of our intention to make such a disbursement?

§792.205 Are there sample memoranda and other documents available to assist us with this process?

§792.206 What are the benefits to my agency of providing such assistance to my lower income employees?

§792.207 Which agency funds can be used for the purpose of this law?

§792.208 Is the use of appropriated funds for this purpose mandatory?

§792.209 How can agencies take advantage of this new law?/When does this law become effective?

§792.210 What is the definition of Executive agency in this proposed rule?

§792.211 What is the definition of civilian employee?

§792.212 What is the definition of Federally sponsored child care center?

§792.213 What is the definition of contractor?

§792.214 What is the definition of a child?

§792.215 What children are eligible for this subsidy?

§792.216 Are children enrolled in summer programs and part-time programs eligible?

§792.217 Are part-time Federal employees eligible?

§792.218 Does the law apply only to on-site Federal child care centers that are utilized by Federal families?

§792.219. What is the process for helping lower income employees with child care tuition?

§792.220. Are agencies required to negotiate with their Federal labor organizations about the provisions of this law?

§792.221 Are there any conditions which the child care provider must meet in order to participate in this program?

§792.222 Is there a statutory cap on the amount or the percentage of tuition that will be subsidized?

§792.223 What is the definition of a lower income Federal employee and how is the amount of the tuition subsidy determined?

§792.224 Who determines if a Federal employee qualifies as a lower income employee and how does this process occur?

§792.225 Do child care subsidies get paid to the Federal employee using the child care?

§792.226 May we disburse funds to a child care provider or to an organization that administers our program prior to the time the employee utilizing the reduced tuition has enrolled his or her child in the child care center or family child care home?

§792.227 How will this work where there is a Federally sponsored child care center in a multi-tenant building?

§792.228 For how long will the tuition assistance be in effect for a Federal employee?

§792.229 Can these funds be used for children of Federal employees who are already enrolled in child care?

§792.230 Can we place special restrictions or requirements on the use of these funds and how else can we use these funds?/Can we restrict the disbursement of such funds to only one type of child care or to one location?

§792.231 May we use the funds to improve the physical space of the family child care homes or child care centers?

§792.232 For how long is the law effective?

§792.233 Who will oversee the disbursement and use of these funds?

Subpart B: What is the new child care legislation and to whom does it apply?

§792.201 What does the new law permit?

The law permits agencies to use appropriated funds from their salaries and expense accounts to assist lower income Federal employees with the costs of child care. Employees can benefit from reduced tuition rates at Federal child care centers, non-Federal child care centers, and in family child care homes.

§792.202 What is the purpose of the new law?

The law is intended to make child care more affordable for lower income Federal employees through the use of agency appropriated funds.

§792.203 Are there any special reporting requirements related to this law?

Yes, you are responsible for tracking the utilization of your funds and reporting the results to OPM. OPM will provide a mandatory reporting form to you. OPM is required to provide a report to the appropriations committees no later than September 1, 2000. Therefore, you are required to report your results to OPM no later than August 1, 2000.

§792.204 Should we notify anyone of our intention to make such a disbursement?

Yes, you must provide prior notice to the House Subcommittee on Treasury, Postal Service and General Government and to the Senate Subcommittee on Treasury and General Government. This is a Congressional notification requirement. You must also notify OPM of your intention.

§792.205 Are there sample memoranda and other documents available to assist us with this process?

Yes, OPM will provide you with documents such as memoranda of understanding, sample marketing tools, sample tuition assistance applications, and models for determining tuition assistance eligibility. OPM will also provide agencies with the mandatory reporting form.

§792.206 What are the benefits to my agency of providing such assistance to my lower income employees?

There are several benefits for the agencies beginning with improved recruitment and retention. Cost savings in recruitment and training costs can be significant. In addition, absenteeism rates related to child care problems can be reduced. Providing such subsidies can also increase morale, particularly among families who cannot afford the child care located at or near a child care center that is sponsored by their agency. The use of funds for lower income families who are enrolled or wish to enroll in Federal child care centers will increase the Federal participation rates where there is a regulatory requirement that at least 50 percent of the children enrolled are from Federal families.

§792.207 Which agency funds can be used for the purpose of this law?

You are permitted to use funds from your salaries and expense account for the purpose of this law.

§792.208 Is the use of appropriated funds for this purpose mandatory?

No. The decision to use appropriated funds for the purpose of this law is left to the discretion of the agency.

§792.209 How can agencies take advantage of this new law/ When does this law become effective?

The law became effective as of September 29, 1999. Agencies are permitted to spend funds once the implementing regulations are promulgated.

§792.210 What is the definition of Executive agency in this proposed rule?

The term Executive agency is defined by section 105 of title 5, United States Code, but does not include the General Accounting Office.

§792.211 What is the definition of civilian employee?

The term civilian employee, for the purposes of this regulation, means all appointive positions in an executive agency.

§792.212 What is the definition of a Federally sponsored child care center?

A Federally sponsored child care center is a child care center that is owned and operated by a private entity and is located in a building or space that is owned or leased by the Federal government.

§792.213 What is the definition of contractor?

Sec. 643 of Pub. L. 106-58 says that child care services provided by contract are covered by this provision. Contractor applies to an organization or individual who provides child care services for which Federal families are eligible. The definition includes center-based child care and family child care homes. The term provider is typically used to denote contractor in the child care industry. For the purposes of this regulation, the term provider is used to denote both center-based child care and family child care homes.

§792.214 What is the definition of a child?

For the purposes of this regulation, a child is considered to be:

- (1) a recognized natural child who lives with the Federal employee in a regular parent-child relationship;
- (2) an adopted child;
- (3) a stepchild;
- (4) a foster child;
- (5) a recognized natural child for whom a judicial determination of support has been obtained; or
- (6) a recognized natural child to whose support the Federal employee makes regular and substantial contributions.

§792.215 What children are eligible for this subsidy?

The law covers Federal employees' children from birth through age 13.

§792.216 Are children enrolled in summer programs and part-time programs eligible?

Yes, employees with school-age children (13 years of age and younger) who are enrolled in summer school programs and part-time programs are eligible.

§792.217 Are part-time Federal employees eligible?

Yes, Federal employees who work part-time are eligible.

§792.218 Does the law apply only to on-site Federal child care centers that are utilized by Federal families?

No. The bill is broad in scope and includes non-Federal center-based child care as well as care in family child care homes.

§792.219 What is the process for helping lower income employees with child care tuition?

The process can be summarized in 8 steps:

- (1) After completing your collective bargaining obligations, where applicable, notify the Congressional committees and OPM of your decision to use a specific amount of appropriated funds for this purpose;
- (2) Determine how you will structure the program and which tuition assistance model you will use;
- (3) Determine how you will administer the program;
- (4) Advertise the program;
- (5) Conduct the application process;
- (6) Make the tuition assistance determinations and notify the employees (parents are then charged a reduced tuition rate by the provider);
- (7) Provide the funds to the provider or to an organization that will administer the program for you; and

(8) Report the results to OPM on the mandatory reporting form.

§792.220 Are agencies required to negotiate with their Federal labor organizations about the provisions of this law?

You are reminded of your obligation to negotiate or consult, as appropriate, with the exclusive representatives of your employees on the implementation of these regulations under Title 5, Sec. 7117, U.S. Code.

§792.221 Are there any conditions which the child care provider must meet in order to participate in this program?

Yes, the provider, whether center-based or family child care, must be licensed and/or regulated by the State and/or local authorities where the child care service is delivered.

§792.222 Is there a statutory cap on the amount or the percentage of child care tuition that will be subsidized?

No, the law does not specify a cap.

§792.223 What is the definition of a lower income Federal employee and how is the amount of tuition assistance subsidy determined?

Each agency makes the determination of the definition of lower income Federal employee. Lower income Federal employee can be defined by an agency in a number of ways. The process for determining both eligibility and the amount of tuition assistance subsidy for each family involves consideration of total family income along with other factors, depending on the tuition assistance model you use. OPM will provide

examples of models with detailed explanations in their guidance. OPM's guidance on these regulations is a necessary supplement to this regulation.

If the model you select includes a total income threshold, you can use criteria such as those from (1) the Child Care Development Block Grant as defined; or (2) a formula based on a percentage of the State poverty level (as many States do for certain programs); or (3) a set amount of total family income the agency chooses depending on the agency demographics and need to assist lower income Federal employees.

Some models do not require a threshold amount, since eligibility is determined as a function of the relationship between total family income, actual child care tuition, and an amount or percentage the agency is willing to pay.

In order to determine the amount of tuition assistance subsidy by which tuition will be reduced for a Federal employee, a number of approaches can be taken. The size of the subsidy is dependent on different income levels. It can be based on (1) a tuition sliding scale such as that used in the military formula (sections 1791-1798 title 10, U.S.C); (2) a formula based on a specific percentage of total family income the family is expected to pay with the agency paying the remaining amount; or (3) a formula based on a specific percentage of child care tuition the family is expected to pay with the agency paying the remaining amount. Each of these approaches is based on different philosophical assumptions and it will be up to the agency to determine which model best fits its needs. The models are described in detail in OPM's guidance.

Besides total family income, you may consider extraordinary financial situations to determine the the subsidy amount.

§792.224 Who determines if a Federal employee qualifies as a lower income employee and how does this process occur?

You make the determination using certain income and/or tuition criteria you have chosen; or you can request that another organization makes the determination based on an eligibility model you have chosen. You may choose to have the program administered by:

- (1) the non-profit governing board of your Federal child care center;
- (2) the child care provider of your Federally-sponsored child care center; or
- (3) an organization such as the Federal Employee Education and Assistance Fund (FEFA), a non-profit organization that administers tuition assistance programs for Federal employees.

Regardless of which organization administers your program, the model for determining tuition assistance eligibility and the amount of the subsidy is always determined by the Federal agency.

§792.225 Do child care subsidies get paid to the employee using the child care?

No. The child care subsidy is paid to the child care provider. If you choose to have an organization administer your program, the subsidy is paid to them and they, in turn, pay the provider. The provider will invoice the organization that administers the program.

§792.226 May we disburse funds to a child care provider or to an organization that administers our program prior to the time the employee utilizing the reduced tuition has enrolled his or her child in the child care center or family child care home?

Yes, you may wish to disburse one lump sum to one of the organizations listed above (sec. 792.224) and they will be responsible for tracking the utilization and providing you with regular reports.

§792. 227 How will this work where there is a Federal child care center in a multi-tenant building?

