

JIM KOHLENBERGER

Phil,

Here are a couple
of examples of what
we give the VP when he
travels. Take a look
and give me a call.

Jim
X66223

Louisiana Background

November 17, 1995

PRIOR VISITS

You were last in Louisiana on August 1, 1995, in New Orleans for the following events:

- You had a private meeting with approximately 30 community leaders to discuss social and economic issues.
- You met with the leadership of the Southern Christian Leadership Conference (SCLC). The meeting included Dr. Joseph Lowery, president of the SCLC, and Coretta Scott King.
- Finally, you were the keynote speaker at the 38th annual meeting of the SCLC. The theme of the conference was "Focusing on Essentials: Economic, Political and Spiritual Empowerment."

POLITICAL

1992 PRESIDENTIAL ELECTION RESULTS

	<u>Louisiana</u>
Clinton	46.4%
Bush	40.9%
Perot	11.8%

REP. JIMMY HAYES

Roll Call reported this week that Rep. Jimmy Hayes (D) will switch parties by the end of the month. Hayes endorsed State Senator Mike Foster (R), the GOP nominee for governor, soon after Foster and Rep. Cleo Fields (D) won slots in the gubernatorial run-off.

1995 GUBERNATORIAL RACE

This is an open seat because the controversial Governor Edwin Edwards (D) is not seeking re-election this year. In a Foster-Fields match-up, some say a Republican pick-up seems to be a foregone conclusion. A Southeastern Louisiana University poll of 715 registered voters conducted November 1-9 reports that State Senator Mike Foster (R) holds a 51%-31% lead over Rep. Cleo Fields (D). (His lead was 63%-25% among voters who have made up their minds.) Foster enjoys 69% white support (86% support among whites who have made up their minds) while Fields has 79% of

the African American vote. Fields holds a 46%-35% edge among Democrats while Foster enjoys an 86%-3% lead among Republicans. While Fields is campaigning hard, Foster, who is known to be prone to gaffes, is making very few public appearances. His most recent gaffe occurred during a debate last week. During a response to a question about crime, Foster referred to New Orleans, which is majority African American, as a "jungle." Fields stopped short of calling the remark racist, saying "I wouldn't call it a racist statement as much as I would call it a bad statement. We can't have a governor who divides people and insults people." Foster later apologized.

Endorsements -- Several prominent Democrats have endorsed Foster, including former Governor John McKeithen, Rep. Jimmy Hayes, Jefferson Parish Sheriff (and former gubernatorial candidate) Harry Lee and House Speaker John Alario. Alario's endorsement came despite Foster's repeated statements that he wants to see new people in leadership posts in the House and Senate. (As mentioned above, there is much speculation that Hayes will soon switch to the GOP.) Senators John Breaux and Bennett Johnston, Attorney General Richard Ieyoub and Insurance Commissioner Jim Brown released a letter endorsing all of the Democratic candidates facing Republican opposition in the general election, including Fields. This is expected to be the extent of their involvement in the race. Fields has done a very poor job of reaching out to other Democrats in the state for assistance. The DNC has sent a \$50,000 check to the state party and has deployed organizers to work with the Fields campaign and the state party's coordinated campaign. The DGA has given \$5,000 to the Fields campaign and \$95,000 to the state party.

None of Fields' Democratic challengers in the primary have endorsed him. There has been much speculation in state political circles about whether State Treasurer Mary Landrieu (D), whom Fields narrowly edged out of the run-off, will endorse him but she has said privately that she will not. She is still angry about Fields' accusation in the closing days of the primary campaign that she was playing the "race card" by saying that Fields could not win in the general election. Landrieu did make such a comment but she also said that about her other Democratic opponents. Fields says he never called her a racist and he has nothing to apologize for.

Campaign issues -- Fields plans to hit on Foster's strict opposition to abortion in the closing days of the election, hoping to pry loose some of Foster's support among white women. The State Party has prepared a spot which will attack Foster on abortion, hit him on his support for permitting Louisianans to carry concealed weapons and, taking a page from the Kentucky playbook, will attempt to tie him to Newt Gingrich's plans for Medicare. Fields was endorsed yesterday by a coalition of progressive organizations, including the Environmental Political Action Committee of Louisiana, the Louisiana Coalition for Tax Justice, the Sierra Club and Louisiana Citizen Action.

So far, there has been heavy absentee voting among whites and very little among African American voters.

PRESIDENTIAL POLITICS

While the South has generally been moving Republican, that trend has been slower in Louisiana. A large African American vote, a strong populist tradition and a well-organized state Democratic party operation makes the state one of the principal Southern battlegrounds for 1996. It will, however, be a very tough fight to capture the state's nine electoral votes. African Americans make up 28% of the state's voters and vote overwhelmingly Democratic. As a result, the conventional wisdom is that a Republican must capture 63% of the white vote to win statewide. While that is indeed a formidable share, the Republican nominee will likely begin the race close to that number. The most recent poll showed the President leading Bob Dole 47%-42%.

Republicans. In 1996, the Louisiana Democratic primary will take place on Super Tuesday, as it has for the past two cycles. The Republicans, however, plan to select 21 of their 27 delegates in caucuses they have scheduled for February 6, 1996, which would make Louisiana's caucuses the first-in-the-nation. (This specific date is not carved in stone and may be moved to accommodate Iowa's wishes to remain first.) The remaining six delegates will be selected in a primary on Super Tuesday. Gramm is believed to be relatively strong organizationally in Louisiana and is widely viewed as having orchestrated the move to an earlier caucus.

John Treen, brother of former Governor David Treen (R), filed a lawsuit recently alleging that the state GOP's proposed caucus system violates the state's presidential primary law. The lawsuit also charges that the delegate selection process was designed to give Gramm some delegates early in the process to boost his campaign. Treen said that a small group within the state party supports Gramm and will do anything to help his campaign. Treen said "The point is to get him delegates early so it won't look like his campaign is falling apart." Republican officials in Iowa and New Hampshire have said that if Louisiana insists on February caucuses, they will move their dates to January.

1995 OPEN PRIMARY RESULTS

Louisiana has a unique primary system in which candidates of all parties run in a single primary. Any candidate who receives 50 percent of the vote is elected. Otherwise, the top two finishers, regardless of party affiliation, go into the runoff. The primary was held October 21 and the general election will be held on November 18th.

State Senator Mike Foster (R) and Rep. Cleo Fields (D) placed first and second in the gubernatorial primary and will proceed to the run-off. Foster placed first with 26%, followed by Fields with 19%, State Treasurer Mary Landrieu with 18%, former Governor Buddy Roemer (R), also with 18%, attorney Phil Preis (D) with 9%, Lt. Governor Melinda Schwegmann (D) with 5% and State Rep. Robert Adley (D) with 2%. Fewer than 8,000 votes separated Landrieu and Fields.

Although Fields' victory in the primary has seriously crippled our prospects in that race, the primary results were not all bad for Louisiana Democrats. Of the eight statewide offices, the Democrats won five outright in the October primary and a sixth, Lt. Governor, is very likely to stay in our column. (The GOP, meanwhile, will likely pick up the top office and re-elected Secretary of State Fox McKeithen (R) in the

primary.) The Democrats are also assured of maintaining firm control of the state House and Senate, something which was very much in doubt in light of many Democratic legislators' involvement in an ongoing FBI corruption probe. The Democrats won outright 74 of Louisiana's 105 state House seats in the primary, the Republicans won 10 and eight races will be decided in the run-off. In the Senate, Democrats won 24 of the chamber's 39 seats, Republicans won 10 and five races will be decided in the run-off.

1996 SENATE RACE

As you know, Senator Bennett Johnston (D) will not seek re-election next year. The race to succeed him will be very hotly contested. The picture of who will run to succeed him remains clouded. On the Democratic side, Rep. Bill Jefferson (D) is the only announced candidate. Jefferson dropped out of the gubernatorial primary about a month ago and endorsed Fields. Fields, in turn, endorsed Jefferson's Senate bid. Attorney General Richard Ieyoub (D) is the potential candidate topping Democratic wish lists these days. He has travelled to Washington to sound out a race with DSCC Chair Bob Kerrey. He would make a very strong candidate and he has reportedly been emboldened by his 76% victory in the open primary against a credible candidate. New Orleans Mayor Marc Morial (D) has also expressed interest in running.

On the Republican side, David Duke and millionaire businessman Pat Taylor have said they will run. Most speculation has focused on Rep. Billy Tauzin (R), a recent convert to the GOP who is also believed to be preparing for a bid. Tauzin's apparent interest has quieted talk that Reps. Jim McCrery (R) or Richard Baker (R) will run. (Both are also reportedly very happy with their newfound influence in the House majority.) Other Republicans considering the race are New Orleans City Councilwoman Peggy Wilson and Secretary of State Fox McKeithen.

STATE LEGISLATURE

The Louisiana state legislature meets annually for 60 legislative days beginning the 3rd Monday in April. The Democrats currently hold a 87-16 majority in the House, and a 30-16 majority in the Senate. As mentioned above, the Democrats, though they will lose seats this cycle, will continue to hold decisive edges in both chambers next year. John Alario is the Speaker of the House and Sammy Nunez is President of the Senate.

FBI probe. A large group of state legislators, including Nunez and almost all Democrats, are involved in a FBI probe into corruption allegations involving the gambling industry. A number of these legislators lost in the primary or face tough run-offs. Among them, Senate President Nunez faces a run-off from Lynn Dean (R), who won the first round by a 46%-35% margin. Most analysts are predicting his defeat. Nunez gained notoriety in the state for passing around contributions from gambling interests on the Senate floor.

Issues impacting Louisiana

Attached you will find the impacts of the Republican budget cuts on Louisiana detailing numbers for medicare/medicaid and EITC and the Clinton Administration's accomplishments in Louisiana. Following are some specific Congressional issues affecting Louisiana.

Government Shutdown: There are more than 20,000 federal employees in Louisiana, including about 17,000 federal employees in New Orleans -- 4,495 work for the U.S. Postal Service which is not be affected by the furloughs. John Breaux said this last week, "We're so busy trying to score political points, I think some people in Louisiana believe even we in Congress are not 'essential' employees who should report to work tomorrow."

Medicaid: The Senate included a special Medicaid block grant formula, designed for Louisiana and New Hampshire alone. Under the Senate bill (but not the House's), Louisiana would get temporary and partial relief from a mandatory 28 percent state match of federal Medicaid funds (Louisiana would pay only 15 percent initially). In return for that reprieve, Louisiana would agree to a five-year freeze of its \$ 2.6 billion Medicaid grant, while most other states would get 5 to 8 percent annual increases. Administration analysis indicates that under the new Senate block grant proposals, Louisiana would take a 52% cut in the year 2002.

Federal royalties on offshore oil and gas: The Senate last month approved Senator Johnston's legislation allowing the Interior Secretary to reduce or forgive royalties owed on some oil and gas extracted from the deepwater Outer Continental Shelf. The House rejected this royalty relief for the offshore oil and gas industry. The difference must be resolved in conference. We have not included language in our Interior SAP on this issue and the administration has not opposed the royalty relief provision in the past.

Welfare: As of January 1995, 257,557 Louisianians received a monthly federal welfare check -- a relatively high number compared to other states. About 67 percent (or some 175,000 recipients) were 17 years old or younger. The House welfare bill would deny cash welfare (although non-cash services like medical care would be allowed) to unwed teenagers with children. Also, the House would deny cash welfare for additional children born to a mother already on welfare. The President has made clear that he thinks the House bill goes too far.

Food programs: In Louisiana, about 130,000 women and infants receive food and nutrition education through WIC each month. About 179,000 Louisiana school children now have a federal guarantee to a free school lunch and another 46,000 children are guaranteed a reduced-price lunch. The House has voted to block-grant these feeding programs to the states, remove the federal guarantee of who is covered, and allow the states to decide who qualifies for the feeding programs and what nutrition benefits they receive. The Senate welfare bill retains the federal guarantee of food aid for families who meet certain poverty standards. The President has said he might be able to sign the welfare bill if it ends up looking like the Senate's

Farm Issues: The ultimate resolution of how to treat the government's price-support program for sugar farmers will mean much to Louisiana farmers. The Senate bill

would preserve (although probably reduce) traditional support programs for cotton, rice and Southern dairy farmers, while a House budget bill scraps the traditional supports and substitutes a fixed-price payment to farmers which would be less generous to cotton, rice and Southern dairy products.

LOUISIANA DEMOGRAPHICS

POPULATION 4,251,569
Rank 21

White: 67.3%
African-American 30.8%
Hispanic: 2.2%

EMPLOYMENT

Government 21.2%
Manufacturing: 11.4%
Trade: 22.8%
Service: 23.8%

OTHER

Per Capita Income \$15,143
Number of Federal Workers 21,637
Average Federal Salary .. \$30,311

APPOINTEES FROM LOUISIANA

<u>Name</u>	<u>Title</u>	<u>Agency/Dept</u>
William Arceneaux	Chair, Bd of Dirs	Student Loan Mktg Assoc
Nathaniel H. LaCour	Member	Comm on Presidential Scholars
William LeBlanc, III	Commissioner	Postal Rate Commission
Phyllis Oakley	Asst Secretary	Department of State

(Prepared by Jim Kohlenberger, Eric Anderson and Doug Sosnik)

Impact Of The Republican Budget Cuts On LOUISIANA

IMPACT ON HEALTH CARE IN LOUISIANA

The Republican MEDICARE Cuts Will Force 572,000 Older And Disabled Americans In Louisiana To Pay Higher Premiums and Higher Deductibles For A Weakened Second Class Medicare Program.

- Medicare spending in Louisiana will be cut by \$1 billion in 2002 and \$5 billion over seven years.
- These cuts will threaten the integrity of the Medicare program by imposing unprecedented out-of-pocket increases on beneficiaries, decreasing access to doctors, and undermining the financial viability of hospitals.
- The cuts will force many hospitals to close and cost the typical hospital \$17 million over seven years, according to the American Hospital Association.

The Republican MEDICAID Cuts Will Reduce Federal Payments To Louisiana By \$5.3 Billion Over Seven Years, A 27% Reduction In 2002 Alone. Nationally, Republicans are proposing to cut about \$170 billion from Federal Medicaid spending between 1996 and 2002: a cut of 18% over seven years and 29% in 2002.

- 8 million people will be denied Medicaid coverage nationwide. States will be forced to deny coverage to 8 million people, including:
 - 4 million children
 - About 900,000 older Americans
 - Over one million individuals with disabilities

IMPACT ON WORKING FAMILIES IN LOUISIANA

The Republican Budget Increases Taxes For Working Families:

- The Senate Finance Committee proposal will increase taxes for 435,038 Louisiana taxpayers in 2002.
- On average, each affected EITC recipient in Louisiana will see a tax increase of more than \$369 in the year 2002.
- Families with two or more children will be hit hardest. In Louisiana, 193,038 families with two or more children will see an average tax increase of \$506 in 2002.

Source: Medicare estimates from Department of Health and Human Services (HHS). Medicaid estimates from HHS based on revised House Medicaid formula, as of October 27, 1995. EITC estimates based on Department of Treasury analysis of Senate proposal.

ECONOMIC PROGRESS IN LOUISIANA UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for Louisiana after the first 32 months of the Clinton Administration:

Improved Economic Conditions in Louisiana:

- The unemployment rate has dropped from 7.5% to 6.5%.
- Almost twice as many new jobs **per year** — 60,039 vs. 30,875 average during the previous 4 years. In 31 months, Louisiana has added 155,100 total jobs, after adding 123,500 during the previous 4 years combined.
- Almost 2 1/2 times as many new private sector jobs **per year** — 56,206 vs. 23,250 average during the previous 4 years. In 31 months, Louisiana has added 145,200 private sector jobs, after adding 93,000 during the previous 4 years combined.
- In 31 months, Louisiana has added 5,300 total manufacturing jobs or 2,052 **per year**. During the previous 4 years combined, Louisiana **ADDED** 12,900 manufacturing jobs or 3,225 **per year**.
- Bank lending has increased by \$4.3 billion — after dropping by \$6.3 billion during the previous 4 years.
- Bankruptcy filings have dropped 23% **per year** — after increasing 8% **per year** during the previous 12 years.
- Business failures have dropped 25% **per year** — after increasing 17% **per year** during the previous 12 years.
- Home building has increased 13% **per year**.