You may disburse funds to an entity of a Federal Executive Board or a Federal Executive Association or to any similar interagency organization; or you may choose to disburse the funds to one of the organizations mentioned above in Sec.792.224. In any case, funds from the agencies would be pooled together for the benefit of the employees qualified for tuition assistance and whose children are enrolled at the Federally sponsored child care center. The designated organization administering the program would then make the individual tuition assistance determinations for the eligible Federal employees based on the tuition assistance model chosen by the agencies. Agencies in the multi-tenant space must agree on the selection of one tuition assistance model. Because the law requires that your funds be used for your civilian employees, the tracking system must include information about the number and income level of your employees who were able to make use of child care services as a result of this law.

§792. 228 For how long will the tuition assistance be in effect for an employee?

The tuition assistance, in the form of a reduced tuition rate, will be in effect from the time the decision for a particular Federal employee is made and the child is enrolled in the program, until the child is no longer enrolled, but not later than September 30, 2000.

§792.229 Can these funds be used for children already enrolled in child care?

Yes, the funds can be used for children currently enrolled in child care as long as their families meet the tuition assistance eligibility requirements established by your agency.

§792.230 Can we place special restrictions or requirements on the use of these funds and how else can we use these funds?/ Can we restrict the disbursement of such funds to only one type of child care or to one location?

Yes, depending on your staffing needs and your employees' situations, including the local availability of child care, you may choose to place restrictions on the use of your funds in one of the following ways:

- (1) fund Federal employees using family child care homes;
- (2) fund Federal employees using your on-site child care center;
- (3) fund Federal families using community, non-Federal child care centers; or
- (4) restrict the use of such funds to one or more locations.

It is up to you to determine whether there will be any restrictions on the use of your appropriated funds for child care tuition costs.

§792.231 May we use the funds to improve the physical space of the family child care homes or centers?

No, the legislation specifically addresses making the child care more affordable for lower income Federal employees.

§792.232 For how long is the law effective?

The law is effective for one year, ending September 30, 2000.

§792.233 Who will oversee the disbursement and use of funds?

You will be responsible for tracking the utilization of these funds. OPM's guidance contains details about the oversight of this program and the mandatory reporting requirements.

file BAA-m -
NPRM

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Senator Edward M. Kennedy's Labor Policy Office

DATE:

July 26, 1999

TO:

Wardine Fredrickson - Nicole Rahner
456-6448 456-2878

FAX NUMBER:

FROM:

Holly Schner
(202) 224-5441 phone
(202) 224-3533 fax

Number of Pages:

6 (including cover page)

Message:

MEMORANDUM

To: Susan Green, Assistant Secretary for Policy
Grace Kilbane, Director Unemployment Insurance Service
Geri Palast, Assistant Secretary for Congressional Affairs
Bill Samuel, Assistant to the Deputy Secretary
Henry Solano, Solicitor of Labor

From: Maurice Emsellem, National Employment Law Project
Deborah Greenfield, AFL-CIO Legal Department
Monica Halas, Greater Boston Legal Services¹

Re: FMLA/UI

Date: July 23, 1999

Caroline F. 456-468
Nicole Rabner 456-2878
SP8

As you recall, the Department's model state legislation for innovative ways of using the Unemployment Insurance (UI) system to support parents on leave following the birth or adoption of a child." Executive Memorandum, "New Tools to Help Parents Balance Work & Family" (May 24, 1999). We have organized this memo according to key issues that we believe the Department's regulations and model legislation should address. Each section of the memo defines a specific issue, provides some background, explains the rationale for addressing it in the regulations and model legislation, and then sets forth appropriate model language.

or suggestions for the proposed regulations and the Department's directive to "enable States to develop

Issue No. 1: The Administration's initiative should be promoted in the context of the need for UI reform more generally, i.e., expanding access to the UI system to accommodate the changing workforce, which includes increasing numbers of women, low-wage and contingent workers.

Both the Advisory Council on Unemployment Compensation (ACUC) and the U.S. Department of Labor's "Dialogue" sessions held last year concluded that the UI system has not kept pace with the changing workforce, including the expanding numbers of women, low-wage and contingent workers. Since then, legislators and advocates in the states have successfully campaigned for a range of reforms responding specifically to these concerns. For example, several states established commissions to study the problems of access to UI for contingent workers and several more adopted the movable base period and UI for workers who leave their jobs due to domestic violence. We urge that the Administration's family leave proposal be promoted in the context of this broader UI reform agenda. Here too, the regulation could stress that the initiative provides an avenue for the unemployment insurance system to strengthen

¹ This memo was prepared with the input of Donna Lenhoff of the National Partnership for Woman & Families. While Ms. Lenhoff was not available to review the final memo, the National Partnership will provide its input to DOL shortly.

workforce attachment for these specific groups of workers.

Proposed Preamble Language:

In light of the President's Executive Memorandum and the Department's interpretation of federal law set forth in the regulation, the Department encourages states to take advantage of the opportunity to adapt their UI systems to meet the needs of the 21st century's families. These regulations outline a starting point for state experimentation and development. The regulations further provide an example of the type of state legislation which, by expanding upon the existing UI system, would begin the process of creating more comprehensive support systems for employees who must take leave so that they can meet their family responsibilities. The Department intends that these regulations provide states with the flexibility and opportunity to meet the needs of their citizens, in light of the tremendous changes that have taken place over recent years in the workforce and in our families, and the differing needs that have arisen as a result of those changes.

As the President indicated, most workers cannot take unpaid family and medical leave because they simply cannot afford to do so. Access to unemployment benefits is also on the decline, due in large part to the changing profile of today's workforce, which includes a dramatic increase in the number of women, low-wage and contingent workers. Consistent with the findings of the federal Advisory Council on Unemployment Compensation and of the U.S. Department of Labor's "Dialogue" sessions held around the country last year, states have been successfully promoting UI reform to meet the needs of this changing workforce, reflected most notably in the growing number of states that have adopted the "movable base period." Thus, this initiative, which impacts women and low-wage workers most directly, should be viewed as one more option available to the states to move toward a UI system that continues to evolve with the changing workforce and that strengthens the labor market attachment of these and other workers.

Issue No. 2: The regulations should emphasize the precedent in state statutes allowing workers on recall status to be exempted from a state's "availability" requirements, thus supporting the legality of the Department's position and explaining how the Department's interpretation of federal law evolved from its earlier position rejecting the Vermont legislation.

For state legislators, policy makers, advocates and others to understand better the legality of the proposed laws extending UI to workers on family leave, it is helpful to describe the precedents in states laws that most directly apply here, including the state recall statutes. An emphasis on the state precedent set by the recall statutes will also help explain the change in the Department's position since the first letter rejecting the Vermont bill introduced in 1997. That is, the 1997 Vermont bill was redrafted in 1998 to add the recall language in order to address the Department of Labor's concerns. The recall approach then also became the model for the Massachusetts legislation which the Department was subsequently asked to approve. Thus, we urge the Department to emphasize the state recall statutes, both in its proposed regulations and in the model legislation.

Proposed Preamble Language:

Several state law precedents support the conclusion that federal law does not interfere with a state's decision to enact legislation providing unemployment benefits to workers on family leave. For example, it is well established that compelling family circumstances, including circumstances covered by FMLA, are permissible reasons for leaving work in many states. With regard to availability requirements more specifically, the most closely analogous state precedents are the statutes in the several states that allow workers who are on recall status from their jobs to be exempted from availability requirements. Thus, the recall statutes logically formed the framework for the most recent version of the Vermont and Massachusetts bills which the Department was asked to approve.

Issue No. 3: The proposed regulations, authorizing state legislation to "experiment" with paid family leave consistent with federal UI law, should include language that does not close the door to further experimentation that will be considered on a case-by-case basis, without requiring additional regulations.

The Department has characterized its regulatory initiative as one that permits the states to "experiment" with the provision of unemployment compensation benefits to workers who take leave to care for a newborn or newly-adopted child. We believe that it is important to define the nature of the experiment, as well as its importance. Consequently, we have proposed preambular language on this issue that establishes the following points. First, as we agree, the experimental nature of this initiative does not mean that it is temporary. Rather, it is experimental to the extent that it allows the states to craft their own legislation, following minimal federal requirements. Second, diversity among state laws will provide the UIS with the opportunity to evaluate the effectiveness of various models and approaches. This will allow the UIS to provide guidance to the states as to best practices in this area, as it evaluates state legislation on a case-by-case basis. However, if the UIS undertakes a formal evaluation of particular states' experience with their legislation in this area, it is critically important that other states be allowed to move forward with their own initiatives during the experimentation and evaluation periods.

Allowing the states the freedom to experiment means that the Department will be confronted inevitably with innovative and unanticipated initiatives. Some aspects of innovation will involve program implementation. Other aspects, however, may address the family- and medical-related criteria for the receipt of unemployment compensation, such as leave to care for sick family members, which is very similar conceptually to leave to care for newborn and adopted children. While we understand the Department's intent to stay within the confines of the President's Executive Memorandum, we believe strongly that the best legal case is made by not focusing on any perceived distinctions between different forms of family and medical leave in the Department's interpretation of federal law and "availability." Accordingly, the regulation should preclude neither evaluation nor approval of these latter initiatives on a case-by-case basis, even in the absence of additional regulations. Indeed, we urge the UIS to include specific language to this effect, or at a minimum, to indicate that this regulation takes no position on that issue.

Proposed Preamble Language:

The proposed regulation, which implements the President's Executive Memorandum of May 24, 1999, accords substantial flexibility to states that choose to provide UI benefits for parents who take leave to care for a newborn or newly-adopted child. Because the regulation prescribes no single program model, it leaves the states free to experiment with the design and implementation of their individual programs through the legislative and regulatory processes. The experimental nature of the initiative does not mean, however, that federal authorization to the states is of limited duration, or that state laws must sunset at any time.

The inevitable program variations that will result among the states through the process of experimentation will provide the UIS with a unique opportunity to evaluate this federal initiative. By gathering data on the effectiveness of diverse provisions of state law and their implementation, the UIS will be able to further assist states that seek to craft their own legislation. Of particular importance is the effect of different provisions on individual beneficiaries' attachment to the workforce, since the UIS, over the last several years, has tried to identify and develop mechanisms within the unemployment compensation system to strengthen that attachment, and the President's initiative provides another avenue to achieve that goal. In addition, the initiative provides the states with another tool for the UI system to better each the growing number of women, contingent and low-wage workers.

Proposed Regulation Language

Option 1: This regulation neither explicitly authorizes nor prohibits states from passing legislation to provide unemployment compensation benefits to individuals who take leave from their jobs for additional reasons permissible under the FMLA or equivalent state laws. Consequently, the Department will continue to review state legislation on a case-by-case basis.

Option 2: The President's Executive Memorandum directs the Department to issue regulations allowing states to provide unemployment compensation benefits for newborn or newly-adopted leave. Therefore, these regulations do not speak to the permissibility of other state legislative proposals.

Issue No. 4: Consistent with the goal of encouraging state experimentation, the states should be guaranteed maximum flexibility to draft legislation defining the scope of coverage, as to the definition of "leave following the birth or adoption of a child," the weeks of coverage, coverage for more than one parent, and other technical issues.

The nature of the federal-state unemployment scheme mandates that, to the greatest extent possible, precise definitions and interpretations be left to the states. This will allow each state to respond to the particular needs of its citizens and to act in light of the particular financial circumstances of its UI trust fund. Therefore, the Department should seek to minimize the specificity of its regulations and should try simply to implement, in broad strokes, the President's initiative. As much as possible, states should be able to adopt expansive interpretations, as they

so desire. For example, the FMLA statute and regulations cover a range of circumstances in defining newborn care and care for sick family members.² Consistent with the President's announcement, many of these FMLA covered leaves could be combined in state UI legislation while linked specifically to the public policy objective promoting leave to care for newborn and adopted children.

Proposed Regulation Language:

These regulations do not prohibit states from defining the scope of coverage of state legislation. For example, the Family and Medical Leave Act of 1993, and its implementing regulations, may provide one approach toward defining leave to care for the birth or adoption of a child, the number of employee work hours needed to qualify for coverage and other qualifying issues. However, many states have enacted their own versions of FMLA, expanding on these and other qualifying and coverage issues. Thus, here too, the states are not limited by the requirements of FMLA, and they may define coverage to exceed FMLA based on individual state circumstances.

Proposed Model State Legislation Language:

The term "leave following the birth or adoption of a child" means any leave to care for a child for any reason covered by the Family and Medical Leave Act, 29 U.S.C. § 2601 et seq., within the year following the birth, adoption, or foster care placement of the child, and any leave prior to the birth, adoption, or foster care placement of the child, when such leave is necessary because of a pregnancy-related serious health condition or when absence from work is required for the placement for adoption or foster care to proceed.³

An employee who takes more than one week of unpaid, job-protected leave following the birth or adoption of a child, under the Family and Medical Leave Act, 29 U.S.C. § 2601 et seq., under state law, or under a leave voluntarily provided by the employing unit, shall be determined to be on recall and eligible for unemployment benefits for the duration of the leave in an amount not to exceed twelve times the weekly benefit rate plus dependency benefits. An employee, otherwise eligible for unemployment benefits, who separates from employment because he or she requires leave following the birth or adoption of a child but is not eligible for a job-protected leave, shall be deemed to be on recall and eligible for unemployment benefits in an amount not to exceed twelve times the weekly benefit rate plus dependency benefits.

²The FMLA contains expansive definitions on issues such as the timing of leave, which may begin before the actual birth of a child, 29 C.F.R. § 825.112(c), or before the actual placement or adoption of a child, 29 C.F.R. § 825.112(d). The FMLA also covers foster care as well as adoption, 29 U.S.C. § 2612(A)(1)(B). States also should have the opportunity to define "leave following the birth or adoption of a child" to include leave for a parent who is "needed to care for" a child with a serious health condition, so long as that leave takes place within the year following the child's birth or adoption. See 29 C.F.R. § 825.116.

³See 29 C.F.R. § 825.112(d).

CHRISTOPHER J. DODD
CONNECTICUT

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January 4, 2000

The Honorable Alexis Herman, Secretary
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

Dear Madame Secretary:

I write in strong support of the recently proposed regulations (64 Fed. Reg. 67972, December 3, 1999) allowing states to provide partial wage replacement to new parents through the unemployment insurance system. In my view, these state initiatives will offer critical benefits to working Americans as well as a valuable opportunity to experiment with supporting the all-important work of new parents and those on leave.

As you know, I have long been involved in the effort to help American workers balance the demands of work with the responsibilities of family – most notably in the enactment of the Family and Medical Leave Act of 1993. This landmark legislation has provided millions of working Americans and their families the most basic protection – 12 weeks of unpaid leave to care for a newborn or adopted child, an ill parent, spouse or child, or for their own illness without fear of the loss of their job or health insurance. This protection is important, but many Americans are unable to take advantage of the Act because the leave is unpaid. Indeed, the bipartisan Commission on Family and Medical Leave found that this was the main reason low-income families were unable to take family and medical leave.

It is clear that we must do more to meet the needs of these families. As you know, a number of states have begun to move forward in this area. Legislation to provide partial income during family leave is under consideration many states, including Massachusetts, Vermont, New Jersey, California, Maryland, Washington, and my own state, Connecticut. Many of these states are focusing their consideration on the expansion of their unemployment insurance systems. In addition, states have also been exploring ways to expand the benefits of unemployment insurance protection to more workers. As you know, over time the unemployment system has reached fewer workers and coverage of low-wage and women workers is particularly poor.

The initiative proposed by the Department of Labor builds on the strong foundation laid by these state efforts and by the Family and Medical Leave Act to better assist families. The regulation does not mandate paid leave for new parents in any way. Instead, it provides states with clear authority to consider expansion of their unemployment insurance systems as they work to address these concerns. I believe the focus on state activities and decisions in this area is rightly placed at this time. Indeed, some states, such as those with Temporary Disability

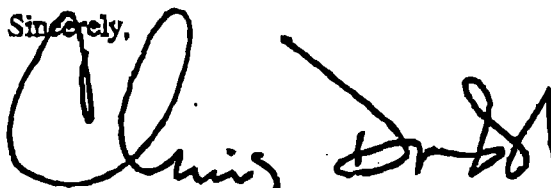
Insurance systems, may chose a different option for meeting the needs of new parents and may look at other options for strengthening their unemployment systems and the benefits they offer.

But this regulation does not just serve states and working parents, perhaps most importantly it offers us the chance to improve the lives and the futures of children. In some of the most breathtaking findings of the decade, research has shown how the first weeks and months of a child's life are critical to long-term physical, emotional and intellectual development. We must invest in our young children and do more to support parents being with their children at this time. However, I am disappointed that the proposed regulation addresses only states providing benefits to new parents. While I agree that this group of leave takers deserves special attention and support, I believe that the regulation should allow states to provide benefits to workers taking time off to cope with other care giving demands. I have proposed legislation to create FIRST Insurance, which would support state efforts to provide wage replacement to parents and potentially to others on family or medical leave. It would require states to support new parents but would also offer states the option of covering other care givers. Beyond providing federal support to states, this would offer states flexibility to serve other families struggling to balance critical family needs and their jobs.

The United States is the world's leader in so many areas, but unfortunately not when it comes to supporting new families. Nearly every industrialized nation, like Canada, New Zealand, Germany, Ireland and France, and most developing nations, like Mexico, China, Singapore and India, assist new parents. I believe that we should learn from them and heed the calls of so many struggling parents and provide some paid leave to new parents. I greatly appreciate your effort to do just this.

I look forward to continuing to work with you in support of this first important step as well as other efforts to support working Americans as they struggle to balance the demands of work with the needs and responsibilities of family.

Sincerely,



CHRISTOPHER J. DODD
United States Senator

cc: Grace A. Kilbane, Director
Unemployment Insurance Service
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, N.W., Room S-4231
Washington, D.C. 20210

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President Clinton



President Clinton stands with Eric Banks (L), his wife Katie and son Collin and Jonathon Graham (C), his wife Teresa and daughters Cheyenne and Jasmine during a family leave event in the Oval Office Tuesday. Clinton on Tuesday proposed new rules to allow states to use unemployment insurance funds for paid parental leave to care for newborn or newly-adopted children. (Mike Theiler/Reuters)

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Subsidies Proposed For Parents On Leave

*Clinton Wants States
To Use Jobless Funds*

By ANNE GEARAN
Associated Press

President Clinton proposed yesterday that parents receive state subsidies while taking time away from work to care for a new baby. "We have no higher value than family," he said.

Clinton announced a proposed new rule that would allow parental leave payments from the same system that now pays temporary benefits to the unemployed. Parents then could draw at least a portion of their regular salaries during leaves timed to the birth or adoption of a child.

"I believe it will strengthen parents' bonds with both their children and their jobs," Clinton said. "On the eve of this new century, we ought to set a goal that all parents can take the time they need for their families without losing the income they need to support them."

The president announced his proposal with three families in the Oval Office before he left for a three-day trip to the West Coast and Pennsylvania. Democratic fund-raising events in California and Philadelphia will bracket Clinton's address to the World Trade Organization in Seattle today.

The proposed parental leave rule would allow states to experiment with their differing unemployment insurance systems under a voluntary pilot program. Advocates say the program would be inexpensive for states, which already collect payroll taxes and distribute unemployment benefits.

A White House official said states may decide for themselves whether they have enough money in the unemployment pot to begin administering parental leave payments, and may also decide the terms and duration of those payments.

At least four states—Massachusetts, Vermont, Maryland and Washington—already are considering extending unemployment benefits to new parents. At the urging of these states, Clinton in May directed the Labor Department to formulate regulations that would allow states to legislate changes under which surplus unemployment funds could be used for parental leave payments.

The unemployment insurance system, set up in the 1930s, allows states considerable flexibility in determining eligibility for unemployment benefits. But federal rules bar states from using unemployment insurance funds for other purposes.

The proposed new rule, which would take effect early next year, does not require congressional action.

Parents are now entitled to up to 12 weeks of unpaid leave with the guarantee of job protection. Since the Family and Medical Leave Act was passed in 1993, about 24 million people have used some or all of their entitled 12 weeks to care for a new baby or other family member.

A federally commissioned 1996 study found parents citing the loss of income as the main reason for forgoing the unpaid leave. The same study found that nearly one in 10 people who took unpaid leave ended up on welfare during their time away from work.

Clinton Renews Call for More Gun Restrictions

Issue Is Theme Of West Coast Fund-Raising Tour

Associated Press

SAN FRANCISCO, Nov. 30—President Clinton, who lost his fight for new gun control laws this year, began pressing the issue anew today during a West Coast fund-raising tour for Democrats and a gun control lobby.

"We haven't done everything we should do to make this the safest big country in the world," Clinton told Democratic politicians and donors in San Francisco.

The White House failed to get new restrictions on gun sales at private gun shows and a requirement that a firearm safety device be sold with each gun to reduce the number of accidental shootings, the president said.

"It's not just crimes that are the problem," Clinton said.

The Democratic Congressional Campaign Committee estimated that the San Francisco luncheon would bring in more than \$500,000 for congressional candidates.

The benefit was part of the president's three-day trip to California, Washington state and Pennsylvania, with Democratic fund-raising bracketing an address to the World

Trade Organization meeting in Seattle on Wednesday.

Later today, entertainer Whoopi Goldberg was set to introduce the president at a glitzy Beverly Hills party benefiting Handgun Control Inc. and its West Coast legal and research office.