What President Clinton's Accomplishments Have Achieved for the People of Louisiana:

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN LOUISIANA: The national debt will be **more than \$1 trillion** lower over 7 years than was projected before the passage of the President's economic plan. That's about \$15,000 of reduced federal debt for each family of four in Louisiana.

25 TIMES MORE LOUISIANA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 390,496 working families in Louisiana will receive a tax cut. This compares to an increase in the income tax rate for only the 15,672 wealthiest taxpayers in Louisiana.

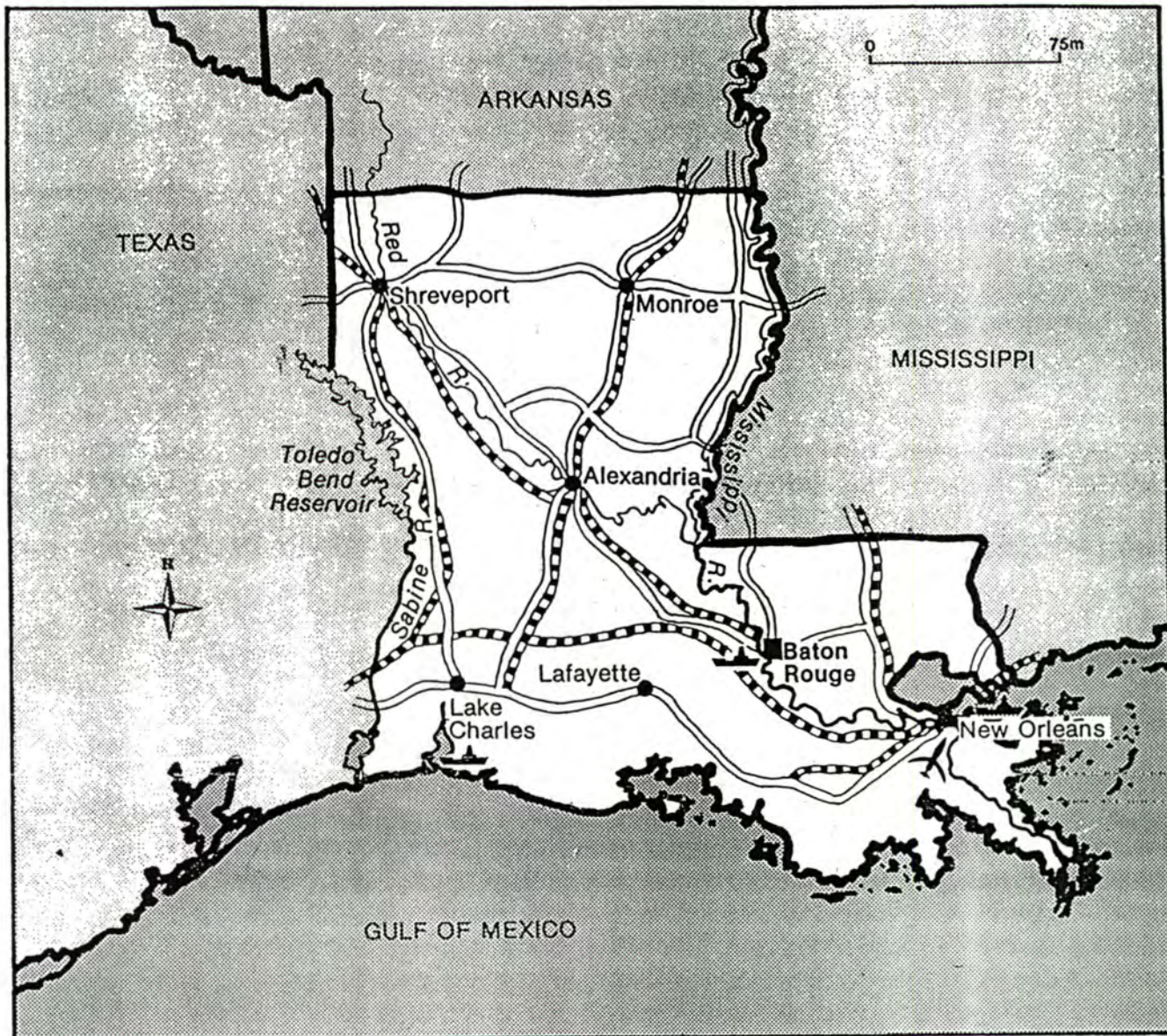
TAX CUT FOR 18,281 SMALL BUSINESSES IN LOUISIANA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 18,281 small businesses in Louisiana are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

583,000 LOUISIANA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 582,680 workers in Louisiana, and protects the jobs of 35,004 workers in Louisiana who are likely to use unpaid leave this year alone.

201,400 STUDENTS AND FORMER STUDENTS IN LOUISIANA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 201,400 Louisiana borrowers — 141,000 current borrowers and 60,400 new borrowers in the next few years — can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates, and all will benefit from more repayment options, including income contingent repayment.



LOUISIANA



New Orleans Background

Friday, November 17, 1995



DEMOGRAPHICS

Population 1990 . . 497,000
Population 1980: 558,000
(Population went down 10.9% between 1980-1990)

DIVERSITY

African-American . . 61.9%
Native-American2%
Asian-American 1.9%
Hispanic Origin . . . 3.5%

LOCAL NEWS



Government Shutdown: About 7,500 of the 17,000 federal employees in the New Orleans metropolitan area were victims of the government shutdown. The hardest hit federal agency in the region is the Algiers Naval Support Base where more than 1,800 civilian employees were given their "marching orders." Both the regional offices of the Department of Veterans Affairs and the Small Business Administration are operating with minimal staffs, in the case of the VA five out of 209 employees are working. Most furloughed employees were upbeat about the forced vacations so long as the government comes through with the back pay. (*New Orleans Times-Picayune*, 11/15/9)

City Charter Changes Vote: New Orleans voters will consider a package of changes to the 41-year old City Charter in tomorrow's (SAT 11/18/95) election. The changes include allowing the city to create an Ethics Review Board and an inspector general; enabling the mayor with the concurrence of the City Council to reorganize and merge several departments; and making the document's language gender-neutral. There has been no organized opposition to the charter revisions, rather the New Orleans Council of the Chamber of Commerce, Victims and Citizens Against Crime, and the League of Women Voters have all endorsed the changes. Mayor Marc Morial is working hard to win approval for the changes, hiring both a political consultant and loaning \$ 50,000 from his campaign war chest to wage a voter education campaign that includes both print and broadcast advertisements. (*New Orleans Times-Picayune*, 11/15/95)

POLITICAL – REP. BILL JEFFERSON

New Orleans, for many years a speckled black-and-white city, now has a solid black majority, making the 2d District heavily Democratic. The congressman here is Bill Jefferson, first elected in 1990 after the retirement of Lindy Boggs, who won majorities from blacks and whites alike. Jefferson was then a state senator, a skillful

political operator with high professional credentials: he graduated from Harvard Law, clerked for a well-respected federal judge, worked for Senator Bennett Johnston and set up what became the largest black law firm in the South. Jefferson was elected to the state Senate in 1979; he twice ran for mayor and lost. In 1990 Jefferson was endorsed by then Mayor Sidney Barthelemy, and in the primary won 25% of the vote to 22% for Marc Morial, whose father was New Orleans's first black Mayor and who was elected Mayor himself in March 1994. In the November runoff, charges flew: Jefferson was dogged by reports of defaults on outstanding loans and mortgages, while Morial admitted he was the father of an eight-year-old girl living in the Ivory Coast. Jefferson won with 52% and became the first Louisiana black elected to Congress since Reconstruction.

In the House Jefferson has shown impressive political skills. He was active in the Democratic Leadership Council and got to know its chairman, a young southern governor named Bill Clinton. In November 1991, Jefferson and Mississippi Congressman Mike Espy endorsed Clinton, and both began campaigning hard for him across the country, including a southern bus tour in August -- for which rewards would in time be coming. In December 1992, Jefferson won a seat on the Ways and Means Committee where he chalked up some successes. He got Ways and Means to have Clinton's one dollar increase on inland waterway tolls. In August 1993, in a conversation with Clinton on Air Force One, Jefferson got him to save a tax break for venture capital companies dealing solely with minority-owned small businesses, generating, Jefferson claims, \$ 1.2 billion in investment. In June 1994, on health care, he sponsored a compromise eliminating employer mandates for four million small businesses; this passed, and helped Ways and Means stitch together a Democratic healthcare bill. Jefferson also claimed credit for a law giving state and local governments priority in acquiring surplus Defense Department property.

Jefferson will have trouble equalling this record in a Republican House, not least because the downsizing of the Democratic ranks at Ways and Means left him and three other junior Democrats without a seat. But he has no trouble winning reelection in the 2d District. Originally thought to be interested in running for mayor, he announced in the spring of 1995 that he was running for governor.

THE DISTRICT

Today's rally and MEG's medicare event tomorrow are both in Jefferson's 2nd Congressional District. The 2d Congressional District of Louisiana today includes almost all of the city of New Orleans, everything except a few affluent white neighborhoods, plus the west bank towns of Jefferson Parish -- Gretna, Harvey, Westwego, Waggaman--industrial enclosures between levee and swamp. Here is the New Orleans everyone wants to visit, centered on the French Quarter, its 19th Century homes still intact because the Americans who moved here after 1803 wanted to stay away from the snobbish Creoles and built a new downtown above Canal Street. North of the Quarter is the site of Storyville, where prostitution was legal until 1918 and where jazz was probably first played; the old frame houses have long since been torn

down and replaced by housing projects. But many similar neighborhoods remain, where blacks and some working-class whites live in rickety frame houses which are not always strong enough to keep the rain out and never tight enough to keep out the summer humidity or the damp winter chill, along the vividly named streets -- Elysian Fields, Spain, Desire, Arts--that go north from the river wharves. In the other direction is the downtown flecked with skyscrapers and the ominous Superdome, past the old slum known as the Irish Channel -- a reminder that New Orleans had more foreign immigrants than any other part of the South -- to the Garden District. This was the home of the rich, early American settlers, and its antebellum homes are still covered with vines and Spanish moss. Quaintly named trolley cars still roll out St. Charles Avenue to Tulane University and Audubon Park.

(Prepared by Jim Kohlenberger, Chris Ulrich & Philip McNamara)

California Background

September 23, 1994 (Compiled by Eric Anderson)



PRIOR VISITS

You were last in California from Friday through Monday, July 15 - 18, 1994 for the following events:

On Friday (7/15), you attended in San Diego a groundbreaking for a treatment facility that will handle sewage from the neighboring city of Tijuana, Baja California. You also attended two fundraising receptions for Congresswoman Lynn Shenk.

On Saturday (7/16), you were in Los Angeles where you addressed 150 bankers from around the world who were attending Mastercard's annual meeting at the finals of the 1994 World Cup. You and your family attended the Bulgaria vs. Sweden World Cup game. That evening, you attended a fundraiser for Congressman Beilenson and an Apollo XI anniversary reception and dinner.

On Sunday (7/17), you addressed the American Federation of Teachers Convention in Los Angeles and then attended the World Cup Soccer finals, Italy vs. Brazil. You then travelled to San Francisco for a fundraising dinner and reception for Kathleen Brown.

On Monday (7/18), you attended a fundraising breakfast for Congressman Dellums. You then participated in an event to mark the start of construction of the Sonoma Baylands wetlands restoration project.

KEY ISSUES

The three hot issues in California remain **immigration**, the **economy**, and **crime**. Attached is the following background information on these issues:

Attachment A -- Immigration and California

Attachment B -- Economic Progress in California under President Clinton

Attachment C -- California Crime Profile

POLITICAL

1992 ELECTION RESULTS AND POLLS

1992 Primary	CA	1992 General	CA	LA	SF
Clinton	47%	Clinton-Gore	47%	45%	57%
Brown	40%	Bush-Quayle	32%	34%	25%
Others	13%	Perot-Stockdale	21%	21%	18%

JUNE 1994 ELECTION RESULTS

Kathleen Brown (48%) defeated John Garamendi (33%) and Tom Hayden (14%) for the Democratic gubernatorial nomination. Pete Wilson defeated Ron Unz for the Republican nomination, 61%-34%.

Dianne Feinstein received 74% of the vote against nominal opposition in the Democratic Senate primary. Michael Huffington defeated Bill Dannemeyer, 55%-29%, in the Republican contest.

In a key contested House primary, Democratic incumbent Dan Hamburg defeated former Representative Doug Bosco, 62%-38%.

All four state bond measures lost, including a \$2 billion measure to pay the state's share of earthquake repairs.

RECENT POLLS

A Field Poll released July 23 assessing the President's popularity and job performance showed his ratings down 3 points from May, at 35% excellent/good; 35% fair; 28% poor/very poor.

A Field survey released September 21, but sampled before the Haiti accord, gave the President a 32% excellent/good; 34% fair; 31% poor/very poor rating. This is his lowest rating since August, 1993. The Poll showed improvement on the President's "inclined to re-elect score: 41% inclined, 43% not inclined. In July, the corresponding number were 36% inclined, 48% not inclined.

An L.A. Times Poll released this week gave the President a 44% positive, 49% negative job approval rating, down from 55% positive, 37% negative in May. For the first time since October, 1993, more Californians think Republicans can handle the state's problems better than Democrats.

POLITICAL OVERVIEW

Turnout was the lowest in decades for the June primary election (33%), skewing the

electorate toward older whites. Cynicism is high, as evidenced by the defeat of all bond spending measures. Generally, the candidates with the most money won the statewide primaries. One exception was the nomination of Tony Miller for Secretary of State, the first openly gay major statewide candidate in California history. State Senator Art Torres captured the Democratic nomination for Insurance Commissioner, giving Latinos their best opportunity to capture a statewide office since the 1800's.

A number of controversial initiatives appear on the November ballot, including:

- * Proposition 184--A tough 3-Strikes-and-You're-Out law
- * Proposition 185--Gas tax increase for mass transit
- * Proposition 186--Single Payer Health Care
- * Proposition 187--Bars services to illegal immigrants
- * Proposition 188--Repeals local smoking restrictions

1994 GUBERNATORIAL RACE

Governor Wilson is now the favorite in the race for governor, with Kathleen Brown's once commanding lead dissipating during the primary election. Despite Brown's massive summer-long advertising offensive, the most recent public poll now shows her 9% behind among likely voters. Nonetheless, the administration is making an all-out effort to help her. Already, you, MEG, HRC, and Secretary Reich have appeared at Brown fundraisers, and the President, Bob Rubin, Henry Cisneros, and Federico Pena are confirmed for events in October.

Brown will try to keep the focus of the campaign on Wilson's record, particularly on the economy. She also disparages his parole policies and lack of support for education, and is supporting a comprehensive "California Performance Review" to improve governmental efficiency and cut costs.

Wilson prefers to change the subject to illegal immigration or crime, specifically Brown's opposition to the death penalty. In recent polling, his hard line on illegal immigration is the most important reason given to support the incumbent. Though Wilson has taken the lead at this time, he remains unpopular and job approval is 44%.

Nonetheless, Wilson leads Brown in handling crime (50-24%), illegal immigration (49-22%), and even the economy (44-32%). Brown leads only on education (46-24%) and "cares about people like me (44-28%). Brown hopes to exploit Wilson's relentless negativity and finger-pointing by offering a contrasting vision of fighting for a better future for the middle class. Brown won a key endorsement in August from the largest statewide police officers' union, which endorsed Wilson in 1990.

1994 U.S. SENATE RACE

Michael Huffington has gained significant ground on Feinstein with a massive, sophisticated, and highly effective advertising campaign coordinated by Larry

McCarthy (of Willie Horton fame) and Ed Rollins. He began by blasting her vote for "the biggest tax increase in history." Next, he attacked her for withdrawing as a co-author of the Clinton health care bill. He labeled the flip-flop as typical of a career politician. He has also unloaded nasty attacks on her husband's finances and her support for refugees during her tenure as mayor.