Handgun Control's most prominent figure is Sarah Brady, the wife of former White House press secretary James Brady who was shot during the 1981 assassination attempt on President Ronald Reagan. Others associated with the or-

ganization are entertainers Barbra Streisand, Billy Crystal, Susan Sarandon, Rosie O'Donnell and Beau Bridges, who portrayed Brady in a 1992 TV movie on his life.

Tickets to a reception honoring the sixth anniversary of the enactment of the Brady law—which required background checks on firearm buyers—cost \$250 each. A seat at the subsequent exclusive dinner with Clinton required a \$10,000 donation.

The White House marked the law's anniversary by releasing new

public safety figures. The Clinton administration said the Brady background check system has helped block more than 470,000 gun sales to felons, fugitives and others barred by law from owning a gun.

In the year since an add-on "instant background check" took effect, the Brady system has stopped more than 160,000 illegal sales, the White House said.

"These numbers, of course, are not just numbers," Clinton said in a statement. "They represent lives

saved, injuries avoided, tragedies averted. They are a measure of what we can do to reduce gun violence, and a measure of what still needs to be done."

As he signed the \$390 billion omnibus budget bill Monday, Clinton noted that gun control is still on his to-do list, saying: "To curb gun violence and keep firearms out of the hands of criminals and children, we still need sensible gun safety legislation."

Handgun Control, the nation's largest gun control group, this year

increased lobbying outlays about fivefold over 1998 levels. It spent \$340,000 from January through June, compared with \$60,000 during the same period in 1998, according to reports filed with Congress.

Meanwhile, the National Rifle Association, the country's best-known advocate of gun owners' rights, reported that it poured \$850,000 into its lobbying effort during this year's first six months, compared with \$750,000 a year ago.

Policing Health Care

Agreement That a System Is Needed Is Coupled With Privacy Concerns

By LAWRENCE K. ALTMAN

It has been known for some time that medical errors are a major cause of death and suffering in the United States.

Now the Institute of Medicine, the medical arm of the National Academy of Sciences, has called for a new federal office to protect patients and said Congress should require all health care providers to report mistakes that cause serious injury or death.

The main question is how the proposed system might work. While many health-related organizations and consumer groups welcomed the proposal, others expressed concern about additional government involvement in personal health care. Still others, including President Clinton, were concerned about patient confidentiality. Health maintenance organizations say they wonder how frank discussion of errors can occur as long as health care providers fear malpractice suits. And some state governments pointed out that they already had systems designed to do just the kind of thing the academy was suggesting.

One way or another, though, the medical error is likely to be an issue in the presidential campaign. Both Vice President Al Gore and former Senator Bill Bradley have talked about using advanced technology to improve the quality of care.

In a report issued on Monday, the academy said there was a clear need to impose "rigorous changes" on the fragmented health care system to reduce the estimated 44,000 to 98,000 deaths from medical errors each year in the United States.

"The majority of medical errors do not result from individual recklessness, but from basic flaws in the way the health care system is organized," the report said.

The 19-member committee that wrote the report said that in alerting the public to the problem it had been inspired by several well-publicized cases.

One was that of Betsy Lehman, a 39-year-old health columnist for The Boston Globe who died in 1994 after an overdose of chemotherapy for breast cancer at the Dana Farber Cancer Center in Boston.

Another case was that of Willie King, who had part of the wrong leg amputated at University Community Hospital in Tampa, Fla., in 1995.

Also in 1995, the chief neurosurgeon at Memorial Sloan-Kettering Cancer Center in Manhattan operated on the wrong side of a patient's brain.

But the public is less aware of the thousands of other medical errors that occur each year in hospitals, clinics and doctor's offices, the committee said.

Adverse medical events occurred in 3.7 percent of patients in a large study in New York State, and in 2.9 percent of patients in a study in Colorado and Utah. And deaths among those who experienced adverse events in the studies ranged from 8.8 percent in Colorado and Utah to 13.6 percent in New York.

The committee said deaths resulted from hospitals' stocking full-strength drugs despite the fact that they posed a great danger unless they were diluted.

"The know-how exists to prevent many of these mistakes," the report said. But it also said that "unsafe care is one of the prices we pay for not having organized systems of care with clear lines of accountability."

Strong support for the findings came from the National Patient Safety Foundation, a group started by the American Medical Association but which is now independent.

The A.M.A. supported the plan, a surprise turn of events for a group that has long criticized newspaper articles calling attention to incompe-

tent doctors and medical errors.

"This isn't my grandmother's A.M.A.; a lot of the A.M.A. is different than in the 1970's," said Dr. Nancy Dickey, a former president of the association. "We're talking daily about health insurance for every individual and openly about impaired doctors."

The academy said a crucial strategy in reducing errors was shifting the focus "from blaming individuals for past errors to a focus on preventing future errors."

President Clinton said that "we've got to work through how we can use technology, and how we can maybe even slow some of the actions, to make sure that mistakes like this aren't made."

Mr. Clinton is also concerned about protecting patient privacy, said Chris Jennings, deputy assistant to the president for health policy.

Karen M. Ignagni, president of the American Association of Health Plans, which represents H.M.O.'s, said: "The National Academy of Sciences should be commended for shining light on an important problem. Health plans will rise to this challenge and will work with doctors, hospitals and public officials to address these issues."

But she added, "If we want to move in this direction to secure im-

The details of a plan to cut errors remain to be worked out.

provements, as the public wants, there have to be some changes in liability and malpractice."

Ms. Ignagni said the recommendations by the academy's expert panel were consistent with the goals and strengths of managed care.

In defining error as the failure to complete a planned action as intended or the use of a wrong plan to achieve an aim, the academy said errors could happen at any stage of care. Not all errors result in harm, the committee said.

To reduce errors, the academy called for creation of a center in the Department of Health and Human Services to develop tools and systems to address persistent problems.

The new federal center would also set national safety goals, track progress in meeting them and be an objective source of the latest information on patient safety. Units in the center could focus on particular types of errors.

Information would come from a mandatory reporting system similar to one in New York, where the state specifies which adverse outcomes hospitals must report and which they may exclude. Health officials have visited various hospitals statewide to help identify the cause of certain bad occurrences and help them to establish strategies to avoid them in the future, said Kristine Smith, a spokeswoman for the department.

About one-third of states have mandatory reporting requirements.

Although the report cited New York's program as a model, a committee member, Dr. Mark R. Chassin, a former New York State Health Commissioner who works at Mount Sinai Medical Center in Manhattan, disagreed. Dr. Chassin said the program "is the weakest link" in the proposal. Specific programs like one to measure outcomes from heart bypass operations would be more valuable, he said in an interview.

The report said, "It may be part of human nature to err, but it is also part of human nature to create solutions, find better alternatives and meet the challenges ahead."

Justice Stevens Blocks New Laws On Late Abortions in 2 States

By LINDA GREENHOUSE

WASHINGTON, Nov. 30 — The Supreme Court today temporarily blocked enforcement of abortion restrictions in Wisconsin and Illinois to give the justices time to consider whether to decide the constitutionality of the two states' so-called partial-birth abortion laws.

The order was issued by Justice John Paul Stevens in his capacity as the justice with jurisdiction over the United States Court of Appeals for the Seventh Circuit. That court, in Chicago, rejected constitutional challenges to the two laws in a 5-to-4 decision last month. It then refused twice, including today on a tie vote of 5 to 5, to issue a stay of its own ruling.

The laws would have gone into effect on Wednesday had Justice Stevens not intervened. Doctors who violate the Illinois law face three years in prison, while the Wisconsin law carries a penalty of up to life in prison.

The doctors and abortion clinics challenging the two laws, represented in the Illinois case by the American Civil Liberties Union and in the Wisconsin case by the Center for Reproductive Law and Policy, in New York, have not yet filed their Supreme Court appeals but expect to do so in the next month.

The issue is already before the justices in a petition filed two weeks ago by the State of Nebraska, where a similar law was struck down in September by the United States Court of Appeals for the Eighth Circuit. The justices could decide by mid-January whether to hear the Nebraska appeal, possibly in time for a ruling by the end of the current term in early summer.

The Supreme Court has not heard an abortion case since 1992, when by a 5-to-4 vote it affirmed the constitutional right to abortion first established in *Roe v. Wade*. While there is

no guarantee that the justices will take any of the current round of cases, the conflicting rulings by the Seventh and Eighth Circuits substantially increases the likelihood. Although Justice Stevens offered no elaboration on his order today, the court's own practice is to grant a stay only in cases that are good candidates for eventual review on the merits.

Thirty states have enacted laws to prohibit the particular method of late-term abortion that opponents call partial-birth abortion. Lower courts have blocked most of them after finding, as the Eighth Circuit did in the Nebraska case, that the description of the medical procedure was broad and vague enough possi-

**Conflicting rulings
point to the
likelihood of a new
abortion decision.**

bly to outlaw another, much more common method of abortion that is used before a fetus can live outside the womb.

In upholding the Wisconsin and Illinois laws, the Seventh Circuit majority conceded that these, too, were vague as written. But the appeals court said the problem could be cured by federal district courts in the two states issuing "precautionary injunctions" that would limit prosecutions under the laws until their meaning was clarified by amendments, regulations or state court rulings.

REMEMBER THE NEEDIEST!

The New York Times

WEDNESDAY, DECEMBER 1, 1999



Sue_Badeau@rockefeller.senate.gov (Sue Badeau)
11/30/99 12:52:30 PM

Record Type: Record

To: Nicole R. Rabner/WHO/EOP

cc:

Subject: welcome back & signing ceremony

Nicole - Welcome back from Thanksgiving break. Hope you had a wonderful Thanksgiving - we definitely did.

My whole family was so thrilled that "our" foster care bill passed. As I think I told you, of our 22 kids, 9 were already teenagers when we adopted them, and 3 had already "aged out" of foster care and have some pretty awful horror stories about their experiences with homelessness, etc. before joining our family.

6 of those 9 are now in their twenties and leading stable, productive lives. A lot of the energy I put into the foster care independence bill came directly from my experiences with them.

I am looking forward to the signing ceremony - hoping to hear details soon. As you know, our oldest 5 kids (including our 3 who "aged out" of foster care) were not able to join us for the ASFA signing ceremony as they live in Vermont and we had no way to get them to DC at that time in such short notice. I am hopeful that you may be able to include the 3 who had the "aging out" experience or all 5 of those who were not able to come last time on the list of participants for this signing ceremony. It would mean a lot to me and to them. Please let me know.

And if there is anything else I can do to be helpful, please tell me. I am here and I do have some time now that the session has ended and things are a bit quieter!

Thanks again for all your hard work on this bill. It is so important to the kids and families it does effect - I know from deep personal experience.

Hope you are having a great holiday season.