Feinstein has hit her stride in recent weeks, however, with the success of the crime bill and strong positive spots about her record. Huffington has also suffered from, extremely bad print press coverage focused upon his controversial plan to abolish all welfare and his general lack of credentials for the job. He was vacationing in Hawaii in late August as Feinstein made a statewide crime bill "victory lap." The L.A. Times Poll shows Feinstein 6 points ahead. It also found that only 4% of voters think she doesn't support the President enough, while 19% think she is too close to the President. A Field Poll released September 22, however, shows the race a dead heat. Feinstein's most recent advertising paints a picture of Huffington as an unscrupulous Texas businessman who avoided paying California taxes. Huffington is on the air emphasizing his California roots (he attended Stanford).

ECONOMY

The California economy is the largest state economy in the Union, and among the 10 largest economies in the world. After prospering throughout the 1970s and 1980s, California entered recession in 1990, a recession much steeper than the one that affected the nation as a whole. Southern California and the aerospace and construction industries have been hit particularly hard.

In August 1994, the unemployment rate in California was 8.9 percent, higher than the 6.1 percent nationally, but down from 10.1 percent at the beginning of the year. Employment did not fare as poorly in 1993 as in the previous two years, but it has now been declining for three consecutive years. Living standards in California are above the national average but have been declining since 1989.

- **Nonfarm payroll employment in California fell by 1.2 percent in 1993, compared to a 1.5 percent rise in the nation as a whole (See Chart 1).** California's economy shrank by 95,000 jobs between January 1993 and January 1994, almost as large a loss as during the entire Bush Administration. California lost more than 100,000 jobs during that time, or 25,000 jobs per year.
- **In December 1993, California's unemployment rate was 8.8 percent, while the national unemployment rate was 6.4 percent.** The state's unemployment rate rose from 5.0 percent in January 1989 to 9.4 percent in January 1993; during the same period, the unemployment rate for the nation as a whole rose from 5.4 percent to 7.1 percent (See Chart 2). (The 1994 statistics mentioned above are not directly comparable to these figures.)

- **Living standards in California are above the national average** (See Chart 3). Per capita personal income in California (\$21,884) was 5 percent above the U.S. average in 1993, placing the state 11th in the country.
- Key sectors in the California economy include high-technology manufacturing, professional services (especially banking), agriculture, real estate, tourism, and entertainment. The state ranked 8th in the nation in the value of defense contracts per capita.
 - Over 20 percent of U. S. employment in three high-tech industries -- aerospace equipment (airplanes, missiles, and space vehicles), computer equipment, and scientific instruments -- is located in California. Other important manufacturers include other electronic equipment, food products, apparel, and petroleum products.
 - Major farm products include fruits and vegetables (grapes, lettuce, tomatoes), dairy and beef cattle, cotton, and hay.

CALIFORNIA DEMOGRAPHICS

POPULATION 30,379,872
 Rank 1

White: 69.0%
 African-American 7.4%
 Hispanic: 25.8%
 Asian American 9.6%

(Note: Persons of Hispanic origin can be of any race. Consequently the numbers add up to more than 100%)

EMPLOYMENT

Government 16.6%
 Manufacturing: 16.2%
 Trade: 23.3%
 Service: 27.6%

OTHER

Per Capita Income \$20,952
 Number of Federal Workers 204,902
 Average Federal Salary .. \$33,611

APPOINTEES FROM CALIFORNIA

<u>Name</u>	<u>Title</u>	<u>Agency/Dept</u>
Roberta Achtenberg	Assistant Secretary	Dept of Housing & Urban Devlpmt
Michele Alioto	Member	National Council on Disability
C. Richard Allen	Dep Dir, Natl Service	The White House
Aida Alvarez	Director	Federal Hous Ent Oversight (HUD)
Nancy Y. Becavac	Chair	Pres Comm on WH Fellowships
E. Olena Berg	Assistant Secretary	Department of Labor
Eric J. Boswell	Director	Office of Foreign Missions (State)
Warren Christopher	Secretary	Department of State
Adela de la Torre	Member	Pres Comm on WH Fellowships
John B. Emerson	Dep Asst to Pres	The White House
Thomas S. Epstein	Spec Asst to Pres	WH Political Affairs
Judith Heumann	Assistant Secretary	Department of Education
Michael P. Huerta	Assoc Deputy Secretary	Department of Transportation
Roger W. Johnson	Administrator	General Services Administration
Florence G. Joyner	Co-Chair & Member	Pres Cnl on Phys Fitness & Sports
Michael Kantor	U.S. Trade Rep.	U.S. Trade Representative
Philip R. Lee	Assistant Secretary	Dept of Health & Human Services
Martin Manley	Asst Secretary	Department of Labor
Edwin C. Moses	Member	Pres Comm on WH Fellowships
Frank N. Newman	Under Secretary	Department of the Treasury
Geri D. Palast	Assistant Secretary	Department of Labor
Leon E. Panetta	Chief of Staff	The White House
Thomas W. Payzant	Assistant Secretary	Department of Education
William J. Perry	Secretary	Department of Defense
Sally K. Ride	Member	Pres Comm on WH Fellowships
Richard E. Rominger	Deputy Secretary	Department of Agriculture
Joseph Schuldiner	Assistant Secretary	Dept of Housing & Urban Devlpmt
Marsha Scott	Dir. of Correspondence	The White House
Harold P. Smith	Assistant to Secretary	Department of Defense
Marshall S. Smith	Under Secretary	Department of Education
Dawn Steel	Member	Comm on Presidential Scholars
Mary Steenburgen	Member	Pres Comm on WH Fellowships
Louise Stoll	Assistant Secretary	Department of Transportation
Joseph E. Stiglitz	Member	Council on Economic Advisors
Fernando Torres-Gil	Asst Secretary	Administration on Aging (HHS)
Laura D. Tyson	Chair	Council on Economic Advisors
E. Allen Wendt	Ambassador to Slovenia	Department of State
Thomas Williamson, Jr.	Solicitor	Department of Labor

HEALTH CARE

See attached background information on health care in California.

IMMIGRATION AND CALIFORNIA

Governor Wilson Seeks an "Immigration State of Emergency." On Wednesday of this week, Governor Wilson followed the lead of the San Diego Board of Supervisors and asked the President to declare an "immigration state of emergency" and pay the state \$1.8 billion in reimbursement from the DOJ Immigration Emergency Fund. Only \$110 million is in the fund, which can only be used for law enforcement purposes. Attorney General Reno pointed out these facts in a response to Wilson, a copy of which is attached to your event memo for the interview with LA Opinion. The Kathleen Brown campaign wondered aloud why he waited until now to apply for these funds, which have been available for 7 years.

"Operation Gatekeeper." Attorney General Reno delivered a speech in Los Angeles on September 17 announcing a new border control program called "Operation Gatekeeper," which promises 600 new border guards within one year, 400 of which will be deployed within 100 days. This represents a 60% increase in personnel along the border. She announced a limited redeployment of agents from inland checkpoints to the border, new border lighting, fingerprinting of all apprehended aliens, enhanced prosecutions of alien smugglers, a new border commuter lane for commercial traffic, and doubling the deportation of criminal aliens. "We will not rest until the flow of illegal immigrants across our Southwest border has stopped," she said.

Proposition 187. The immigration debate in California has changed dramatically with the qualification of a harsh initiative for the November ballot. The so-called S.O.S. ("Save Our State") initiative, *Proposition 187*, would cut off all public services for illegal immigrants except emergency medical care, require a host of public employees and private health care workers turn suspected illegal immigrants over to immigration authorities, and make it a felony to produce or use a fake I.D. for proving legal residency.

While polls show the measure ahead by 2-1 now, it contains many flaws that could be exploited by a skillful campaign. The "No on 187" Committee has hired a strong Republican firm to oppose the initiative, Woodward and McDowell. Their theme: "it makes a bad situation worse." They have had difficulty raising the money necessary to mount a winning campaign. Kathleen Brown opposes the initiative, Wilson supports it, and Feinstein has yet to take a position (her advisors claim she will oppose it, but much later). The Administration and DNC are providing some discrete assistance to those organizing campaign against it.

While we do not have an official position on the initiative, our public comments to date have noted: (1) immigration dollars are best spent at the border deterring illegal immigration; (2) implementing the initiative would be complicated, expensive, and probably unconstitutional; (3) until the Supreme Court rules otherwise, states are obliged to educate all children regardless of immigration status; and (4) the measure jeopardizes the state's right to receive federal education and health care funding, potentially costing the state billions of dollars. Last week, Wilson indicated he supported throwing illegal immigrant children out of public schools if the Supreme Court were to reverse the *Plyler* decision guaranteeing all children the right to a public education.

Report on Cost to States of Illegal Immigration. A seven-state working group convened by OMB to respond to state requests for reimbursement released an Urban Institute report this week detailing the true cost of illegal immigration to the states. While the data was neither comprehensive nor completely reliable, the report indicated states incur about \$4 billion in costs, about half of which is offset by state tax revenues. California's net cost was about half of the Wilson administration's oft-repeated \$3 billion request. Earlier, OMB had provided information demonstrating that the Clinton administration's FY95 budget requested 32% more funding for immigrant services (legal and illegal) than Bush's FY93 budget. Meanwhile California, Arizona, Texas and Florida have sued the federal government for reimbursement, and Texas has promised to join them. The Department of Justice filed a response to the California suit in early July seeking dismissal.

Wilson's Strategy on Immigration. During his primary campaign, Wilson ran over \$2 million in tough television spots attacking illegal immigration, taking credit for a host of steps to deal with it, and closing with an attack on Kathleen Brown. Wilson gained more than 10 points on Brown after the spot ran. Last month, Wilson bought a full-page ad in the west coast edition of the New York Times challenging the President to do as much to stop illegal immigration in California as he is doing in Cuba (and previously in El Paso). Last week, he ran ads asking Californians to call the White House to demand reimbursement.

Kathleen Brown on Immigration. Meanwhile, Brown called for 1000 new border agents in a September 13 speech. She endorsed shutting down the inland border checkpoints and instituting a dollar border-crossing fee to finance enforcement efforts. She reiterated her pledge to use the national guard for logistical support and her plea for the negotiation of a prisoner transfer treaty with Mexico. She continues to pound Wilson for his record as Senator, which reflects strong advocacy for allowing illegal immigrants into the country to work for Central Valley farmers who are major Wilson contributors. The San Jose Mercury and San Diego Union have done a good job at documenting Wilson's hypocrisy, but other news outlets have downplayed the story.

ECONOMIC PROGRESS IN CALIFORNIA UNDER PRESIDENT CLINTON

California has been hit especially hard by the recent recession in which the state lost over 600,000 jobs, many related to reductions in federal defense spending. The Clinton Administration has aggressively worked to cushion these losses:

- From January 1993 to April 1994, the Administration directed \$7.2 billion in discretionary spending to California, to areas such as mass transit, housing, defense conversion, worker retraining, and small business loan guarantees.
- The Administration responded with speed, flexibility, and creativity to meet the demands of earthquake victims, and has identified \$11.9 billion for earthquake recovery efforts—more federal aid than for any other recent disaster.

In addition, Congressional passage of the President's economic plan in the summer of 1993 dramatically cut the deficit and helped lay a foundation for economic renewal. Evidence is mounting that the State of California is showing signs of recovery:

DURING THE FIRST SEVEN MONTHS OF 1994, EMPLOYMENT LEVELS IN CALIFORNIA HAVE STABILIZED, CONFIRMING THE IMPRESSION OF MANY ECONOMISTS THAT THE CALIFORNIA ECONOMY IS POISED TO TURN AROUND—IN FACT, CALIFORNIA GAINED ALMOST 30,000 JOBS IN JULY

THE HELP WANTED INDEX IS UP BY 19 PERCENT UNDER PRESIDENT CLINTON: A leading indicator of employment demand, the help wanted index has increased by 18.8 percent in the Pacific Region, which includes California, since President Clinton took office. This follows a 50 percent decline in the help wanted index between 1989 and 1992.

CONSUMER CONFIDENCE UP 51 PERCENT SINCE PASSAGE OF THE PRESIDENT'S ECONOMIC PLAN: Consumer confidence in the past three months is 50.9 percent higher in the Pacific Region than during the same period one year ago.

NEW BUSINESS INCORPORATIONS UP 10 PERCENT IN CALIFORNIA UNDER PRESIDENT CLINTON: The rate of new business incorporations in California is 10 percent higher under President Clinton than in 1992, following average declines of 11 percent per year over the previous four years.

BUSINESS FAILURES IN CALIFORNIA HAVE DROPPED BY 5 PERCENT UNDER PRESIDENT CLINTON: Conditions for existing businesses are improving as well. The rate of business failures in California fell by 5 percent under Clinton compared to 1992, after average increases of 22 percent per year over the previous 12 years.

BANKRUPTCY FILINGS IN CALIFORNIA ARE ALSO DOWN UNDER PRESIDENT CLINTON: Likewise, the number of bankruptcy filings fell by 3.4 percent in 1993, following average increases of 11.2 percent per year from 1981 to 1992.

August 30, 1994

HOME SALES IN CALIFORNIA ARE UP 6 PERCENT UNDER PRESIDENT CLINTON:

Sales of existing homes are up 6 percent under President Clinton compared to 1992, following average declines of 6.6 percent per year during the previous four years.

AUTOMOBILE REGISTRATIONS ARE UP 4 PERCENT IN CALIFORNIA UNDER

PRESIDENT CLINTON: New motor vehicle registrations were up by 3.7 percent in 1993, compared to average annual declines of 6.5 percent during the previous four years.

August 30, 1994

ECONOMIC PROGRESS IN CALIFORNIA: PRESIDENT CLINTON'S ECONOMIC PLAN

- **\$10,800 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN CALIFORNIA:** By 1998, the national debt will be \$691.7 billion lower than was projected before the passage of the President's economic plan. That's \$10,800 of reduced federal debt for each family of four in California.
- **10 TIMES MORE CALIFORNIA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE:** As a result of the expanded Earned Income Tax Credit, 2,146,915 working families in California will receive a tax cut. This compares to an increase in the income tax rate for only the 218,777 wealthiest taxpayers in California.
- **TAX CUT FOR 178,917 SMALL BUSINESSES IN CALIFORNIA:** The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 178,917 small businesses in California are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the next five years.*
- **4,959,000 CALIFORNIA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT:** The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers approximately 4,959,089 workers in California, and protects the jobs of 297,914 workers in California who are likely to use unpaid leave this year alone.
- **1.65 MILLION STUDENTS AND FORMER STUDENTS IN CALIFORNIA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS:** Approximately 1.65 million California borrowers -- 1.16 million current borrowers and 490,000 new borrowers in the next few years -- will be able to take advantage of the new direct student loan program by participating directly in the program or by consolidating their guaranteed loans into direct loans. Some of these borrowers will benefit from lower interest rates, and they will all benefit from a greater range of repayment options, including income contingent repayment. In addition, the new student loan program will save U. S. taxpayers \$4.3 billion over five years.

September 7, 1994

CALIFORNIA CRIME PROFILE

Overall Crime Picture:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 2,061,761 crimes or 14.28% of the national number
- ◆ Percentage change in crime from 1991 to 1992 -- .2% increase

Violent Crimes:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 345,624 violent crimes or 17.89% of the national number
- ◆ Percentage change in violent crime from 1991 to 1992 -- 4.4% increase

Murder Statistics:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 3,921 murders or 16.50% of the national number
- ◆ Percentage change from 1991 -- 1.6% increase
- ◆ Murders committed with a firearm -- 2,851
- ◆ Murder rate with handguns -- 7.91 per 100,000 population

Rape Statistics:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 12,761 rapes or 11.70% of the national number
- ◆ Percentage change from 1991 -- 1% decrease

Robbery Statistics:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 130,897 robberies or 19.46% of the national number
- ◆ Percentage change from 1991 -- 4.8% increase

Aggravated Assault:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 198,045 aggravated assaults or 17.57% of the national number
- ◆ Percentage change from 1991 -- 4.5% increase

Property Crimes:

- ◆ 1992 rank, number and percentage of national # -- Ranked 1 with 1,716, 137 property crimes or 13.72% of the national number
- ◆ Percentage change from 1991 -- .6% decrease

Burglaries

- ◆ Rank, number and percentage of national # -- Ranked 1 with 427,491 burglaries or 14.35% of the national number
- ◆ Percentage change from 1991 -- .7% increase

Larceny and Theft

- ◆ Rank, number and percentage of national # -- Ranked 1 with 968,534 larcenies and thefts or 12.24% of the national number
- ◆ Percentage change from 1991 -- 1.8% decrease

Motor Vehicle Theft

- ◆ Rank, number and percentage of national # -- Ranked 1 with 320,112 motor vehicle thefts or 19.87% of the national number
- ◆ Percentage change from 1991 -- 1.4% increase

Incarceration Statistics:

Prisoners in State Facilities

- ◆ Rank, number and percentage of national # -- Ranked 1 with 109,496 prisoners or 13.63% of the national number
- ◆ Percentage change from 1991 -- 7.55 increase
- ◆ Number of Prisoners on Death Row -- 332

- ◆ Number of Prisoners Sentenced to Life -- 11,767
- ◆ Number of Adults on Parole -- 67,562
- ◆ Number of adults on probation -- 305,700

State and Local expenditures

- ◆ Total -- \$4,681,365,000
- ◆ Per capita -- \$153.96

Law Enforcement:

- ◆ Number of sworn officers/percentage of national # -- 65,797/10.89%
- ◆ Sworn officers per 10,000 population -- 21.32
- ◆ State & local expenditures for police protection in 1991 -- \$5,401,716,000
- ◆ Per capita expenditure -- \$177.65

HEALTH CARE IN CALIFORNIA

- **312,000** people in California lose their insurance each month. [Lewin-VHI estimates, 1993. Families USA, "How Americans Lose Their Health Insurance," April 1994.]
- **5,053 thousand** people in working families in California have no health insurance [Department of Treasury, "Estimates of the Uninsured in Working Families and Uninsured Children by Congressional District," 7/19/94
→ a **25.73% increase** since 1988. [1988, 1993 CPS]
- Of the 5,938 thousand people without health coverage in California, 5,053 thousand people are in working families -- that's **85.10%** of all the people without coverage in California. [Department of Treasury, "Estimates of the Uninsured in Working Families and Uninsured Children by Congressional District," 7/19/94.]
- **1,320 thousand** children are without health coverage. [Department of Treasury, "Estimates of the Uninsured in Working Families and Uninsured Children by Congressional District," 7/19/94.]
- **12.5%** of family income is spent on health care each year -- an average of **\$7,996** per family. [Lewin-VHI estimates. Families USA, "Skyrocketing Health Inflation," December 1993.]
- **16.3%** of the state budget is spent on Medicaid. [1992 State Expenditure Report -- National Association of State Budget Officers]

Los Angeles Background

September 23, 1994 (Compiled by Eric Anderson/Chris Ulrich)



DEMOGRAPHICS

Population 1990 . 3,485,000
Population 1980: 2,969,000
(Population is up 17.4 % 1980-1990)

DIVERSITY

African-American . . . 14 %
Native-American . . . 0.5 %
Asian-American . . . 9.8 %
Hispanic Origin . . 39.9 %

LOS ANGELES POLITICS

LOS ANGELES POLITICS

Mayor Riordan is generally popular and has recently submitted a well-received budget that fulfills his campaign promise to hire additional police. He strongly supported the crime bill. Nonetheless, he still faces a long-running contract dispute with the Police Department, which degenerated into a "blue flu" in June. Some Republicans have criticized the mayor for appointing Democrats as five of his top six deputies. The Mayor's staff includes former Clinton fundraiser Mary Leslie and Barbara Boxer's son, Doug. He recently appointed the noted academic and author ("Theory Z") William Ouchi to serve as his chief deputy mayor. An L.A. Times investigative report in June revealed a potential conflict of interest for the Mayor regarding his action in furtherance of the hiring of a consulting firm in which he has a substantial financial interest, but it has generated little attention.

While the rapid reconstruction of **earthquake**-damaged freeways has been uplifting for the people of Los Angeles, many residents are still suffering from the impact of the quake and the lingering recession. Dozens of apartment houses are abandoned in the San Fernando Valley, creating "ghost towns" of urban blight that did not previously exist. Failure of the state bond measure has made reconstruction more difficult, though the federal effort has not been faulted in any way. During the summer, the President announced he would seek to reprogram \$225 million in emergency funds to provide zero interest financing for "ghost town" projects. The earthquake also magnified the crash in L.A. real estate values that has robbed many middle class homeowners of their equity. In a related development, news reports evaluating the state of affairs two years after the April, 1992 riots revealed little progress has been made in much of South Los Angeles. Aerospace downsizing continues to eliminate jobs in Southern California, as Hughes announced last week it would shut down its 4000-employee facility in Fullerton (Orange County).

A major (and quite complicated) controversy is brewing over the EPA's proposed clean air plan for the Los Angeles basin. Ordered by the courts to enforce the federal Clean Air Act after the state refused to do so, EPA submitted a detailed regulatory proposal last spring that affects virtually every industry in the region. Last month, Mayor Riordan suggested delaying implementation of any plan until the underlying assumptions and modeling could be challenged. The federal government is involved only because the state neglected its responsibility to develop a clean air plan. Under the law, the state has more flexibility than the feds to offer positive incentives to achieve clean air goals. Therefore, the economic impact would be less onerous if the state takes over the process--which is EPA's ultimate objective.

L.A. City Councilman Zev Yaroslavsky won the June election to succeed County Supervisor Ed Edelman, who is retiring in November. Sheila Kuhl was nominated for the West Hollywood area State Assembly seat--she will likely become the first openly gay person to serve in the State Legislature.

RECENT NEWS

Northrop Grumman Corp -- will reduce its work force by 9,000 people over the next 15 months, the newly combined defense-aerospace company announced on Thursday, September 22nd. The defense giant said it did not know how many of the jobs would be lost through layoffs since the total would depend on attrition, an early retirement program, and other voluntary reduction-in-force programs at Grumman operations. Reductions in California are expected to total approximately 4,500 workers, including 700 by the end of 1994.

State to Slash Base Rates for Workers Comp -- The California dept. of Insurance announced its biggest reduction ever in workers' compensation rates, cutting by 16 % the base charge that businesses pay to insure their employees against on-the-job injuries. State insurance officials optimistically predict that the action will translate into a one time savings approaching \$800 million for the 500,000 Californian employers buying workers' compensation coverage.

Activists call for invasion of L.A. A coalition of community activists called Unity Survival Action (USA) for South-Central Los Angeles urged President Clinton on Tuesday September 20, 1994 to "invade South-Central Los Angeles." Dr. James Mays, a leader of the coalition, acknowledged that the invasion call was primarily symbolic. However, he claimed that the same atrocities occurring in Haiti also happen in South Central Los Angeles daily. He believes that conditions in South Central Los Angeles are out of control and says that National Guard troops may be required to get the city under control. He is also skeptical about the efficacy of the federal crime bill money for additional police officers, stating that it "isn't going to change anything."

L.A. school district could lose \$450 million. The Los Angeles Unified School District may lose more than \$450 million in federal funds pending the approval of Proposition

187, which would bar illegal immigrants from public schools in California and from non-emergency health care and social services. These federal funds compromise almost 11 % of the district's current budget and primarily support programs for disadvantaged students and bilingual education classes. U.S. Education Secretary Richard W. Riley, who claims that the proposed measure would violate federal privacy regulations, has said that he will withhold federal funds to school districts if Proposition 187 is approved.

Simpson Slaying - The Simpson Slayings dominate the headlines and the trial is expected to get under way on Monday, September 26th..

California Accomplishments of the Clinton Administration

(last undated, June 7, 1996)

Department of Agriculture

- **Economic Assistance.** The USDA has provided needed funds to California through the Pacific Northwest Economic Adjustment Initiative and other programs. The Jobs in the Woods program, part of the President's Forest Plan, provides education and job training. In addition, California received \$4.2 billion in food assistance grants \$18 million in water and waste disposal grants and \$44.2 million in rural housing grants in fiscal 1995. In addition, California ranks first among states for participation in the Food Stamp, Child Nutrition, and Women, Infants and Children programs.
- **Rural Enterprise Communities (EC).** Participants in this program are eligible to receive technical assistance in strategic plan development, partnership building, and leadership development. California was selected for two Rural Enterprise Communities. One is in Imperial County and the other is the City of Watsonville/County of Santa Cruz.
- **Streamlining.** The USDA Citrus and Subtropical Crops Research Laboratory and the Fresh Fruit and Vegetable Grading Office in Pasadena was closed in June 1995. The USDA closed its Animal and Plant Health Inspection Service Regulatory Enforcement Office in Sacramento in April, 1996 and the Natural Resources and Crop Production research facility in Brawley is proposed for closure in FY 96. The USDA has proposed a consolidation of offices in the region that will allow collocation of many employees in one facility on the campus of University of California--Davis. This facility, which is being developed for USDA by the General Services Administration, will help the Department save money through efficiencies and shared resources, and can help our customers by giving them a convenient, accessible place to do business with the USDA. This is being housed on the University of California-Davis campus because of the Department's relationship in research and other activities on campus
- **Food Safety.** The USDA Food Safety and Inspection Service conducts inspection in 197 meat plants, 29 poultry plants, and 465 combinations meat and poultry plants in California to ensure that meat and poultry products are safe, wholesome, and accurately labeled.
- **Welfare Reform.** California operates the largest cash-out project in the nation in San-Diego, issuing \$13.7 million in cash each month in lieu of food stamp coupons. The state has also submitted and received approval to implement several welfare reform proposals under a project known as "Work Pays." This plan offers incentives under the Aid to Families with Dependent Children program to promote education and work.

- **Overpayment Collection.** To increase the recovery of federal funds, California pioneered the Federal Tax Refund Offset Program. Through this system, the state collected and returned to the Federal Treasury over \$1.3 million in food stamp overpayment in FY 94, according to the latest available information.
- **Feeding Programs.** California has the largest overall school meals program and receives the largest state administrated expense grant (about \$11 million) in the nation. The state is scheduled to take back from the USDA Food and Consumer Service Western Regional Office administration of the Summer Food Service Program in 1996. California last administrated the program in 1978.
- **Research.** USDA's Agricultural Research Service programs in California (at a total of \$40.9 million and a staff of 447) include: Albany (new uses for agricultural products; food quality and food safety; plant biotechnology); Davis (aquatic weeds and plant diseases; plant germplasm repository); Fresno (water management; insect control; disease eradication); Riverside (water quality; soil quality; citrus and date research); Salinas (vegetable and sugarbeet production research, including plant genetics); San Francisco (human nutrition); and Shafter (cotton production; water management).

Department of Commerce

- **Defense Conversion.** The Commerce Department has created a multi-pronged approach to help California industry make the transition from defense dependency to commercial success. It has provided technical assistance, marketing assistance and financial assistance to thousands of California contractors and sub-contractors. Commerce's Economic Development Administration has provided over \$24 million in planning grants and funds to implement mid-term and long-term development programs for cities, counties, and business consortia. The Bureau of Export Administration has developed a comprehensive defense conversion assistance program.
- **Computer Export Decontrol.** The Clinton Administration has revised or eliminated outdated computer export controls. The initial changes in 1993 released more than \$32 billion of annual exports from individual licensing requirements. The President's later reform in October 1995 resulted in relief for an estimated \$10 billion of additional computer exports. Commerce's International Trade Administration's California Export Initiative opened over 1,300 new overseas markets for more than 500 California firms during 1995, more than tripling the annual export assistance provided since 1992.
- **Foreign Trade.** The White House participated in the announcement of a new U.S. Export Assistance Center (USEAC) in San Jose. These one-stop-shops are joint efforts between the Commerce Department, Small Business Administration and the Export-Import Bank. They improve the delivery of federal export marketing and trade finance services. With the Clinton Administration emphasis on trade, 1,403

California firms have been assisted in entering 4,263 new markets, versus less than 400 markets per year under the previous administration.

Department of Education

- **William D. Ford Direct Lending Program.** The Direct Loan Program offers a simpler, faster, more efficient means of delivering loan funds to students. Since President Clinton signed the student Loan Reform Act in August 1993, 232 California colleges and universities signed on to the program. Student borrowers have taken out more than 291,000 direct loans, totaling more than \$1.1 billion. Students with direct loans have the added benefit of more choices in how they repay their loans.
- **Goals 2000: Educate America Act.** The Goals 2000: Educate America Act seeks to raise academic achievement by supporting high-quality teacher professional development, expanding the use of computers and technology in classrooms, raising academic standards and increasing parental and community involvement in education. Since President Clinton signed the Goals 2000 legislation in March 1994, 1,600 California schools received \$10.2 million in first year funding. One-third to one-half of all California school districts will benefit from \$42.1 million in second-year funding, increasing the total number of participating schools to 3,000.
- **School-To-Work Opportunities Act.** The School-To-Work Opportunities Act encourages educational and career opportunities for all students by creating partnerships at the state and local level that help students make the final connection between what they learn in school and what they do in the workplace and prepares them for good careers and advanced education training. Since the President signed the School-To-Work Opportunities Act in May, 1994, seven counties and area consortiums in California have received more than \$7.2 million to develop and implement programs.
- **Safe and Drug-Free Schools and Communities Act.** The Safe and Drug-Free Schools and Communities Act helps local school districts create safe, disciplined, and drug-free learning environments for students. Changes proposed by the president and passed by Congress under the re-authorization in 1994 substantially broadened the scope of allowable activities and, for the first time, made funds available to use for violence prevention programs. Since then, California school districts have received more than \$49 million in funding to develop prevention related curriculum and events. A total of 983 school districts, accounting for 98 percent of all districts statewide, have served 5.7 million students.
- **Public Charter Schools Program.** The Public Charter Schools Program, passed into law as part of the Improving America's Schools Act, is designed to stimulate comprehensive education reform and public school choice by supporting the planning, development, and initial implementation of charter schools. Since the President signed it into law in October 1994, 104 schools in California have received their charter; 90 are currently in operation. A total of \$1.8 million disbursed over three

years (in grants ranging from \$20-100,000) will provide funds for start-up, planning and implementation.

- **Bilingual Education Programs.** Bilingual Education grants assist local education agencies and other eligible grantees in the development and support of instructional programs for students with limited English proficiency. The President has fought for the continuation of bilingual education programs nationwide, and has worked to maintain consistent levels of support in California, where 305 grants totaling almost \$72 million were made available in fiscal 1995.
- **Technology Challenge Grants.** Over the next five years, two California school districts will receive more than \$10.4 million in Technology Challenge grant funding. The San Mateo/Redwood City School District has already received nearly \$900,000 in first year funding and will receive a total of \$6.3 million over five years. San Diego Unified School District received more than \$700,000 and will receive \$4.1 million over five years.
- **Education Waivers.** Ten California districts have received education waivers, allowing them to develop education improvement programs that meet the needs of the students in their individual communities.

Department of Housing and Urban Development

- **Small Business Loans.** The Los Angeles Community Development Bank received more than \$450 million from HUD and \$550 million from private sector contributors to loan to small business owners and others in the Los Angeles Empowerment Zone. Loans began as early as April.
- **After-School Program.** The Visitacion Valley Collaborative opened an after-school program for over 300 Visitacion children in the San Francisco Enterprise Community. Activities will include sports, tutoring, cultural awareness projects, arts and crafts, individual and family counseling, self-defense, community service and job readiness training. The Center will bring services to a central location in this low income, ethnic and culturally diverse neighborhood. The Collaborative will also support the formation of a Neighborhood Youth Council with at least 20 members and a multi-lingual resource directory.
- **Tour of Mission District Murals.** The Precita Eyes Mural Arts Center has recently initiate mural tours that highlight San Francisco's most colorful neighborhoods in order to promote tourism and economic development in the Mission District. The tours are marketed to hotel groups, and have added 24 walking tours, 24 Mexican bus tours and 24 bicycle tours. The tours, which employ youth in all business aspects, cost \$10 and include a slide show, literature and showcase Mission businesses and meateries, fresh produce markets and other businesses.