Sue Badeau



UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, D.C. 20415

Office of Congressional Relations
Legislative Analysis Staff

Fax: (202) 606-2526

Office: (202) 606-1424

TELECOPIER TRANSMITTAL SHEET

FROM: CC Christakos

TO: Mr. Mac Reed

Receiving Telecopier Number: 395-7294

Pages sent (including transmittal sheet): 3

Short
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Draft

EXECUTIVE ORDER

FURTHER AMENDMENT TO EXECUTIVE ORDER 11478, EQUAL EMPLOYMENT OPPORTUNITY IN FEDERAL GOVERNMENT

By the authority vested in me as President by the Constitution and the laws of the United States, and in order to provide for a uniform policy for the Federal Government to prohibit discrimination based on an individual's status as a parent, it is hereby ordered that Executive Order 11478, as amended, is further amended as follows:

Section 1. Amend the first sentence of section 1 by substituting "sexual orientation, or status as a parent." for "or sexual orientation."

Sec. 2. Insert the following new sections 6 and 7 after section 5:

"Sec. 6. An individual has the status of a parent, if, with regard to another individual who is under the age of 18 or who is 18 or older but is incapable of self-care because of a physical or mental disability, that individual -

(a) stands in loco parentis to such other individual; or

(b) has the status of -

(i) a biological parent;

(ii) an adoptive parent;

(iii) a foster parent

(iv) a stepparent;

(v) a custodian of a legal ward; or

(vi) a person who is actively seeking legal custody or adoption.

^{a set}
"Sec. 7. The Office of Personnel Management shall be ^{authorized to} responsible for developing ~~and~~ ^{on the} implementing guidance to ~~effectuate the~~ provisions of this order prohibiting discrimination on the basis of an individual's ~~sexual orientation or~~ status as a parent."

Sec. 3. Amend section 4 by substituting "and appropriate to carry out its responsibilities under this Order" for "appropriate to carry out this Order."

Sec. 4. Renumber current sections, 6, 7, and 8 as sections 8, 9, and 10, respectively.

Sec. 5. Add a section 11 to read as follows:

Sec. ¹¹7. This Executive Order does not confer any right or benefit enforceable in law or equity against the United States or its representatives."

WILLIAM J. CLINTON

THE WHITE HOUSE

[date]

FAX TRANSMITTAL SHEET
CROSS-CUTTING ISSUES LAW OFFICE
OFFICE OF GENERAL COUNSEL
ENVIRONMENTAL PROTECTION AGENCY

TO: Mac Reed and Carla Stone
Ofc #: 395-3563/9177
Fax #: 395-7294

FROM: Craig Annear
Ofc #: 202-564-5538
Fax #: 202-564-5541

Pages: 2 (including this cover sheet)

Date: 11/23/99



Mac and Carla -

EPA's comments on the proposed EO entitled "Further Amendment to Executive Order 1478, Equal Employment Opportunity in Federal Government" are attached. Please call if you have questions.
Thanks.

Craig Annear



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

November 23, 1999

OFFICE OF
GENERAL COUNSEL

MEMORANDUM

SUBJECT: EPA Comments on the Proposed Executive Order Entitled "Further Amendment to Executive Order 11478, Equal Employment Opportunity in Federal Government"

FROM: James C. Nelson *Craig Annear, for*
Associate General Counsel
Cross-Cutting Issues Law Office (2322A)

TO: Robert G. Damus
General Counsel
Office of Management and Budget

On behalf of the Environmental Protection Agency, I am providing a response to your November 18 request for comments on the proposed executive order entitled "Further Amendment to Executive Order 11478, Equal Employment Opportunity in Federal Government."

We have the following comments and observations. First, the directive to OPM in new Sec. 7 to develop and implement guidance to effectuate the provisions of the draft order prohibiting discrimination on the basis of an individual's sexual orientation appears redundant. We understand that such guidance has already been disseminated. Second, the quoted portion of Sec. 5 of the draft order should refer to "Sec. 11," not "Sec. 7." Finally, it would be preferable to use more uniform language for the text of the new Sec. 11 and the judicial review provisions of other recent and new Executive Orders.

Thank you for considering our comments. If you have any questions or would like to discuss this memorandum, please call me Craig Annear at 564-5538.

cc: Mac Reed



THE WHITE HOUSE

**WASHINGTON
November 17, 1999**

MEMORANDUM FOR JACK LEW

FROM: BRUCE REED

**SUBJECT: EXECUTIVE ORDER TO BAN DISCRIMINATION AGAINST
PARENTS IN THE EXECUTIVE BRANCH**

I am writing to request that you put into expedited clearance the attached Executive Order, pursuant to Executive Order 11030. The proposed Order would prohibit employment discrimination in the executive branch against employees because they are parents or exercise parental responsibilities.

The proposed Executive Order mirrors the "Ending Discrimination Against Parents Act of 1999," legislation that the President announced in his 1999 State of the Union address and was introduced on November 10, 1999 by Senators Dodd and Kennedy. This bill would, for the first time, protect parents and those with parental responsibilities against job discrimination. It does not bar employers from making hiring and promotion decisions on the basis of qualifications or job performance regardless of the employee's parental status, but it does ensure that workers are not discriminated against simply because they are parents or exercise parental responsibilities.

By issuing this Executive Order, the President will hold the Executive Branch as a model for this important new set of protections. The Executive Order would cover employees in the Executive Branch who are biological, adoptive, or foster parents; stepparents; custodians of individuals who are under the age of 18 or who are 18 or older but incapable of self-care because of a mental or physical disability; and those actively seeking custody or adoption of, and those who stand "in loco parentis" for, such individuals. The Order would bar discrimination against covered persons in all aspects of employment, including recruitment, referral, hiring, promotions, discharge, training, and other terms and conditions of employment.

The Order would also prohibit employers in the Executive Branch from acting on mere assumptions that parents, or those with parental responsibilities, cannot satisfy the requirements of a particular position. It would, for example, prohibit employers from:

- taking a parent off the "fast track" due to unsubstantiated concerns that parents cannot meet the requirements of demanding jobs;
- preferring applicants without children over equally or better qualified working parents; or

- refusing to hire single parents under any circumstances.

However, the proposed Order would not prohibit an employer from making decisions on the basis of a person's job performance. The Order would not, for example, prevent an employer from disciplining workers who arrive late, even if an individual is late because of child care responsibilities. The Executive Order also would not bar an employer from rejecting, for a job that requires extensive travel, an applicant who states that he is unwilling to travel because of his parental responsibilities. Thus, the Order would not interfere with an employer's ability to select workers who are able to perform the jobs in question; the Order would simply ensure that workers are not discriminated against simply because they are parents.

Thank you for your assistance in clearing this Order expeditiously, for release as early as November 27, 1999. The staff contact in the Domestic Policy Council is Nicole Rabner, who is reachable at extension 67263.

Draft

EXECUTIVE ORDER

FURTHER AMENDMENT TO EXECUTIVE ORDER 11478, EQUAL EMPLOYMENT OPPORTUNITY IN FEDERAL GOVERNMENT

By the authority vested in me as President by the Constitution and the laws of the United States, and in order to provide for a uniform policy for the Federal Government to prohibit discrimination based on an individual's status as a parent, it is hereby ordered that Executive Order 11478, as amended, is further amended as follows:

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(b) has the status of –

(i) a biological parent;

(ii) an adoptive parent;

(iii) a foster parent

(iv) a stepparent;

(v) a custodian of a legal ward; or

(vi) a person who is actively seeking legal custody or adoption.

"Sec. 7. The Office of Personnel Management shall be responsible for developing and implementing guidance to effectuate the provisions of this order prohibiting discrimination on the basis of an individual's sexual orientation or status as a parent."

Sec. 3. Amend section 4 by substituting “and appropriate to carry out its responsibilities under this Order” for “appropriate to carry out this Order.”

Sec. 4. Renumber current sections, 6, 7, and 8 as sections 8, 9, and 10, respectively.

Sec. 5. Add a section 11 to read as follows:

“¹¹Sec. 7. This Executive Order does not confer any right or benefit enforceable in law or equity against the United States or its representatives.”

WILLIAM J. CLINTON

THE WHITE HOUSE

[date]

Today: Sunny, breezy.
High 26 Low 21.Thursday: Mostly sunny,
cloudy. High 31 Low 24.

Details, Page B10

125th Year Nov. 1867

The Washington Post

WEDNESDAY, DECEMBER 1, 1999

Today's Local

Bush to Offer \$483 Billion Tax-Cut Plan

Working Poor, Middle Class Would Get Much of Relief

By ERIC PLANIN and TERRY M. NEAL
Washington Post Staff Writers

Texas Gov. George W. Bush will propose a \$483 billion tax-cut plan today that would focus its deepest reductions on the working poor and middle class and become the centerpiece of the Republican front-runner's economic plan.

While the five-year Bush tax plan would benefit wealthier Americans, roughly half of the overall relief would be targeted to middle- and lower-income families, according to campaign aides. That emphasis on the poor would mark a clear departure from more traditional conservative GOP tax policy and would leave Bush backing a tax package far more generous than the one proposed by congressional Republicans earlier this year.

Bush has worked diligently to portray a kind of big tent conservatism that rejects stereotypes of a Republican Party that is insensitive to the concerns of the poor. Advisers to Bush who outlined the plan yesterday said the governor's philosophy was that "America should not be putting up toll gates to the middle class."

They also believe that Bush's approach will have strong appeal to Democrats. The proposal includes relief from the taxes some married couples pay, a gradual elimination of the estate tax and added tax incentives for charitable contributions.

But in crafting his new approach, Bush has proposed a much bigger tax cut than even the GOP tax legislation that was vetoed by President Clinton in September. That plan would have cost \$155 billion over five years or \$792 billion over 10 years. Moreover, Bush is relying on rising long-term projections for the amount of revenue the government will take in than have been forecast by the Congressional Budget Office (CBO).

Bush, like the congressional Republicans, said pay for his tax cuts with budget surpluses projected

See BUSH, A12, Col. 1

Judge Approves \$3.2 Billion Implant Accord

By JOHN SCHWARTZ
Washington Post Staff Writer

A federal bankruptcy judge yesterday paved the way for Dow Corning Corp. to pay out \$3.2 billion to settle claims by some 170,000 women who say they were injured by the company's silicone breast implants.

Judge Arthur Spector, who announced the ruling yesterday in Michigan, said he will give full details in an opinion to be handed down next week. But Dow Corning's lawyers said the judge essentially approved a July 1998 proposal that was submitted jointly by Dow Corning, implant recipients and other creditors to end one of the most protracted and acrimonious disputes in American jurisprudence.