- **Affordable Homes Financed by AFL-CIO Pension Fund.** The AFL-CIO Investment Trust has financed Market Heights Apartments in Bernal Heights, a model affordable housing project. The 46-unit apartment complex is currently under construction and is located in San Francisco, a city with one of the most expensive rental markets in the country. The housing project will provide homes for 24 working families (with incomes of \$28,800-\$34,560) and for 22 low-income families receiving rental assistance.

Department of the Interior

- **California Desert Protection Act Implementation.** The California Desert comprises over 25-million acres or one-fourth of the state of California. Much of this area is home to threatened and endangered species, including the California Desert tortoise, the Mojave Ground Squirrel, and the Flat-Tailed Horn Lizard. The Bureau of Land Management (BLM) prepared a public outreach plan and sent more than 25,000 letters to interested parties, such as land owners and mining claimants, to notify them of the designation of some BLM lands as wilderness. In an effort to identify boundaries, the BLM completed draft legal descriptions, surveys, and legislative working maps. Regarding Wilderness Management, the BLM helped develop principles for consistent grazing, law enforcement and border operations, federal water rights, and scientific, recreational, and commercial uses. During the 1995 fire season, the BLM California Desert District and National Park Service (NPS) desert units operated with a totally integrated staff.
- **Central Valley Project Improvement Act Implementation (CVPIA).** The 1992 enactment of CVPIA paved the way for its two major goals: to protect, restore, and enhance fish, wildlife and associated habitats in the Central Valley and Trinity River basins of California, and to achieve a reasonable balance among competing demands for use of CVP water.
- **Management and Protection of the Presidio.** Across America, as more and more people live their lives in urban areas, open space in our cities is increasingly in short supply. In October 1994, the Presidio of San Francisco became part of the NPS when it was transferred from the Department of Defense. A bill moving through Congress to create a Presidio Trust will manage the property and reduce its cost to the federal government by leasing many of the buildings found on the Presidio while preserving historic structures and ensuring the continued preservation of the scenic beauty and natural character of the area. In his *Parks for Tomorrow* plan, the President calls on Congress to protect this unique resource by passing legislation with the Administration's amendments.
- **Rapid Response to the 1994 Northridge, California Earthquake.** The earthquake struck a large, modern urban environment generally designed for seismic resistance. The U.S. Geological Survey's quick, effective response to the earthquake can be attributed to the unusually low casualty rate. Responding scientists has considerable fore knowledge of possible earthquake effects and moved quickly to the areas where

their expertise was most critical. Consequently, countless lessons were learned regarding the effects of major earthquakes on the built environment and the most effective means of mitigating the damage caused by future earthquakes in urban areas.

- **AmeriCorps Program.** Two of the President's AmeriCorps programs stand out in California. First, the BLM's Fort Ord Project in Monterey is intended to transform former military maneuver areas of Fort Ord into healthy, public lands that will provide habitats for 35 species of rare native plants and animals and opportunities for recreation and tourism. Second, the Southern California Urban Water Management Program, an ongoing AmeriCorps program in the Los Angeles area, engages at-risk young adults in a program designed to improve the environment, save energy and water, and reduce waste discharges. Participants help the local community, learn employable skills, and are encouraged to seek higher education. It is estimated that this AmeriCorps program effort saves about 80 million gallons of water per year. An application is being submitted to fund this program for an additional year.

Department of Justice

- **Crime Reduction.** The nation's overall crime rate dropped 2 % in 1994, the third consecutive year it has fallen. Violent crimes decreased 4 %. In Sacramento, crimes showed a drop in three of the four reporting categories. Homicides dropped to 62% last year from 85 in 1993; robberies were down from 2,310 to 2,292, and assaults dropped from 2,228 to 2,170.
- **Violence Against Women Act.** California received \$426,346 in FY 95 under the S.T.O.P. (Services Training Officers Prosecutors) Violence Against Women Grant Program. The S.T.O.P. grant provided 26 million directly to states, territories and Indian tribes. This money represents a first step in helping restructure the criminal justice system's response to crimes of violence against women. California has been allocated \$11,453,000 for FY 96.
- **COPS (Community Oriented Policing) for the Californians.** The Justice Departments Office of COPS authorized grants of over \$324.5 million to the state of California to hire or redeploy more than 6,100 officers.
- **National Domestic Violence Hotline.** Since the President's announcement of the hotline in February of 1996, over 20,000 victims, family members, service providers and barterers have made calls and been provided with crisis assistance, counseling, and referrals to resources for victims of domestic violence.
- **U.S. vs. Steele.** Under the Violence Against Women Act, the U.S. Attorney for the Eastern District of California prosecuted Ricky Steele, who beat his domestic partner for several hours, held a knife to her throat, threatened her life, and subsequently forced her to drive him from California to Oregon. Steele was sentenced to 87 months in prison, since crossing state lines to injure, harass, or intimidate a partner became a federal offense under the Violence Against Women Act.

- **FACE (Freedom of Access to Clinic Entrances Act).** The Justice Department obtained a permanent injunction protecting a doctor who provides reproductive health services from three intimidating California members of Operation Rescue.
- **Motor Voter Bill.** The Justice Department successfully defended the constitutionality of the National Voter Registration Act against the state of California making voter registration a more convenient and efficient process for Americans.
- **U.S. vs. Union Oil.** Following a disastrous 1992 oil spill at Avila Beach near San Luis Obispo, the Justice Department worked with the state of California and the Department of the Interior to restore sea otters, brown pelicans, and other natural birds damaged by the spill. The Division secured \$1.3 million from Union Oil, most of which will go towards restoration of these important natural resources.
- **Operation Renegade.** The Division's Wildlife Section investigated and prosecuted illegal wildlife smugglers based in Southern California. The smuggling ring involved the trafficking of valuable wild cockatoos and other endangered species.

Department of Labor

- **Targeted Industries Partnership Program (TIPP).** TIPP is an experimental interagency program that combines the efforts of the California Division of Occupational Safety and Health, California Division of Labor Standards Enforcement and the Department's Wage and Hour Division. The TIPP program focuses on the enforcement of laws in two industries: agriculture and garments. The program enforces wage and hour laws, child labor, licensing and registration, workers' compensation insurance coverage, field sanitation, injury and illness prevention programs, migrant housing and unemployment tax contributions. TIPP's concentrated enforcement and education efforts since 1994 have resulted in employees receiving back wages, safer working conditions and information on basic employment rights.
- **Working Women Count! Honor Roll.** As a follow-up to the *Working Women Count!* survey, the Department's Women's Bureau has been soliciting pledges from California employers to improve the lives of working women. Employers are committing to issues like pay and benefits, family-friendly workplaces, and education and training. Sixty-three California organizations have pledged support. For example, the Children's Council of San Francisco agreed to develop policies offering employees extended maternity leave; and Wells Fargo Bank committed to lending one billion dollars to women-owned businesses within the next three years to expand business opportunities for women.
- **Garment Enforcement.** On May 9, 1996, Secretary Reich released a newly completed survey of California garment companies. The survey--jointly produced by the Labor Department and the State of California--demonstrated that monitoring programs in the garment industry have significantly reduced the minimum wage and overtime violations. The survey also revealed that labor law violations are a

continuing problem in the industry. The survey was conducted at 76 randomly selected California sewing firms. Almost half of the firms are being monitored for wage and hour compliance by manufacturers. The report was part of the Wage and Hour Division's continuing efforts to eradicate sweatshop abuses in the garment industry. In a related effort to aggressively enforce the nation's wage and hour laws, in the first six months of 1996, the Department recovered over \$400,000 in wages for more than 1,350 garment workers in California.

- **School-to-Work.** The Departments of Labor and Education awarded the state of California seven Local Partnership School-to-Work grants in 1996. The seven grants represent 20 percent of all the Local Partnership Grants awarded this year and brings the total number in California to eleven.

\$938,151 - Compton Partnership for Youth Education Training and Employment, Compton Unified School District, Compton, California

\$650,000 - Project Riverbank , Modesto, California

\$\$1,197,210 - Tulare County Coalition, Visalia, California

In 1996, local grants - were awarded to :

East Bay School - to - Career Partnership, Hayward, California
East San Gabriel Valley Regional Occupational Program, West Covina, California
Los Angeles County Office of Education, Downey, California
Napa County Office of Education, Napa, California
Orange County Department of Education, Costa Mesa, California
Sacramento Regional School - to - Career Alliance, California
Workforce Silicon Valley, Santa Clara, California

Department of Transportation

- **Los Angeles Neighborhood Initiative (LANI).** Since 1994, the Federal Transit Administration has committed \$2.3 million to LANI, a project to link Federal, local and private resources to improve the quality of life in eight Los Angeles neighborhoods. The funds are directed at increasing the safety, convenience and aesthetics of station stops in areas that are highly dependent on public transit. Street crime in the neighborhoods has declined by 19 percent.
- **Innovative Financing-Inspection Facilities at Otay Mesa and Calexico East.** The Federal Highway Administration accepted California's proposal to construct two Commercial Vehicle Inspection Facilities at the ports of entry at Otay Mesa and Calexico East for the FHWA Innovative Financing program. The California Department of Transportation is seeking a public-private partnership to develop the inspection stations. The Federal and State support will come in the form of credit enhancement, debt guarantees, letters of credit or other contingent forms of credit.

The capital investment will be repaid through user fees.

- **State Route (SR) 125 Proposed Toll Facility.** The State Route 125 Proposed Toll Facility is a 16-kilometer limited-access facility that is one of four privatization demonstration projects authorized by the California legislature. The project extends from the Otay Mesaborder crossing northward to SR 54. Under a franchise/lease agreement, the private sector firm selected to construct the facility will finance, design, and build the facility, transfer ownership to the state, then lease and operate the facility for up to 35 years. The estimated cost of the facility is \$400 million with an estimated completion date of December, 1998. The state is currently preparing the draft Environmental Impact Statement for circulation to the public. A petition drive completed last year contained more than 1,500 signatures opposing this project and the state is still receiving letters in opposition. This project is of high interest to the local community, as well as to Congressman Bob Filner (D-CA-50), State Senator Peace (D).
- **California Applies for State Infrastructure Bank (SIB).** The National Highway System legislation passed last November authorized the DOT to fund ten "State Infrastructure Banks." Eight of the ten banks have already been selected. California is considered to be a strong contender for one of the two remaining SIBs. California's original application needed a great deal more work. Federal Highway Administration staff have worked with CALTRANS to strengthen the application. Secretary Pena and the FHWA are expected to announce the final two recipients of SIBs within ten days. Senator Barbara Boxer (D-CA) has expressed a strong interest in California's selection.

Department of the Treasury

- **Operation Hard Line.** President Clinton, the Treasury Department, and the Customs Service are deeply committed to stopping the flow of illegal drugs through our borders. Operation Hard Line strives to combat narcotics smuggling on the Southwest Border, and Customs officers report double-digit increases and the volume of total drug seizures - including increased seizures in virtually every major category of drug trafficking from cocaine to heroin. To build on the efforts of Operation Hard Line, the President's FY 97 budget will propose that an additional \$65 million and roughly 650 additional Customs officers be added to the border interdiction effort in the coming fiscal year.
- **The California Economy.** After undergoing prolonged weakness following the 1990-91 national recession, the California economy continues to build on a solid recovery. Construction is booming. Strength is also evident in retail and wholesale trade, the latter of which has been helped by strong export activity. After the defense and aerospace cutbacks, the revitalization of manufacturing may be attributed to export demand for electronic equipment and computers. Exports rose 17.0 percent in nominal terms in 1995, outpacing the national increase of 13.9 percent. Asian-Pacific trade accounts for about one-half of all exports from the state. Per capita personal

income in California rebounded sharply in 1995, growing by 6 percent. Under the leadership of the Clinton Administration, private businesses have agreed to wire every California school to the Internet by the end of the year. The long-term outlook of the state is positive, as much of California's restructuring is behind it. California ranks second among the states as home to 55 of the Fortune 500 companies, including Chevron, Hewlett Packard, Intel, Walt Disney, and Apple Computer.

Department of Veterans' Affairs

- **Helping Homeless Veterans.** The new Homeless Providers Grant and Per Diem Program has awarded more than \$11.8 million to 59 public and private nonprofit groups since 1994. Grants totaling \$2,557,850 have been awarded in the state of California to develop new programs to assist homeless veterans.
- **Travis Air Force Base Replacement Hospital.** The Administration requested funds in both FY 96 and 97 for a full VA Replacement Hospital at Travis Air Force Base. Despite Congressional action last year which substituted an outpatient clinic for the hospital, the Administration has continued to fight to replace access to inpatient care that was lost when seismic risks forced the closure of the Martinez hospital in 1991. On May 30, the House Appropriations Subcommittee added \$32 million in the FY 97 budget request for the first phase of construction of the replacement hospital.
- **Riverside National Cemetery.** In October of 1994, Veterans' Affairs completed construction of a \$9 million, 88-acre expansion project that added approximately 60,000 gravesites, including 5,184 columbarium niches. Better maintenance procedures coupled with infrastructure improvements have prevented severe damage from heavy seasonal rains. Riverside National Cemetery recorded a 5.78 percent increase in burial activity last fiscal year, indicating a high level of acceptance on the part of the veteran community.

Environmental Protection Agency

- **Community Right to Know.** The Administration expanded the Community-Right-to-Know programs to provide communities with access to more information about chemicals released into their air and water. In addition, new labeling and disclosure programs were launched to help consumers use household products safely and protect themselves from lead paint hazards.
- **Air Pollution.** Through tough enforcement of the Clean Air Act, toxic air pollution was cut from chemical plants by 90 percent, and 50 million Americans in 55 cities are breathing cleaner air.
- **Safe Water.** For the first time, toxic water quality standards were set for all the Great Lakes. The Administration also negotiated a consensus plan to protect the San Francisco Bay Delta, a body of water which provides irrigation for 45 percent of

America's fruits and vegetables. Combined, these two acts affect the drinking water of 68 million Americans.

- **Enforcement.** Polluters charged with endangering public health and the environment paid the largest fines in history. A new compliance assistance program was set up to help honest business owners comply with environmental laws.
- **Toxic Waste Clean-Up.** The Administration accelerated the pace of cleaning up toxic waste sites by 20 percent and, at the same time, significantly reduced the cost of cleanup.
- **Incineration.** As part of the Administration's "safety-first combustion strategy," EPA proposed the toughest public health standards for toxic air pollution from hazardous waste incinerators and issued new requirements for municipal incinerators that will result in a 99% reduction in emissions of cancer-causing dioxin.
- **Revitalizing Communities.** In his State of the Union address, President Clinton announced an important tool for redevelopment, a *targeted tax incentive* for those who purchase old waste sites in communities across the nation. Reinventing Government. Administration reforms have announced innovative ways to achieve greater environmental results at less cost and eliminated more than 10 million hours of paperwork for business and communities - the equivalent of returning a quarter-million work-weeks back to the private sector.

Federal Emergency Management Agency

- **Loma Prieta Earthquake (San Francisco).** FEMA has spent or committed \$666.6 million on Public Assistance, \$74.5 million on Individual Assistance and \$32.7 million on Hazard Mitigation since the October 18, 1989 quake. 75,000 individuals registered for assistance. Since President Clinton took office in January, 1993, FEMA has allocated funds to repair remaining major damage at Stanford University, San Francisco City Hall, Oakland City Hall, the Oakland Port Authority, and Moss Landing Marine Labs. In addition, FEMA allocated approximately \$1.4 million toward the seismic hardening of 19 fire stations in and around San Francisco. This will reduce the chance of future damage as well as increase the likelihood that emergency services will be available immediately following any future disasters.
- **Northridge Earthquake (Los Angeles).** More than 681,000 registered for assistance following the January 17, 1994 earthquake. FEMA allocated more than \$1.8 billion to offer Public and Individual Assistance. Much of the Public Assistance was allocated to California State University's Northridge campus and various Hospitals. As a result of the Northridge quake, FEMA is making over \$700 million in Hazard Mitigation Grant Program funds available to support cost-effective mitigation in the Los Angeles area. This money is currently being utilized to reduce the possibility of damage from future natural disasters in California. Examples include securing hanging lighting fixtures in schools which can fall during an earthquake and seriously injure or kill students below.

The Hazard Mitigation funds are also available for projects designed to reduce the likelihood of a wild fire which threatens lives or property.

- **Southern California Floods.** FEMA distributed \$96.5 million in Public Assistance and \$77.5 million in Individual Assistance to mitigate the effects of the January, 1995 floods in Southern California.
- **Northern California Floods.** FEMA distributed \$67.3 million in Public Assistance and \$25.5 million in Individual Assistance to mitigate the effects of the March, 1995 floods in Northern California.
- **Total Expenditures.** FEMA has spent \$4.4 billion as a direct result of the four disasters listed above.

Immigration and Naturalization Service (INS)

- **Enforcing Immigration Laws.** The Administration's commitment to enforcing the nation's immigration laws is ambitiously strives to deter drug trafficking and alien smuggling while simultaneously facilitating legal immigration.
- **INS Budget Increase.** The INS FY 96 budget totals \$26 million - a 24 percent increase over FY 95 and a 72 percent increase over FY 94. In 1996, INS will hire 1,260 new Border Patrol agents, inspectors, investigators, anti-smuggling agents, and other INS officers in California.
- **Operation Gatekeeper.** Operation Gatekeeper was launched in 1994 to strengthen enforcement along the 14 miles of border in San Diego which accounted for as much as 40% of Southwest border apprehensions. In the first year of Gatekeeper, INS gained control in Imperial Beach; it now targets Chula Vista and areas eastward.
- **Worksite Enforcement.** INS launched a California pilot project in 1995 which works with employers in City of Industry and Santa Ana to verify the employment eligibility of aliens. This one-year pilot includes more than 230 employers and more than 80,000 employees.
- **Removing Illegal Aliens.** INS removed 19,099 illegal aliens from California and more than 49,000 illegal aliens from the total United States in FY 95.
- **Naturalization.** A major INS naturalization initiative, *Citizenship USA*, is being implemented to streamline citizenship procedures and reduce application processing time to six months in five cities, including Los Angeles and San Francisco. INS completed 117,000 naturalization cases in California in FY 94 and 161,000 cases in FY 95.

Small Business Administration

- **Employment.** In the last three years, 490,000 new private sector jobs were created, while the unemployment rate dropped from 9.5% to 7.7%.
- **New Businesses.** New business incorporations have increased 6% during the past three years. In 1993 alone, 122,000 new businesses were created
- **Business Failure.** Business failures dropped 6% during that same time period.
- **Tax Cut.** President Clinton provided over 179,000 California small businesses with a tax cut this year by expanding the annual expensing allowance from \$10,000 to \$17,500.
- **Disaster Relief.** From 1990 to February 1996, SBA provided \$5.58 billion in disaster assistance to California homeowners, renters and business owners.
- **SBA Loans.** In FY 1995, SBA guaranteed 6,255 7(a) and 504 loans totalling \$1.5 billion to California small businesses -- 58% more than the number of loans made in FY 1992. These 6,255 SBA-backed loans in FY 1995 will create or sustain over 64,500 jobs in California over the next four years. Of these 6,255 loans, 1,151 went to women-owned small businesses and 1,811 went to minority-owned small businesses.
- **Consumer Confidence.** Has increased 43%.

FYI -
Tedd, Helen,
Marleen L

January 31, 1996

MEMORANDUM FOR DISTRIBUTION

**FROM: RUSSELL HORWITZ
COMMUNICATIONS RESEARCH**

RE: Accomplishment Documents

We have the following updated accomplishment documents available:

- State-By-State (2 Versions)
 - *Economic Progress in [State]*
 - *Making [State] a Better Place to Live and Work*
- Four-Page Accomplishment Pamphlets
- Quick List Accomplishment Cards
- African Americans
- Asian Americans
- Hispanic Americans
- Labor
- Seniors
- Women (2 versions)
 - *One-Pager*
 - *Supporting Women and Families Card*

They can be picked up in Room 197 or call x65715. State-By-States (both versions) can also be obtained from Jon Orszag (x65363) of the NEC. The Women and Family Cards can be collected from Mary Dixon of the Women's Office, x67300.

California Accomplishments of the Clinton Administration

Economic Development

[NOTE: For general economic statistics for California, see the one-page "Economic Progress in California", a copy of which is attached.]

Empowerment Zone/Enterprise Communities. L.A. has been declared a Supplemental Empowerment Zone and Oakland an Enhanced Enterprise Community. They'll receive \$40-100 million each in flexible funding to create jobs and help communities rebuild. Imperial County, L.A.- Huntington Park, San Diego, San Francisco-Bayview-Hunter's Point, and Watsonville have been declared "Enterprise Communities." They receive block grant funding of approximately \$3 million and access to tax-exempt bond financing for private business activities in the targeted communities.

Space Station and C-17. Administration fought hard to save the Space Station and C-17 aircraft program and won a tough competition for a major C-17 contract with Saudi Arabia, preserving billions of dollars of economic activity and tens of thousands of jobs in California.

San Diego shipbuilding. San Diego's shipbuilding industry has received a substantial investment from both our domestic shipbuilding initiative and Defense Department contracts. Last month, the Navy awarded a \$500 million contract to build two new ships, securing 4,000 jobs through the year 2000.

L.A. Metro Rail. \$1.9 billion in federal funds has been allocated for the LA Metro Rail system in the past two years, the largest city transit grant in the country. From 1993-95, the federal dollars generated 21,740 jobs from the LA Metrorail Red Line project. If the FY 96 request of \$158.9 million is funded, an additional 7,262 jobs will be generated.

Exports

Export jobs. California jobs supported by exports have risen by over 250,000 since 1993. [USTR]

Manufactured goods. California's exports of manufactured goods rose nearly 35% from 1993-1995. [USTR]

Exports to Japan. California exports to Japan rose 52% from 1993-1995. [USTR]

Export licensing -- computers. Eliminated cumbersome export licensing requirements that restricted the export of computers, telecommunications equipment and other electronic goods. Barriers removed on up to \$37 billion in technology exports, 1/3 made in California.

Japanese rice. Negotiated access to the lucrative Japanese rice market for the first time. We expect to sell 500,000 tons of American rice to Japan this year, most grown in California, creating 900 jobs in agriculture and shipping.

NAFTA. California benefits more than any other state from the NAFTA, with over \$7 billion in goods exported to Mexico in 1994.

GATT. As the country's largest exporting state, California is a significant beneficiary of GATT. In 1994, California firms exported over \$70 billion in goods; California firms have increased exports by \$20 billion since the President took office.

Defense Transition Programs

Technology Reinvestment Project. TRP has awarded nearly \$1 billion on a competitive basis to develop "dual-use" technologies. Projects led by California firms have received about 30% of all funds. With the matching funds that these firms are required to invest, TRP projects will generate \$2 billion in new high-tech economic activity in California.

Base conversion. Administration is expediting transfer of military facilities to localities so bases can be developed for the economic benefit of surrounding communities. *Alameda Naval Supply Center*, the *Presidio*, and San Bernardino County's *Norton Air Force Base* have all been transferred for productive local reuse. The *Sacramento Army Depot* was recently turned over to the city to serve as the site for a 3,000-employee Packard Bell facility. California bases have received over \$1.5 billion in environmental cleanup, job retraining, and economic development grants.

DFAS. Four military bases in California will house DFAS defense accounting centers, saving or creating 3,000 new jobs.

Defense Conversion Adjustment. California was awarded \$10 million for a Defense Conversion Adjustment project, which will assist 1,000 civilians who will be dislocated by the BRAC closure of Long Beach Naval Shipyard. In addition, the seeks to serve 500 unspecified contractor employees directly affected by the closure.

Environment

California Desert Protection Act. President fought for and signed this act -- the largest single designation of parks and wilderness areas ever in the lower 48 states. Then President fought GOP attempts to roll back the law.

Bay-Delta plan. Administration negotiated consensus plan that will protect California's most valuable resource -- water. The San Francisco Bay-Delta estuary is a critical link in a system that supplies drinking water to two-thirds of the state's people and provides irrigation for 45 percent of America's fruits and vegetables.

Offshore oil drilling. President helped defeat GOP effort to drop ban on offshore oil drilling.

Environmental technology. Administration made unprecedented commitment to environmental technology -- a market where California firms lead the world, with 200,000 jobs and annual revenues of \$20 billion. Our initiatives help environmental businesses compete in fast-growing global market, expected to reach \$500 billion in 2000.

San Diego beaches. Ground was broken last summer on a new facility to treat sewage from Mexico and protect San Diego area beaches. Administration has obligated \$240 million to this project, which will begin operations in early 1997, ahead of schedule.

Blocking GOP efforts to weaken laws. President and congressional Dems have blocked House bills to roll back Clean Water Act, enact a regulatory moratorium to prevent new health/environmental safeguards, put in place regulatory "reform" to weaken food safety and drinking water standards, and enact a "takings" law that would pay polluters not to pollute.

Immigration

Reimbursements to California. This Administration is the first to obtain funding from Congress to reimburse states for a share of the costs of incarcerating criminal aliens, in addition to assisting with education and medical care costs. This year, we reimbursed California \$64 million for the costs of incarcerating criminal aliens.

Border control. Launched in California as Operation Gatekeeper, our border control effort has added 500 agents to the line already, and will add 462 more this year -- doubling the number of Border Patrol agents in San Diego from less than 1,000 in FY 94 to over 2,000 by the end of this year. This program has also given the Border Patrol far better equipment and training. As a result of this initiative, border crossings in certain areas of San Diego have dropped dramatically, drawing praise from local law enforcement officials and from the press -- including the conservative *San Diego Union* editorial board.

Deportation of alien prisoners. A significant increase in the program to deport alien prisoners upon termination of their sentences is expeditiously sending thousands of felons back to their home countries every year.

Worksite enforcement. A stepped-up worksite enforcement strategy is doubling the number of worksite investigators nationwide. In FY 96, 604 officers and support staff will be hired for worksite enforcement, with more than 450 officers in new INS positions as Immigration Agents, focussed on enforcing employers sanctions and removing criminal aliens. The Administration is also producing counterfeit-resistant work authorization documents and expanding worker verification programs. *In California*, the Verification Information System (VIS) program is being tested with over 200 employers in the City of Industry and in Santa Ana. This pilot is testing a means for employers to confirm the employment eligibility of newly hired non-citizen employees quickly and effectively.

Crime

New cops. In just over one year, the Administration's Crime Bill has already provided funding to place 4,571 new community police officers on the streets of California. Los Angeles Police Department alone was awarded more than \$66.5 million to pay for 1505 new police officers: all of which will be involved in community policing.

Disaster Relief

L.A. Earthquake. Administration won rapid approval of a supplemental earthquake recovery appropriation of \$9.5 billion and agreed to pay 90% of reconstruction costs. \$11.5 billion has been allocated for the recovery so far, and the Administration requested over \$4.8 billion more to finish the job (which was in the rescission bill that passed last summer).

Earthquake benefits were delivered faster than ever before, and innovative contracting provisions ensured freeways were repaired in record time. Funds were advanced to allow schools to be repaired quickly so they could re-open in a matter of weeks. Special programs provided for these schools to be upgraded for future seismic safety. By comparison, in the 1989 San Francisco earthquake, federal government paid only 75% of the damages and was roundly criticized for slow pace of reconstruction efforts.

The Administration stepped in to help state and local governments in unprecedented ways: virtually no state money was contributed to the earthquake recovery effort in the months following the disaster; and HUD developed an innovative new program to rebuild apartment buildings in the San Fernando Valley "ghost towns" after the state bond measure designed to address this problem failed.

MAKING CALIFORNIA A BETTER PLACE TO LIVE AND WORK

America Is Moving In the Right Direction Under President Clinton

- **Stronger Economy.** The combined rate of unemployment and inflation is at its lowest level since 1968.
- **7.7 Million New Jobs.** The economy has created 7.7 million new jobs under President Clinton. Private sector job growth rate more than 7 times greater than during previous Administration.
- **Renewed Growth in Key Industries.** After a decade of enormous job losses in construction, manufacturing, and autos, these industries have made a remarkable recovery -- nearly one million new jobs combined under President Clinton.
- **Deficit Cut in Half.** The President's economic plan cut the deficit for three years in a row for the first time since Harry Truman was President -- the largest reduction in history.
- **Keeping Guns Away from Criminals.** More than 45,000 fugitives and felons blocked from buying handguns because President Clinton fought to pass the Brady Bill.
- **Safer Communities.** The crime rate is down and the number of murders reported dropped 12%--the largest decline in 35 years.
- **Stronger Families.** Teen pregnancy is falling, the poverty rate is decreasing, and the number of people on welfare is declining.

California Is Moving In The Right Direction Under President Clinton

- **Unemployment Rate in California Has Dropped from 9.4% to 7.7%.**
- **293,900 New Jobs Added in 35 Months -- After 63,200 Lost During the Previous 4 Years.**
- **Consumer Confidence is Up 42%, After Falling During the Previous Administration.**
- **Crime Is Down.** In *Los Angeles*, the number of robberies reported fell by 8% in the first half of 1995. In *San Diego*, the reported number of murders dropped by 25% in the first half of 1995.
- **\$15,000 of Reduced Federal Debt for Every Family of Four in California.** The President's economic plan is reducing the federal debt for each family of four by about \$15,000.
- **2,146,915 Working Families Receive a Tax Cut.** The President's expanded Earned Income Tax Credit is helping 2,146,915 working families make ends meet.
- **4,513 New Police Officers in California.** The President's Crime Bill puts 4,513 new police officers on the street, strengthens drug courts helping keep adult and juvenile offenders from cycling through the legal system, and helps protect women and children from domestic violence and sexual offenders.
- **298,000 Workers Protected by Family and Medical Leave.** The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child or to care for a sick family member. This law covers about 297,914 workers in California.

ECONOMIC PROGRESS IN CALIFORNIA UNDER PRESIDENT CLINTON

President Clinton's strategy to strengthen the economy is based on reducing the federal budget deficit, lowering trade barriers, and empowering workers, families, businesses and communities to succeed. Here are some of the results for the nation and California after the first 36 months of the Clinton Administration:

Improved Economic and Fiscal Conditions in the United States:

- Under the Clinton Economic Plan, the deficit will be lowered by more than \$1 trillion over 7 years -- the deficit has been cut for three years in a row for the first time since Harry Truman was President.
- 7.7 million new jobs created. Private sector job growth rate over 7 times faster than during previous Administration.
- Federal government workforce will drop by 272,900 -- creating lowest workforce since the Kennedy Administration.

Improved Economic Conditions in California:

- The unemployment rate has dropped from 9.4% at the beginning of the Clinton Administration to 8.8%.
- 274,900 new jobs added in 34 months -- after 63,200 lost during the previous 4 years.
- 257,700 new private sector jobs added in 34 months -- after 172,400 lost during the previous 4 years.
- New business incorporations have increased 7% per year -- after decreasing 11% during the previous 4 years.
- Business failures have dropped 6% per year -- after increasing 22% per year during the previous 12 years.
- Consumer confidence has increased 42%.

What President Clinton's Accomplishments Have Achieved for the People of California:

\$15,000 OF REDUCED FEDERAL DEBT FOR EVERY FAMILY OF FOUR IN CALIFORNIA: The national debt will be more than \$1 trillion lower over 7 years than was projected before the passage of the President's economic plan. That's about \$15,000 of reduced federal debt for each family of four in California.

10 TIMES MORE CALIFORNIA FAMILIES RECEIVE A TAX CUT THAN A TAX INCREASE: As a result of the expanded Earned Income Tax Credit, 2,146,915 working families in California will receive a tax cut. This compares to an increase in the income tax rate for only the 218,777 wealthiest taxpayers in California.

TAX CUT FOR 178,917 SMALL BUSINESSES IN CALIFORNIA: The President helped entrepreneurs, proprietors, and other small businessmen and women by expanding the annual expensing allowance from \$10,000 to \$17,500. About 178,917 small businesses in California are likely to benefit from the expansion of the expensing allowance this year alone *and many more will benefit over the coming years.*

4,959,000 CALIFORNIA WORKERS PROTECTED BY FAMILY AND MEDICAL LEAVE ACT: The Family and Medical Leave Act allows workers to take up to 12 weeks of unpaid leave for the birth of a child, to care for a sick family member, or if they become too sick to work. This law covers about 4,959,089 workers in California, and protects the jobs of 297,914 workers in California who are likely to use unpaid leave this year alone.