For those who choose to accept a settlement, the plan offers specific monetary damages for the various problems linked to the devices. Women whose implants ruptured or leaked can get up to \$25,000, and women who want to remove their implants can get \$5,000 for the procedure. Those claiming that the devices caused systemic illness such as ailments of the immune system will be able to get as much as \$300,000. Dow Corning says that 94 percent of women with claims against the company have said they will settle.

"We've got a great step forward in both concluding the Dow Corning bankruptcy case and concluding the breast implant controversy for Dow Corning," said Barbara Houser, the lead bankruptcy

See IMPLANTS, A19, Col. 5

INSIDE

EXXON Mobil

Big Oil's Big Merger

Federal regulators approved the \$81 billion acquisition of Mobil Corp. by Exxon, creating what merged-company chairman Lee R. Raymond called "the world's premier petroleum and petrochemical company" and setting the stage for downsizing at Mobil's Fairfax County headquarters.

BUSINESS, Page E1

Kohl Admits to Wrongdoing

Former German chancellor Helmut Kohl acknowledged he used secret financial accounts to mask donations that were channeled to regional branches of his Christian Democratic party. The scandal threatens the reputation of one of Europe's elder statesmen.

WORLD, Page A36



Police fire tear gas at protesters in Seattle to clear a street leading to the site of the World Trade Organization meeting. Mayor Paul Schell said he would impose a curfew for the downtown area.

Protests Delay WTO Opening

Seattle Police Use Tear Gas; Mayor Declares a Curfew

By JOHN BURGESS and STEVEN PEARLSTEIN
Washington Post Staff Writers

SEATTLE, Nov. 30—A guerrilla army of anti-trade protesters took control of downtown Seattle today, forcing the delay of the opening of a global meeting of the World Trade Organization.

Thousands of delegates, including U.N. Secretary-General Kofi Annan, were trapped in the streets and hotels by what quickly blossomed into one of the largest acts of mass civil disobedience in recent U.S. history.

Shouting slogans about greedy corporations and damage to the environment, protesters from all over the country—and many foreign nations—locked arms to block access to a convention center and theater where the WTO conference was to begin four days of talks aimed at opening another round of global trade negotiations. The Geneva-based WTO oversees and enforces world trade agreements.

Most of the demonstrators were militantly peaceful, sometimes

chaining themselves together; among their ranks was a core black clothes and ski masks who mugged on a rampage of window-smashing. Police, who fired tear gas at times to disperse protesters, said they made about 20 arrests.

In an effort to clear the street, Seattle Mayor Paul Schell declared a civil emergency and said he would impose a 7 p.m. to 7:30 a.m. curfew for the downtown area. And at the mayor's request, the governor set in two unarmed National Guard units to help police.

At 5 p.m., police began firing canisters of tear gas into the crowd as they began to disperse.

Earlier the 10 a.m. opening ceremony was canceled, but trade ministers met over lunch and at 3 p.m. the first joint session of the conference began on schedule, under heavy police protection. Working groups on several trade issues met, officials said.

"This conference will be a success," WTO Director-General M.

See WTO, A22, Col. 1

POULTRY'S PRICE Importing Workers

Plant Jobs Open Doors for Koreans

Last of four articles

By PETER PAE
Washington Post Staff Writer

SALISBURY, Md.—Hundreds of white-collar, middle-class Koreans, desperate to immigrate to the United States, are paying as much as \$30,000 each to work in chicken plants on the Eastern Shore.

Immigration brokers advertise the poultry jobs in Korean newspapers as a shortcut to the United States. Koreans who respond pay \$10,000 to \$30,000 in fees and promise to work for a year in processing plants, according to interviews with about 50 current and former poultry workers.

When they are hired, they receive

legal permanent U.S. residency for themselves and their families under a federal program designed to fill unskilled jobs. For some, the process shortens a possible 15-year wait to immigrate. For others, it is the only legal means of coming to America.

Under the program, U.S. companies can import foreign workers once they prove to the Labor Department that they have advertised and recruited extensively yet still have openings. About 10,000 people a year become permanent U.S. residents under the program, which is used by such industries as hotels, mail services and chicken processing companies.

The companies file for the work visas, but it is often middleman agencies and brokers who recruit the specific

individuals who will fill the positions.

The Koreans come to work in slaughterhouses with one primary goal: bringing their children to the United States for what they believe are better educational and economic opportunities. Most are middle-aged bankers, lawyers and managers who spend their life savings to get the job and then find themselves handling work far more difficult than they imagined.

For Koreans coming to the Eastern Shore chicken industry, often there is another hurdle. Workers said in interviews that the Baltimore employment broker who controls most local deals requires a \$5,000 deposit that he

See BROKERS, A34, Col. 1



Young Seo Chol says he paid a \$5,000 deposit for a chicken job.

25 Years Later, No Place for Their Sorrow

Couple Laments Lack Of Memorial in Crash

By MICHAEL LEAHY
Washington Post Staff Writer

BERRYVILLE, Va.—She is here but not here. It is the paradox that always exists for her parents at the big black boulder. After a seven-hour car ride from their home in Ohio to this spot 23 miles west of Dulles Airport, Bill and Celeste Casey trudge through the woods of Northern Virginia's Blue Ridge, an elderly couple trying to make a connection with their first-born child.

"I do feel Cathleen here," Bill Casey whispers hoarsely, his feet crunching piles of leaves and fallen twigs. His wife, too overwhelmed to speak, slips on some slick leaves and grabs for him, pale as snow.

"Hey, you all right?" he asks. Celeste Casey doesn't hear, staring open-mouthed into the moist Novem-



Celeste and Bill Casey at the Virginia site where their daughter died in a plane crash.

ber air beyond a grove of conspicuously dwarfish trees on the other side of the skinny highway, staring, waiting for Cathleen's presence to touch her.

Cathleen is gone. Twenty-five years

ago exactly, on a Sunday morning marked by fierce winds, sleet and fog, a TWA jetliner headed toward Dulles

See CASEY, A20, Col. 1

Border Families Await Word of the Missing

U.S., Mexican Officials Continue Excavations

By MOLLY MOORE
Washington Post Foreign Service

CIUDAD JUAREZ, Mexico, Nov. 30—One couple vanished on the way to a play at a local theater. Two brothers disappeared on the way to a restaurant. Many victims were seen by witnesses being stuffed into official-looking vehicles by assailants wearing Mexican police or military uniforms.

"It's an incredible, horrible thing," Jaime F. Hervella, who lives in El Paso and is a founder of the Association of Relatives of Disappeared Persons, said today in response to the discovery of suspected graves

at two ranches near this border city. "[The bodies] have got to be ours."

U.S. and Mexican law enforcement officials today continued excavations in at least two of four sites that authorities believe could contain the remains of dozens of Americans and Mexicans who have vanished during an unsettling spate of crimes near the international border shared by Ciudad Juarez and El Paso, Tex.

Until Monday, when authorities announced the investigations of possible burial sites, the families of nearly 200 people

See VICTIMS, A37, Col. 1



Ramon Alonzo holds pictures of people who disappeared as police dig for remains.

Montgomery Approves Benefits for Gay Partners

By SCOTT WILSON
Washington Post Staff Writer

The Montgomery County Council approved legislation yesterday extending health benefits to 100 live-in partners of homosexual county employees, becoming the largest Washington area jurisdiction to enter the national debate over gay rights in the workplace.

Nearly 3,000 private-sector companies now offer domestic-partner benefits to homosexual employees who are legally prohibited from marrying their partners and cannot otherwise claim them as health insurance beneficiaries.

Dozens of local governments also extend those benefits, provoking sharp criticism from conservatives and religious organizations that contend the recognition is step toward legally sanctioning gay marriage. Virginia Attorney General Mark L. Easley (R) sided this week with plaintiffs challenging Virginia County's domestic partner law, passed by the County Board two years ago but invalidated by circuit court judge in March. The state Supreme Court is scheduled to hear the case early next year.

By a 6 to 3 vote, the Montgomery council followed Baltimore and Takoma Park to become the

See PARTNERS, A27, Col. 1

The Post on the Internet:
www.washingtonpost.com



The Mayor's Abortion Stance

Most politicians try to sidestep issues that divide voters along militant, angry lines. But New York City's mayor, Rudolph Giuliani, firmly rejected that kind of evasion when asked about late-term abortions during a trip to Texas.

The mayor said, with no apparent qualifier, that he did not plan to change his current position in favor of abortion rights to suit the leadership of New York's Conservative Party. Its chairman is calling on Mr. Giuliani to join other well-known Republicans in endorsing a ban on the late-term procedures that they refer to as partial birth abortions. But the mayor has steadfastly refused to alter his support of abortion rights. He did so again Monday in Texas in the company of Gov. George W. Bush, with whom he disagrees on this issue.

What makes the mayor's stand particularly stalwart is that it could easily jeopardize his nomination by the Conservative Party of New York State. No Republican has won a statewide election in the last 25 years without the Conservative Party

line on the ballot, a position that generally carries from 200,000 to 350,000 votes. If the expected race between Hillary Rodham Clinton and Mr. Giuliani tightens, those votes would look even sweeter than they do already. The Conservative Party chairman, Michael Long, vows that he will not bargain on the issue. Mr. Long is even threatening to bring out an "aggressive" candidate to run on the Conservative line unless the mayor changes his mind and agrees to endorse a ban on late-term abortions. This extra candidate would surely siphon votes away from Mr. Giuliani and help Mrs. Clinton's chances.

Once next year's Senate campaign is in full throttle, Mr. Long may view things differently. Mr. Giuliani may eventually make a courtesy visit to the Conservatives and try to persuade them to respect either his principled stand or, at least, the political realities. But the Giuliani camp said that his basic position would not be compromised, making this a case in which the mayor's stubborn streak is well deployed.

Paid Leave for Parents

President Clinton's plan to give states the option of providing unemployment insurance benefits for new parents is good for working families. The 1993 Family and Medical Leave Act gave workers the right to take up to 12 weeks of unpaid leave to care for a newborn child or sick relative without losing their jobs. But many low-income workers cannot afford to take any amount of time off without pay. The new experimental project, which would be totally voluntary, would allow states to subsidize a leave following the birth or adoption of a child if they so chose. At least four states — Vermont, Maryland, Massachusetts and Washington — have proposed legislation to extend unemployment benefits to parental leave.

Under current federal law, states have substantial flexibility to determine eligibility for unemployment benefits and benefit levels. Although unemployment insurance is traditionally seen as helping only those who have been involuntarily laid off and are immediately available to work, many states have granted benefits to workers who are not in that narrow category. A third of the states, for example, grant unemployment benefits to workers who leave

their jobs because of urgent family reasons, such as a spouse being relocated. Federal regulations have likewise allowed states to grant unemployment benefits to workers who are off the job because of training programs, illness in some situations, jury duty or temporary layoffs. Allowing states to experiment with providing benefits to new parents could help meet the needs of the changing labor force where mothers and fathers both work. The Labor Department would evaluate the impact of the benefits on insurance costs, and on worker retention and management, before the program is made permanent.