1.65 MILLION STUDENTS AND FORMER STUDENTS IN CALIFORNIA WILL BE ABLE TO BENEFIT FROM STUDENT LOAN REFORMS: Approximately 1.65 million California borrowers -- 1.16 million current borrowers and 490,000 new borrowers in the next few years -- can take advantage of the new direct student loan program by participating directly in the program or by consolidating guaranteed loans into direct loans. Some will benefit from lower interest rates and all will benefit from more repayment options, including income contingent repayment.

Phil

FYI

From Today

Mr. President:
b7i
B-

MEMORANDUM

TO: Bruce Lindsey
FROM: Brady
DATE: April 17, 1994
SUBJECT: Wisconsin briefing

This is the President's second visit to Wisconsin. The trip has been designed to focus attention on the health care program and, in particular, the need for employer-mandated health care coverage. To that end, the White House has asked Ameritech (the regional bell operating company for Illinois, Wisconsin and Indiana) to sponsor the visit--apparently because of the company's willingness to express support for employer-mandated coverage and its commitment to a high technology medical information exchange network.

The President will address an audience of about 1,000, which will include a substantial number of Ameritech employees, at the Italian-American Community Center near downtown Milwaukee. Ameritech offices in the two other states will participate electronically. The schedule also includes a reception with political supporters and a meeting with The Milwaukee Journal editorial board. Every event takes place at the Community Center although, on the return to the airport, the President also will have the opportunity to stop at "Leon's Custard," a city landmark.

There are several substantive and political pitfalls to avoid, as always, and you might find this memorandum helpful in that regard.

Overview. The state's economy has been stronger than the country as a whole for several years, and it remains that way. The unemployment rate, for example, is only 5.0 percent (February/adjusted), the sixth lowest in the nation, and it has been less than the national average for 73 consecutive months. The economy is almost exclusively driven by the private sector: Wisconsin is 49th in federal funds received from all sources.

Health care is a paramount issue with a poll published in February reflecting substantial support in the state for universal coverage and majority support (61 percent) for the Administration's health plan. A subsequent poll, released a month ago, however, showed declining support for the President's program. There have been competing "health insurance/health care

reform" plans pending before the state legislature, but it adjourned late last month without passing either one.

The principal elections this fall involve Sen. Herb Kohl, running for his second term, and Gov. Tommy Thompson, who is running for his third term and, not incidentally, looking for a 60 per cent margin to make him a credible Republican vice-presidential candidate in 1996. (Gov. Thompson has been, and remains, a harsh and unrelenting critic of the President.) Neither Sen. Kohl nor Gov. Thompson appears to be in any difficulty. The Congressional delegation remains 5-4 Republican with only one of the incumbents, Peter Barca (Democrat, 1st C.D./southeastern Wisconsin), likely to face a serious challenge. With Cong. Bill Natcher's death, of course, Dave Obey has just become chairman of the House Appropriations Committee.

In addition to health care, welfare reform remains a volatile issue with state and national implications. The New York Times reported in a page one story on Thursday that Wisconsin is one of the states that continues to press for "waivers" for experimental reform programs, including a two-year limit on benefits ("Work not Welfare"), a reduction in benefits for families with children who are truant, and two-tiered welfare that provides lower benefit rates for new residents. These waiver requests place the Administration in the position of approving experiments with which it may disagree. An incumbent governor's ability to obtain a federal waiver has obvious political implications as well.

Milwaukee has just received a federal grant for its own "New Hope" welfare reform program, advanced by Mayor John Norquist. Crime remains a significant issue in the city, and there is a handgun ban referendum on the November 8, 1994 ballot. The cryptosporidium water contamination problem of last spring (400,000 people ill) has been solved, but it remains a sensitive public health issue locally and in other cities. An article by four officials from the U.S. Center for Disease Control, published last week in Science magazine, blamed the outbreak on a "crippled surveillance network" blamed, in turn, on reductions in federal funding.

The state's economy is diversified with a mix of small, medium and Fortune 500 companies (e.g., Fort Howard Paper, Harley Davidson, and Manpower, Inc.--now the largest private employer in the country). There are national insurance companies in the Wausau/Stevens Point area (Wausau Insurance and Sentry), in Milwaukee (Northwestern Mutual Life), in Green Bay (Employers Health) and in Madison (American Family). While Illinois, Michigan, Ohio and Indiana all lost manufacturing jobs over the last 15 years, Wisconsin had a substantial gain.

Event Notes. Ameritech has been involved in two recent and related controversies. It pushed hard in the spring legislative session for a new bill, advanced by Gov. Thompson, to relax state regulation of the telecommunications industry. The stated goal of the legislation was to ensure that the state played a role in the development of the coming "information superhighway." While the legislation itself did not have a particularly partisan cast, a number of news articles emphasized the financial contributions to the Governor by industry executives--\$27,000 altogether with about a third of that from Ameritech executives. The bill did not receive final consideration in either house of the legislature, but it may be on the agenda for a special session later this spring.

The Milwaukee Journal publishes in the afternoon, and it is the largest circulation newspaper in the state. With a moderate editorial stance, it generally has been supportive of the Administration. (Some sample editorials accompany this memorandum.) On April 15, 1994, for example, an editorial noted that only 20,000 people in Wisconsin, less than one per cent, paid more taxes last year as a result of the Administration's tax bill.

The newspaper has a relatively new editor, Mary Jo Meisner, who had been the managing editor at the Fort Worth Star and, before that, an editor at The Washington Post. The newspaper's political reporter, Craig Gilbert, will be at the editorial board session.

In addition to questions about the subjects discussed in this memorandum, the editorial board may ask the President about some of the following issues: Congressman Obey's call last week for an invasion of Haiti; the Serbian-Bosnian conflict in light of the substantial ethnic minorities in Milwaukee; the Supreme Court prospects of two state jurists--U.S. District Court Judge Barbara Crabb (Madison/appointed by Pres. Carter) and State Supreme Court Justice Shirley Abrahamson (mentioned in Friday's Wall Street Journal); and, the Marakesh/GATT accords given Wisconsin's expanding export trade and state labor opposition to NAFTA and GATT.

Polling Data. Both the President and the First Lady have done well in recent state polls. On February 8, 1994, The Milwaukee Journal published a state-wide poll that gave the President a 62 percent excellent-good performance rating with only 23 percent "not so good" and 14 percent poor. This represented a remarkable improvement over the 51 percent negative (not so good and poor) rating in the previous poll, which was taken last June. (That same June poll had Mrs. Clinton's favorable-unfavorable rating at 47-35.) In the new 800-voter survey, conducted from Jan. 21-26, the President received an

approval-disapproval rating of 49-40 for foreign policy and 51-40 for the economy.

A more recent poll, published March 10, 1994, gave the President a 61-38 positive/negative rating. There's been no published polling data that test or reflect any change in popularity or job approval in the wake of the Whitewater controversy. (Note: there is a Wisconsin city called "Whitewater"--south and east of Madison with a University of Wisconsin system campus and a population of about 12,600.)

The latest poll, done by the University of Wisconsin Extension program, showed an increase from 44 to 48 per cent in the President's job approval from October to March. Mrs. Clinton's rating declined from 66 to 56 in the same period based on a sample of 389 respondents. In response to an open-ended question, only six people in the sample mentioned Whitewater. Mrs. Clinton's support in the previous University extension poll was 69 percent with one in four calling her performance "excellent." More than one-third of the residents surveyed voluntarily cited Mrs. Clinton's work on health care as the principal reason for their support, and even 45 percent of all Republicans polled approved of her role as a principal policy adviser to the President.

The February 8, 1994 Milwaukee Journal poll also asked respondents to rank the "most important" problem facing the country. The volunteered results: crime (40 percent), health care (11), the economy (8), and the budget deficit (8). Although Wisconsin is 41st in the country in violent crime, it has become a very serious problem in Milwaukee. On health care, the survey reported that 75 percent favored--and only 22 percent opposed--guaranteed health insurance for all Wisconsin residents. The vast majority (80 percent) said they considered health care reform important with 59 percent saying it was "very important." Almost two-thirds (61 percent) of the survey sample favored the Administration's plan, but only 15 percent said their support for the plan was "strong." That support level since has decreased.

Sen. Kohl/Gov. Thompson. There is no party registration in Wisconsin, and voters are notoriously independent. Both Gov. Thompson and Sen. Kohl have very high favorable ratings and generally bipartisan support. While most Democrats think Gov. Thompson should be replaced, for example, he still has a 67-28 job approval rating among Democrats. For their part, 55 percent of Republicans polled give Sen. Kohl positive marks.

Only one Democratic candidate has announced plans to run for governor against Thompson--Chuck Chvala (Kwa-la), a state senator from the Madison area. He has not generated a great deal of enthusiasm, and a poll last month gave him only 27 per cent name recognition. Over the last few weeks, there has been speculation

that the speaker of the state assembly, Wally Kunicki, will run for the nomination in the September 13, 1994 primary election.

The speaker was an early supporter of the President's while Sen. Chvala initially endorsed Sen. Harkin. The speaker has submitted a request to speak privately with the President on this trip and, if he has the opportunity, he will ask the President for his "implicit" or "indirect" support, particularly with fund-raising. It is not clear how the speaker expects the President to do this even if the President were willing.

The President saw Gov. Thompson at baseball's opening day in Cleveland earlier this month. The governor was there as the guest of Bud Selig, the owner of the Milwaukee Brewers, who also is the acting commissioner of baseball. The April edition of Campaigns & Elections named Gov. Thompson as one of the 20 most popular politicians in the country.

Four Republicans have announced their plans to run against Sen. Kohl. The leading contenders are a state representative, Robert Welch, and the state treasurer, Cathy Zeuske. The Senator will announce for re-election later this week in a series of news conferences around the state. His staff has expressed concern about the focus group comments they've been hearing about the President, and the Senator has not and probably will not endorse the health care program although he will express his agreement with its fundamental goals.

Health care legislation. The state has a reputation for quality health care with major medical centers in Madison (two private hospitals and the university's hospital), northern Wisconsin (the Marshfield clinics), Green Bay and Milwaukee. The state pioneered the development of HMOs, and there is a growing trend toward purchasing alliances. In February, a diverse group of health care providers in the Madison area, including HMOs and the university medical center and a private hospital, endorsed universal health care coverage.

Wisconsin has one of the highest percentages of HMO enrollment in the country and, in a recent survey by HCIA, Inc./Mercer Management, seven Wisconsin health care facilities placed in the top 100 "acute care" facilities nationwide. Not surprisingly, more than half (53 percent) of the state residents in a public opinion poll published earlier this year said they were "very satisfied" with their own access to health care. (Wisconsin has a relatively low percentage of uninsured: about 500,000 people in a total population of almost 5 million.)

There were two competing health care proposals pending in the state legislature--one advanced by the Governor together with the Republicans in the state senate and the other by the

Democrats in the assembly. (The legislature adjourned on March 25 without passing any health care legislation.)

While the Republicans call their plan "health care reform," the Governor has acknowledged that "the majority of it is insurance reform." Their proposal would re-create a state board to develop a new, basic "core" plan of insurance for businesses with two to 100 employees and require insurance companies, beginning in 1996, to sell the plan to any business or individual that wanted to buy it without regard to an individual's medical history and, not incidentally, without any limits on what the insurance company could charge. The premiums for this health insurance could vary with the individual, of course, but based only on age, gender, geographical region and tobacco use. The Governor's proposal originally had included purchasing pools, but he has dropped that from his legislation. Abortion would not be part of the "core" plan, and that has led several pro-choice Republican legislators to withhold their support.

By contrast, the Democratic proposal would permit the public to buy the same comprehensive insurance plan that now covers the state's 60,000 public employees as well as local government workers. The plan does not include guaranteed coverage for all, but it anticipates national health care reform that does provide universal coverage and the merger of the state plan with the Administration's plan.

A comparison of the February 8, 1994 Milwaukee Journal health care poll and a more recent poll by St. Norbert College (near Green Bay) shows a significant decline in support for the Administration's program. It fell to a third of the sample. There is still strong support (54-36), however, for universal coverage provided by employers.

Congressional delegation. The Democratic delegation generally has supported the President. While not a single Democratic Congressman from Wisconsin voted for NAFTA, every member backed the President on the budget vote. Sen. Kohl (Judiciary and Appropriations) and Sen. Russ Feingold (Foreign Relations and Agriculture) also have been very supportive.

This is Congressional Quarterly's rating of the delegation's support for the Administration's legislative proposals--

U.S. Senate (89 votes as of December 18, 1993):

Russ Feingold	85 percent
Herb Kohl	81

U.S. House (102 votes):

Gerald Kleczka	80	Steve Gunderson	51
----------------	----	-----------------	----

Dave Obey	78	Scott Klug	50
Tom Barrett	77	Tom Petri	33
Peter Barca	67	Toby Roth	29
		James Sensenbrenner	20

Dave Obey (spouse: Joan) is the dean of the delegation and, while he represents a district (northwestern Wisconsin) that is at best marginally Democratic, he wins (13 terms) with majorities consistently over 60 percent. He had more than \$372,000 in his campaign treasury as of December 31, 1993. Cong. Obey has, consistently and visibly, supported the Administration--particularly on the Russian aid package. (Until he became chairman of the full Committee, Obey chaired the foreign aid subcommittee of the House Appropriations Committee).

Gerald Kleczka (4th C.D./south side of Milwaukee/Ways and Means) (spouse: Bonnie) and Tom Barrett (5th C.D./north side of Milwaukee) (spouse: Kristine) will have no serious Republican opposition in the fall. While Les Aspin easily won repeated re-election as the Congressman for the 1st District, it is not a "Democratic" district, and Peter Barca (spouse: Kathy) will face a difficult challenge. He spent almost \$800,000 last year to win a primary and a very close special election on May 4, 1993, which he won after a recount by only 625 votes out of more than 100,000 votes cast. He has only just begun to raise funds for the 1994 race.

Democratic challengers probably will not be able to win any of the five seats now held by Republicans: Steve Gunderson (3rd C.D./western Wisconsin), Toby Roth (6th C.D./Green Bay), F. James Sensenbrenner (9th C.D./Milwaukee suburbs), Thomas Petri (6th C.D./central and eastern Wisconsin) and Scott Klug (2nd C.D./Madison and nine rural counties). Cong. Klug has allied himself with Cong. Cooper, becoming very visible on the health care issue.

Sen. Feingold is just beginning the second year of his first term. He beat Sen. Robert Kasten in 1992 with Feingold winning a contested primary election in an upset over better-funded opponents and winning the general election 53-47. A Rhodes scholar, he has supported the Administration more consistently than any other member of the delegation. Russ and his wife, Mary, have four children--two each from a previous marriage each.

Cong. Delegation/Health Care. According to the February 13, 1994 edition of The Milwaukee Journal, only Congs. Obey and Barrett unreservedly support the Administration's health care proposal. Sen. Feingold and Cong. Kleczka prefer the single-payer approach but, of the available alternatives, they favor the Administration's bill. The newspaper has provided a

chart summarizing the position of each member of the delegation, which accompanies this memorandum.

State visits. Wisconsin cannot complain about the attention it has received from the Administration. George Stephanopoulos was the most recent visitor, addressing the Jefferson-Jackson Day dinner in Milwaukee on April 7, 1994. He was very well received.

Mrs. Clinton did a health care swing on February 18-19, appearing in each of the four Democratic Congressional districts, and helping Cong. Obey and the state party raise money. The President gave a budget speech in Milwaukee on June 1, 1993, followed by a visit to a drugstore in Cong. Klezcka's district on the south side of the city. There had been a Presidential foreign policy address scheduled in Milwaukee for January 6, 1994 but, because of the death of the President's mother, Vice-President Gore delivered the address and made a visit that had been planned for the President to a Milwaukee high school (in Cong. Barrett's district) where he met the University of Wisconsin football team (Rose Bowl: Wisconsin 21 - U.C.L.A. 16) along with Secretary Shalala and Sec. Aspin.