Business lobbies are concerned that a new benefit would drain the trust funds that pay unemployment insurance. But many states currently have significant trust fund surpluses because of low unemployment in recent years, and many have chosen to reduce unemployment insurance taxes as a result. State policy makers are in the best position to determine whether their labor force would be helped by expanded parental leave benefits. The Clinton administration would give them the ability to move forward on this issue.

The New York Times

WEDNESDAY, DECEMBER 1, 1999

PROVIDING FAMILY LEAVE INCOME THROUGH UNEMPLOYMENT INSURANCE Questions & Answers

A new federal regulation will be issued in the next few days that encourages states to let new parents collect unemployment insurance while on unpaid family leave. This document answers some of the most common questions about using unemployment insurance to provide family leave income and about the upcoming regulation.

Background

Since the Family and Medical Leave Act (FMLA) was enacted in 1993, it has helped at least 24 million Americans take up to 12 weeks of *unpaid*, job-protected leave to care for their new babies and sick family members, and to recover from their own serious illnesses, without hurting businesses. Yet too many women and men simply cannot afford to take unpaid leave, even when their families need them most. The bipartisan Family Leave Commission found that nearly two-thirds of employees who did not take needed leave cited lost wages as the primary reason.

In June 1999, the National Partnership for Women & Families launched the Campaign for Family Leave Income, a multi-year initiative to make family and medical leave more affordable for all working Americans. "Family leave income" (FLI) describes a variety of ways to help people afford time off when a baby is born or adopted, when a close relative is seriously ill, or when workers themselves need medical care.

Unemployment insurance is one of the most widely considered and promising vehicles for providing FLI. Several states -- including Massachusetts, Maryland, Vermont, and Washington -- are considering extending unemployment benefits to employees taking family or medical leave. A 1998 National Partnership survey found that most Americans -- 79% -- support this approach.

Family Leave Income and Unemployment Insurance

Why should unemployment insurance be used to provide FLI benefits?

Originally a safety net primarily for male breadwinners, unemployment insurance was designed with the assumption that women could devote themselves exclusively to family needs. With the massive entry of women into the workforce and the rapid aging of the population, along with an historically high demand for workers, the unemployment insurance system must evolve to accommodate the real-life challenges facing today's families: more people need care, but fewer people are available to provide that care without compensation. Using unemployment insurance to provide FLI benefits would help update the unemployment system to fit the changing composition of the American workforce and the American family.

Won't it be very expensive to provide FLI through unemployment insurance?

No. Because it is based on an insurance model, providing FLI this way is very inexpensive. For instance, extending unemployment benefits to Massachusetts workers on family or medical leave is estimated to cost no more than a modest \$1.25 per covered worker per week. Further, in states with such proposals, the cost can be fully offset by unemployment fund surpluses -- surpluses that states like Massachusetts are considering simply returning to employers in the form of tax cuts.

At the same time, the hidden costs of *not* having FLI are substantial. The costs to employers include higher turnover and replacement costs and lower productivity when employees are forced either to forgo needed time off from work or to leave their jobs entirely. The costs to society include increased health care and public benefits expenses. In fact, the bipartisan Family Leave Commission found that nearly one in ten leave-takers, and 12% of women leave-takers, were forced onto public assistance during leave.

But isn't unemployment just for people who get laid off?

Since its creation in the 1930's, the unemployment insurance system has given states considerable flexibility in determining how best to use their unemployment funds, including setting eligibility requirements. Many states have found it worthwhile to provide unemployment benefits to people in situations that do not fit the narrow, traditional criteria of being involuntarily laid off and immediately available for work. Examples of such state policies now in place with the approval of the U.S. Department of Labor include the following:

- ◆ Employees who are temporarily laid off, but will be "recalled" to work for the same employer, are not required to be "available" to work for anyone else to be eligible for unemployment benefits in seven states. Similarly, people who are temporarily not working because they are on family or medical leave also want and intend to return to the same job: the bipartisan Commission on Leave found that 84% of employees who take FMLA leave return to their jobs.
- ◆ Several states provide benefits to workers who become unemployed and then develop a physical condition that prevents them from working. Employees who must take medical leave to recover from a physical disability are in essentially the same position. The mere timing of their disability should not control employees' access to benefits.
- ◆ One-third of states already recognize that employees who must leave their jobs for an urgent and compelling reason -- such as a spouse getting relocated or the inability to find child care -- still deserve unemployment benefits, even though they were not laid off.
- ◆ People enrolled in approved job training programs receive benefits, even though they are allowed to turn down work during their training periods. Such employees are no more available for work than employees taking family or medical leave.

Won't providing FLI endanger unemployment insurance trust funds in times of recession?

No. The real threat to trust funds comes not from an expansion of unemployment benefits, but from repeated and dramatic employer tax cuts. Even as American businesses have enjoyed record-breaking profits, they have been lobbying aggressively and successfully for large cuts in their unemployment taxes: at least 15 states have cut unemployment taxes sharply in the past five years, and legislation to lower taxes is pending in many more. Ironically, some of the same business groups insisting that providing FLI would "devastate" state trust funds are still calling for cuts that would deplete those same funds -- but would benefit their own bottom line. For example, Massachusetts business interests oppose using unemployment insurance for family or medical leave, even as they lobby for tax cuts equal to the entire cost of providing FLI throughout the state.

In fact, many states are well positioned for an expansion of unemployment insurance benefits to include employees on family and medical leave. State trust fund reserves increased 85% overall from the end of the last recession in 1992 through 1998. Well over half the states have reserves that exceed solvency guidelines specifically designed to measure the ability to withstand a severe recession. These guidelines are calculated by averaging actual unemployment costs from the three worst economic downturns of the previous twenty years.

The President's Directive on Unemployment Insurance for New Parents

What was President Clinton's directive to the Department of Labor?

In May 1999, the President directed the Secretary of Labor to propose a new regulation confirming that states may offer unemployment insurance to working parents on leave to care for a newborn or newly adopted child.

How will the regulation be developed and when will it go into effect?

The Department of Labor is poised to issue a "notice of proposed rulemaking" -- or draft regulation - within the next few weeks. States and the public will have the opportunity to submit comments as part of the process of developing the final regulation. An effectiveness date for the final regulations has not yet been set.

Why is this regulation necessary?

Four states (Maryland, Massachusetts, Vermont, and Washington) asked the Administration to confirm that they could use their unemployment insurance systems to offer FLI in accordance with federal law. In response, the President directed the Labor Department to clarify how states wishing to use unemployment insurance to assist new parents could put those plans into effect.

How long will people be able to take leave and receive pay?

States will be free to define the length of time employees may receive unemployment insurance while on family leave.

Who will be eligible for this new form of unemployment insurance coverage?

Each state may establish its own eligibility requirements. Some states may choose to cover every worker who already qualifies for unemployment benefits. Other states may elect different criteria, such as eligibility for leave under the federal FMLA.

Why should new parents be singled out for this benefit?

Providing FLI benefits to new parents is an important investment in the future workforce. Research shows that parental involvement is crucial to help babies develop physically, emotionally, and intellectually, and that children benefit from early parental attention long after they leave infancy.

While recognizing the needs of new parents, advocates for women, children, parents, seniors, and people with disabilities also strongly support making family leave affordable for those who need to care for seriously ill children or other family members or to recover from their own serious illness.

Right now, employers who fire more workers pay higher unemployment taxes -- it's called "experience rating." Won't this regulation increase unemployment taxes for employers with more new parents on the payroll?

No. States can, and should, exempt this new form of unemployment coverage from experience rating.

Won't the new regulation force state governments to pay for people's individual choices?

No. State participation in this program is wholly voluntary. Indeed, the new regulation protects state governments' choice to provide FLI to new parents through unemployment insurance (or not). In choosing to set up FLI programs, states fulfill our collective responsibility to help young families thrive, to value caregiving, and to prevent poverty -- all longstanding American values that are already reflected in a range of public policies, from Social Security to dependent care tax credits.

Isn't this a backdoor way of addressing a question that Congress should decide?

No. In creating the national unemployment compensation system in 1935, Congress envisioned a federal-state cooperative scheme that would provide a uniform national floor for the benefits states could grant, while leaving states otherwise free to develop eligibility criteria that would offer more generous coverage and benefits. When questions about this scheme have arisen, however, states have routinely asked the Department of Labor to clarify the law, as four states did in this case.

This document was produced by the Campaign for Family Leave Income, a project of the National Partnership for Women & Families. For more details about state proposals and programs and the Campaign for Family Leave Income, please see www.nationalpartnership.org or call 202/986-2600.

**EXPERTS AVAILABLE FOR COMMENT ON NEW REGULATION:
UNEMPLOYMENT INSURANCE (UI) FOR NEW PARENTS ON FAMILY LEAVE**

Judith Lichtman, President, and Donna Lenhoff, General Counsel, National Partnership for Women & Families

experts on family leave policy and research (Lenhoff wrote the first draft of the FMLA) and leaders of the national Campaign for Family Leave Income, which supports using UI and other approaches to making family leave more affordable

202/986-2600

Joan Lombardi, Ph.D., Bush Center in Child Development and Social Policy, Yale University

early childhood development and child care expert, oversaw child care programs at HHS (93-98) and was first director of the Child Care Bureau -- can comment on the importance of parent/child bonding in the early months, and parental leave as part of the quality child care continuum

703/660-6711

Matthew Melmed, Executive Director, and Lynette Ciervo, Communications Director, Zero to Three: National Center for Infants, Toddlers, and Families

spokespeople for prominent non-profit research and policy organization that promotes the healthy development of babies and toddlers

714/956-6400 (at conference and board meeting in Disneyland, will check voice mail regularly)

DC office is 638-1144, but call hotel above first

Deborah Wachenheim, Government Relations Director, RESOLVE: The National Infertility Association (a national membership group for people dealing with infertility and adoption)

can comment on adoptive parents' need for paid leave

617/623-1156

Professor Lucy Williams, Northeastern University School of Law

expert on UI law, was on the Federal Advisory Council on UI Compensation

617/373-3527

Maurice Emsellem, Director of Public Policy, National Employment Law Project

attorney and expert on the UI system, especially how it works for lower-income families

212/285-3025

Tuesday, November 30, 1999

8:55 AM

Departure Statement

Tab A

- Remarks

Tab B

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. schedule	POTUS, Tuesday, November 30, 1999 (partial) (1 page)	11/30/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Domestic Policy Council (Nicole Rabner)
OA/Box Number: 15418

FOLDER TITLE:

NPRM [Notice of Proposed Rulemaking] re Birth and Adoption Unemployment
Compensation Initiative [1]

2012-1035-S
kc1071

RESTRICTION CODES

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

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

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

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

RR. Document will be reviewed upon request.

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

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

(00(a)

Tuesday, November 30, 1999

**SCHEDULE OF THE PRESIDENT
FOR
TUESDAY, NOVEMBER 30, 1999**

Final Schedule

SCHEDULING DIRECTOR:

STEPHANIE STREETT

HOME: P6/(b)(6)
OFFICE: 202-456-2823
WHCA PAGER: 4824

**PRESS DESK:
(SAN FRANCISCO, CALIFORNIA AND
LOS ANGELES, CALIFORNIA)**

KAREN BURCHARD
HOME: P6/(b)(6)
OFFICE: 202-456-7193
WHCA PAGER: 4769

**PRESS DESK:
(SEATTLE, WASHINGTON)**

ANNE EDWARDS
HOME: P6/(b)(6)
OFFICE: 202-456-2921
WHCA PAGER: 4208

TRIP COORDINATOR:

JULIE EDDY
HOME: P6/(b)(6)
OFFICE: 202-456-5330
WHCA PAGER: 4560

**ADVANCE LEAD:
(SAN FRANCISCO, CALIFORNIA)**

CHERI STOCKHAM
CELL PHONE: P6/(b)(6)
STAFF OFFICE: 42-220
WHCA PAGER: 4143

**ADVANCE LEAD:
(LOS ANGELES, CALIFORNIA)**

AL RUTHERFORD
CELL PHONE: P6/(b)(6)
STAFF OFFICE: 43-220
WHCA PAGER: 4556

**ADVANCE LEAD:
(SEATTLE, WASHINGTON)**

MORT ENGLEBERG
CELL PHONE: P6/(b)(6)
STAFF OFFICE: 33-220
WHCA PAGER: 5109

WEATHER:

SAN FRANCISCO, CALIFORNIA
Showers. Low 50°F. High 58°F.

SEATTLE, WASHINGTON
Showers. Low 45°F. High 47°F.

WASHINGTON, D.C.

*Partly cloudy and colder. Winds northwest at 15 to 25 knots.
Low 29°F. High 37°F.*

LOS ANGELES, CALIFORNIA
Partly Cloudy Low 52°F. High 66°F.

November 29, 1999 (9:55 PM)

Tuesday, November 30, 1999

**SCHEDULE OF THE PRESIDENT
FOR
TUESDAY, NOVEMBER 30, 1999
*Final Schedule***

8:35 am-
8:50 am

BRIEFING
OVAL OFFICE DINING ROOM
Staff Contact: Bruce Reed, Joe Lockhart

8:55 am-
9:15 am

DEPARTURE STATEMENT
OVAL OFFICE
Remarks: Terry Edmonds
Staff Contact: Bruce Reed, Joe Lockhart
Event Coordinator: Laura Schwartz
POOL PRESS

-- **The President** makes remarks and greets participants.

9:20 am

THE PRESIDENT departs The White House via Marine One en route
Andrews Air Force Base
[flight time: 10 minutes]

November 29, 1999 (9:55 PM)

A

THE WHITE HOUSE

WASHINGTON

99 NOV 29 PM 8:25

November 29, 1999

STATEMENT ON PAID PARENTAL LEAVE INITIATIVE

DATE: November 30, 1999
LOCATION: Oval Office
BRIEFING TIME: 8:35am – 8:50am
EVENT TIME: 8:55am – 9:15am
FROM: Bruce Reed

I. PURPOSE

To announce a new rule that empowers states to develop ways of offering paid leave to parents following the birth or adoption of a child.

II. BACKGROUND

Today, you will announce a proposed regulation will allow states to use their unemployment compensation systems to help offer paid leave to new parents. This innovative step builds on your longstanding efforts to support America's parents and strengthen America's working families.

MAKING PARENTAL LEAVE MORE AFFORDABLE. A 1996 study by the Commission on Family and Medical Leave found that the most significant reason why parents did not take advantage of unpaid leave after the birth or adoption of a child was the expected loss of income. Today, you will announce proposed regulations that will enable new parents, through the unemployment insurance system, to take leave without sacrificing the wages their families need. The rules respond to your Executive Memorandum of May 24, 1999, directing the Secretary of Labor to allow states the opportunity to experiment.

ENCOURAGING STATES TO CREATE MORE OPTIONS. Several states have asked the Administration whether they could have the authority to adapt their unemployment compensation systems for this purpose. This pilot program will be wholly voluntary for states, and states will have considerable flexibility in designing their own programs. The regulations will be published in the Federal Register for public comment and are also available for review on the Department of Labor's website at <http://www.dol.gov>.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001b. briefing paper	Event. Statement on Paid Parental Leave (partial) (2 pages)	11/30/1999	P6/b(6)

COLLECTION:

Clinton Presidential Records
First Lady's Office
Domestic Policy Council (Nicole Rabner)
OA/Box Number: 15418

FOLDER TITLE:

NPRM [Notice of Proposed Rulemaking] re Birth and Adoption Unemployment
Compensation Initiative [1]

2012-1035-S
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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]

[0016]

HELPING PARENTS BALANCE RESPONSIBILITIES AT HOME AND AT WORK. Throughout your Administration, you have fought to provide families with the tools they need to meet their responsibilities both at home and at work. You have:

- Signed the Family and Medical Leave Act, providing workers with up to 12 weeks of unpaid, job-protected leave;
- Fought for and won dramatic expansions in after-school programs, including \$450 million in the FY 2000 budget agreement, more than doubling the program's size;
- Fought for and won significant increases in Head Start, including \$607 million in the FY 2000 budget agreement, helping low-income toddlers prepare for school;
- Proposed a new tax credit for families struggling with long-term care costs;
- Put forward an ambitious initiative to make child care better, safer, and more affordable for working families; and
- Proposed expanding the FMLA to cover more workers and allow leave for more parental activities, including parent-teacher conferences and routine doctor's visits.

III. PARTICIPANTS

Briefing Participants:

Bruce Reed
Loretta Ucelli
Joe Lockhart
Terry Edmonds
Nicole Rabner

Stage Participants:

Secretary Alexis Herman
Katie and Eric Banks, Fairfax, VA

6 par, 6 kids

W

P6/(b)(6)

Teresa and Jonathan Graham, Baltimore, MD

AA

P6/(b)(6)

Darsie Cahall and James Baker, Takoma Park, MD

W

P6/(b)(6)

[0016]

P6/(b)(6)

IV. PRESS PLAN

Open Press.

V. SEQUENCE OF EVENTS

- YOU will greet families in the Oval Office.
- The press pool will enter the Oval Office.
- YOU will make a statement and depart.

VI. REMARKS

To be provided by speechwriting.

B

Final 11/30/99 7pm
Terry Edmonds

99 NOV 29 4:22

**PRESIDENT WILLIAM J. CLINTON
DEPARTURE REMARKS
PARENTAL UNEMPLOYMENT PAY
THE WHITE HOUSE
November 30, 1999**

Good morning. Joining me here at the podium today are Katie and Eric Banks and their son, Collin of Fairfax, Virginia; Jonathan and Teresa Graham and their two children of Baltimore and Darsie Cahall and James Baker and their three children of Takoma Park, Maryland. I will say a little more about them in a moment.

In a few minutes I am heading to the West Coast. But before I go, I want to tell you how we are using the enormous potential of our strongest economy in years, to strengthen working families.

Yesterday I signed a budget that maintains the fiscal responsibility that has given us the longest period of economic expansion in history and at the same time lives up to the values of the American people. We value family. But too many of our families are having trouble balancing the demands of home and work. Today, I am using my executive authority to give these parents new tools to succeed at home and on the job.

The surging technology and soaring prosperity we currently enjoy are the result of a lot of hard work and long hours by American workers. In fact, today, many working parents are forced to make the unacceptable choice between being good workers and good parents. The truth is, in our 'round- the- world, 'round-the-clock economy there just don't seem to be enough hours in the day for parents to do everything they need to do. That is why my Administration has worked hard to help parents balance work and family.

Last May, I asked the Secretary of Labor to develop new ways to address this problem. Today, I am announcing a Labor Department rule that lets states use their unemployment insurance programs to offer paid leave to new parents. This initiative is totally voluntary for states, and it helps them empower more working parents like the ones standing with me today.

When little Collin was born, his mother, Katie was working as a waitress and his dad was working as the head electrical technician for a small company. Unfortunately, Collin was born ill and had to be in intensive care for several weeks. Katie took unpaid leave and eventually quit her job to be with her son. Collin's dad, Eric, wanted to take leave but couldn't afford it. Once Collin was well enough, Katie looked for and fortunately landed another job. But both Collin and her husband would have and should have been able to take paid leave to care for their son. That's what this parental leave initiative is all about.

I believe that giving states the flexibility to experiment with paid unemployment leave is one of the best things we can do to strengthen our families and help new mothers and fathers meet their responsibilities both at home and at work. State flexibility and the voluntary nature of this effort are key. In this strong economy, we hope states will take advantage of this new option...and we believe that those that do will balance this new benefit with the imperative of maintaining a fiscally sound unemployment insurance program.

This effort builds on my Administration's commitment to giving working families more tools to help them adapt to the new demands of our growing economy -- from expanding the Earned Income Tax Credit, to our Welfare-to-Work efforts. From increased funding for child care to Hope Scholarships that are helping more young people get into college. And in the budget bill I signed yesterday, we fought for and won a doubling of resources for after-school programs to give young people a safe place to study between the end of their school day and the end of their parents' work day.

I am especially proud that the first bill I signed as President was the Family and Medical Leave Act. Since 1993, millions of Americans have used it to take up to 12 weeks of unpaid leave to care for a newborn or a sick relative without losing their jobs. The importance of this benefit has been confirmed by the testimony of experts and parents at the first-ever White House Conference on Early Childhood Development and Learning in 1997, and from groups like the American Academy of Pediatrics. They all reinforce what we already know from common sense: Giving parents and primary caregivers time to bond and nurture their children leads to healthy development, including boosting critical language and literacy skills.

But, the current law just meets a fraction of the need. And the number one reason families give for not taking advantage of Family and Medical Leave is that they just can't afford to take the time off without a paycheck. The actions we are taking today will go a long way towards alleviating that burden. And I believe it will strengthen parents' bonds to both their children and the workforce.

As I have said, on the eve of the 21st century, we ought to set a goal that all working Americans can take time when they need it to care for their families without losing the income they need to support their families. This new state authority will move us in the right direction and give us another tool in our national efforts to strengthen the American family and reward the dignity of work.

Thank you.