At the cabinet level, Sec. Shalala and Les Aspin have made several trips to the state, and Sec. Cisneros made his second trip to Milwaukee on March 16, 1994 for an urban planning seminar with seven big city mayors that focused on the role of urban universities in revitalizing their communities. Jane Alexander was in the state the same week as Mrs. Clinton, and Sec. Reich did a labor program in Eau Claire last week with Cong. Gunderson (Republican/3rd C.D.). The Congressman has announced that he would run for re-election but that it would be his last term.

Administration appointments. The most visible appointments, of course, were Sec. Shalala and Sec. Aspin. Her popularity remains very high in the state--largely because, during the five years she was the chancellor of the University of Wisconsin at Madison, she had the foresight to hire the athletic director and football coach who brought Wisconsin its first trip to the Rose Bowl in 31 years. Former Sec. Aspin remains well regarded as well. The criticism of the Administration for his dismissal was directed primarily at the manner in which it was handled not at the decision itself.

The U.S. Attorney and U.S. Marshall positions (one each in Madison and in Milwaukee) were filled last fall without any real controversy. Early in the Administration, the Secretary of the Interior appointed Ada Deer, a Native American who taught at the university, as his Assistant Secretary for Indian Affairs. Last month, the Administration announced the appointment of Helen Dixon of Milwaukee as the regional (Chicago) director of the SBA.

The appointment of Tom Loftus, the former speaker of the state assembly, as ambassador to Norway was well-received generally and, particularly, by Democrats. Wisconsin has (after Minnesota) the highest percentage of Norwegian-Americans in its population, and Tom was the first public official in the state and one of the first in the country to endorse the President and begin actively working for his nomination. (They have known each other since 1987 when Tom helped arrange an invitation for Gov. Clinton to speak at the state party convention.) A former Democratic governor, Tony Earl, has been nominated to the St. Lawrence Seaway Commission.

There are no pending appointments and no early or active supporters who have not received an appointment they had sought. There are no judicial vacancies.

Miscellaneous Matters. On the subject of athletics, Wisconsin sent 16 athletes to the Olympics (about 10 percent of the entire team), and Mrs. Clinton met most of them when she was in Lillehammer. The President met them as well at the White House ceremony last week. Bonnie Blair (Milwaukee/speed skating), Dan Jansen (Milwaukee/speed skating) and Barry Richter (Madison/hockey) are among the best-known. Richter's father, Pat, is the athletic director Donna Shalala hired to rehabilitate the university's athletic program. Marquette University, in Milwaukee, did well in the NCAA basketball tournament beating Kentucky before losing in the regional semi-final game to Duke.

The FDA late last year approved the use of synthetic BGH (also known as rBST for "recombinant bovine somatotropin") to increase milk production in cows. A very controversial issue, it has divided the academic, farm and political communities. The FDA concluded, after years of research, that the chemical posed no health risk. When Russ Feingold was a state senator, however, he made BGH his "issue" and argued that it would hurt small dairy farmers by increasing the national milk supply hence depressing milk prices. As a U.S. Senator, Feingold has continued his opposition to BGH, and he was able to include in the budget bill a provision for a 90-day moratorium (now expired) between the announcement of the FDA decision and its effective date.

The legislature, in the 1994 session just ended, focused on health care (see above), crime and property tax reform. It adopted a "three strikes" sentencing provision (life without parole) for repeat violent criminals and increased the penalties and the visibility for juvenile offenders. Because the property tax is one of the highest in the country, the Democrats in the Assembly forced the legislature and the Governor to accept a proposal, similar to the Michigan legislation adopted last year, to eliminate the property tax as a school funding source. The Governor had called the plan "idiotic," although he has promised to sign the bill.

The legislature and the Governor late last year adopted a similar "sunset" proposal for welfare, committing the state to its elimination by 1999. Public and private school choice remain volatile state issues. There is a private school choice pilot program underway in Milwaukee (less than a thousand students) that has achieved mixed results. The state assembly is 52-47 Democratic while the senate is 17-16 Republican, and there is a chance the Democrats could lose control of the assembly in the fall elections.

The federal budget bill just submitted by the President will have little direct impact on the state. It does propose to reduce the low-income energy heating assistance program (from \$1.5 billion to \$730 million), cutting in half the \$50 million the state now receives from that program. The budget proposal also would eliminate a \$5 million Clean Lakes Program that helps the state, but Wisconsin would get \$10 million more in federal funds for waste water treatment programs.

State party matters. The state party has been in bad shape. It is almost destitute and, over the last few years, the party's role in campaign organizing has been largely assumed by the legislative (assembly and senate) campaign committees. Last June, the party elected a new chair (Marlys Matuszak of Stevens Point), and she in turn has now chosen a new executive director, Hannah Rosenthal, who is trying to reinvigorate and refinance the party. Hannah was one of the first people we recruited for the Clinton for President campaign early in 1992, and she is very loyal to the President. She also plays a national role with NOW, NARAL and AIPAC.

Presidential campaign results. The President carried the state in the general election (11 electoral votes) with 41 percent to President Bush's 37 percent with Ross Perot at 22 percent. Note that Perot's percentage was higher than his 19 percent national total. The President carried 50 of the state's 72 counties, losing only a band of 22 rural counties running north and south in the eastern third of the state. He won Milwaukee County with 51 percent of the vote and Dane County (Madison) with 55 percent.

Wisconsin in the general election saw a great deal of both the President and Pres. Bush with Pres. Bush spending the Saturday before the election on a train ride across the state. The President was in the state on at least six separate occasions between the convention and election day. One of those campaign stops was a Clinton-Gore rally on October 1 in Madison that drew more than 30,000 people. (The front page of the local newspaper the next day carried this headline: "What a crowd!" It was posted, you may recall, on the wall of the war room in Little Rock.)

In the Wisconsin presidential primary (April 6), the President narrowly beat former Gov. Brown and former Sen. Tsongas (38-35-27). The state primary took place, of course, on the same day as the New York primary, and the primary campaign here succeeded with very few resources and little candidate time.

Other officials. In addition to the state and federal public officials discussed above, the President probably will encounter the following: James Doyle, Attorney General, running for re-election; Thomas Ament, County Executive (non-partisan office); Douglas LaFollette (Secretary of State, Democratic); Bob Jauch, senate minority leader; and, Martha Love, DNC vice-chair and AFSCME official.

an:A(A10):\MEMO.VER

MEMORANDUM

TO: Bruce Lindsey
FROM: Brady
DATE: April 17, 1994
SUBJECT: Wisconsin briefing

This is the President's second visit to Wisconsin. The trip has been designed to focus attention on the health care program and, in particular, the need for employer-mandated health care coverage. To that end, the White House has asked Ameritech (the regional bell operating company for Illinois, Wisconsin and Indiana) to sponsor the visit--apparently because of the company's willingness to express support for employer-mandated coverage and its commitment to a high technology medical information exchange network.

The President will address an audience of about 1,000, which will include a substantial number of Ameritech employees, at the Italian-American Community Center near downtown Milwaukee. Ameritech offices in the two other states will participate electronically. The schedule also includes a reception with political supporters and a meeting with The Milwaukee Journal editorial board. Every event takes place at the Community Center although, on the return to the airport, the President also will have the opportunity to stop at "Leon's Custard," a city landmark.

There are several substantive and political pitfalls to avoid, as always, and you might find this memorandum helpful in that regard.

Overview. The state's economy has been stronger than the country as a whole for several years, and it remains that way. The unemployment rate, for example, is only 5.0 percent (February/adjusted), the sixth lowest in the nation, and it has been less than the national average for 73 consecutive months. The economy is almost exclusively driven by the private sector: Wisconsin is 49th in federal funds received from all sources.

Health care is a paramount issue with a poll published in February reflecting substantial support in the state for universal coverage and majority support (61 percent) for the Administration's health plan. A subsequent poll, released a month ago, however, showed declining support for the President's program. There have been competing "health insurance/health care

reform" plans pending before the state legislature, but it adjourned late last month without passing either one.

The principal elections this fall involve Sen. Herb Kohl, running for his second term, and Gov. Tommy Thompson, who is running for his third term and, not incidentally, looking for a 60 per cent margin to make him a credible Republican vice-presidential candidate in 1996. (Gov. Thompson has been, and remains, a harsh and unrelenting critic of the President.) Neither Sen. Kohl nor Gov. Thompson appears to be in any difficulty. The Congressional delegation remains 5-4 Republican with only one of the incumbents, Peter Barca (Democrat, 1st C.D./southeastern Wisconsin), likely to face a serious challenge. With Cong. Bill Natcher's death, of course, Dave Obey has just become chairman of the House Appropriations Committee.

In addition to health care, welfare reform remains a volatile issue with state and national implications. The New York Times reported in a page one story on Thursday that Wisconsin is one of the states that continues to press for "waivers" for experimental reform programs, including a two-year limit on benefits ("Work not Welfare"), a reduction in benefits for families with children who are truant, and two-tiered welfare that provides lower benefit rates for new residents. These waiver requests place the Administration in the position of approving experiments with which it may disagree. An incumbent governor's ability to obtain a federal waiver has obvious political implications as well.

Milwaukee has just received a federal grant for its own "New Hope" welfare reform program, advanced by Mayor John Norquist. Crime remains a significant issue in the city, and there is a handgun ban referendum on the November 8, 1994 ballot. The cryptosporidium water contamination problem of last spring (400,000 people ill) has been solved, but it remains a sensitive public health issue locally and in other cities. An article by four officials from the U.S. Center for Disease Control, published last week in Science magazine, blamed the outbreak on a "crippled surveillance network" blamed, in turn, on reductions in federal funding.

The state's economy is diversified with a mix of small, medium and Fortune 500 companies (e.g., Fort Howard Paper, Harley Davidson, and Manpower, Inc.--now the largest private employer in the country). There are national insurance companies in the Wausau/Stevens Point area (Wausau Insurance and Sentry), in Milwaukee (Northwestern Mutual Life), in Green Bay (Employers Health) and in Madison (American Family). While Illinois, Michigan, Ohio and Indiana all lost manufacturing jobs over the last 15 years, Wisconsin had a substantial gain.

Event Notes. Ameritech has been involved in two recent and related controversies. It pushed hard in the spring legislative session for a new bill, advanced by Gov. Thompson, to relax state regulation of the telecommunications industry. The stated goal of the legislation was to ensure that the state played a role in the development of the coming "information superhighway." While the legislation itself did not have a particularly partisan cast, a number of news articles emphasized the financial contributions to the Governor by industry executives--\$27,000 altogether with about a third of that from Ameritech executives. The bill did not receive final consideration in either house of the legislature, but it may be on the agenda for a special session later this spring.

The Milwaukee Journal publishes in the afternoon, and it is the largest circulation newspaper in the state. With a moderate editorial stance, it generally has been supportive of the Administration. (Some sample editorials accompany this memorandum.) On April 15, 1994, for example, an editorial noted that only 20,000 people in Wisconsin, less than one per cent, paid more taxes last year as a result of the Administration's tax bill.

The newspaper has a relatively new editor, Mary Jo Meisner, who had been the managing editor at the Fort Worth Star and, before that, an editor at The Washington Post. The newspaper's political reporter, Craig Gilbert, will be at the editorial board session.

In addition to questions about the subjects discussed in this memorandum, the editorial board may ask the President about some of the following issues: Congressman Obey's call last week for an invasion of Haiti; the Serbian-Bosnian conflict in light of the substantial ethnic minorities in Milwaukee; the Supreme Court prospects of two state jurists--U.S. District Court Judge Barbara Crabb (Madison/appointed by Pres. Carter) and State Supreme Court Justice Shirley Abrahamson (mentioned in Friday's Wall Street Journal); and, the Marakesh/GATT accords given Wisconsin's expanding export trade and state labor opposition to NAFTA and GATT.

Polling Data. Both the President and the First Lady have done well in recent state polls. On February 8, 1994, The Milwaukee Journal published a state-wide poll that gave the President a 62 percent excellent-good performance rating with only 23 percent "not so good" and 14 percent poor. This represented a remarkable improvement over the 51 percent negative (not so good and poor) rating in the previous poll, which was taken last June. (That same June poll had Mrs. Clinton's favorable-unfavorable rating at 47-35.) In the new 800-voter survey, conducted from Jan. 21-26, the President received an

approval-disapproval rating of 49-40 for foreign policy and 51-40 for the economy.

A more recent poll, published March 10, 1994, gave the President a 61-38 positive/negative rating. There's been no published polling data that test or reflect any change in popularity or job approval in the wake of the Whitewater controversy. (Note: there is a Wisconsin city called "Whitewater"--south and east of Madison with a University of Wisconsin system campus and a population of about 12,600.)

The latest poll, done by the University of Wisconsin Extension program, showed an increase from 44 to 48 per cent in the President's job approval from October to March. Mrs. Clinton's rating declined from 66 to 56 in the same period based on a sample of 389 respondents. In response to an open-ended question, only six people in the sample mentioned Whitewater. Mrs. Clinton's support in the previous University extension poll was 69 percent with one in four calling her performance "excellent." More than one-third of the residents surveyed voluntarily cited Mrs. Clinton's work on health care as the principal reason for their support, and even 45 percent of all Republicans polled approved of her role as a principal policy adviser to the President.

The February 8, 1994 Milwaukee Journal poll also asked respondents to rank the "most important" problem facing the country. The volunteered results: crime (40 percent), health care (11), the economy (8), and the budget deficit (8). Although Wisconsin is 41st in the country in violent crime, it has become a very serious problem in Milwaukee. On health care, the survey reported that 75 percent favored--and only 22 percent opposed--guaranteed health insurance for all Wisconsin residents. The vast majority (80 percent) said they considered health care reform important with 59 percent saying it was "very important." Almost two-thirds (61 percent) of the survey sample favored the Administration's plan, but only 15 percent said their support for the plan was "strong." That support level since has decreased.

Sen. Kohl/Gov. Thompson. There is no party registration in Wisconsin, and voters are notoriously independent. Both Gov. Thompson and Sen. Kohl have very high favorable ratings and generally bipartisan support. While most Democrats think Gov. Thompson should be replaced, for example, he still has a 67-28 job approval rating among Democrats. For their part, 55 percent of Republicans polled give Sen. Kohl positive marks.

Only one Democratic candidate has announced plans to run for governor against Thompson--Chuck Chvala (Kwa-la), a state senator from the Madison area. He has not generated a great deal of enthusiasm, and a poll last month gave him only 27 per cent name recognition. Over the last few weeks, there has been speculation

that the speaker of the state assembly, Wally Kunicki, will run for the nomination in the September 13, 1994 primary election.

The speaker was an early supporter of the President's while Sen. Chvala initially endorsed Sen. Harkin. The speaker has submitted a request to speak privately with the President on this trip and, if he has the opportunity, he will ask the President for his "implicit" or "indirect" support, particularly with fund-raising. It is not clear how the speaker expects the President to do this even if the President were willing.

The President saw Gov. Thompson at baseball's opening day in Cleveland earlier this month. The governor was there as the guest of Bud Selig, the owner of the Milwaukee Brewers, who also is the acting commissioner of baseball. The April edition of Campaigns & Elections named Gov. Thompson as one of the 20 most popular politicians in the country.

Four Republicans have announced their plans to run against Sen. Kohl. The leading contenders are a state representative, Robert Welch, and the state treasurer, Cathy Zeuske. The Senator will announce for re-election later this week in a series of news conferences around the state. His staff has expressed concern about the focus group comments they've been hearing about the President, and the Senator has not and probably will not endorse the health care program although he will express his agreement with its fundamental goals.

Health care legislation. The state has a reputation for quality health care with major medical centers in Madison (two private hospitals and the university's hospital), northern Wisconsin (the Marshfield clinics), Green Bay and Milwaukee. The state pioneered the development of HMOs, and there is a growing trend toward purchasing alliances. In February, a diverse group of health care providers in the Madison area, including HMOs and the university medical center and a private hospital, endorsed universal health care coverage.

Wisconsin has one of the highest percentages of HMO enrollment in the country and, in a recent survey by HCIA, Inc./Mercer Management, seven Wisconsin health care facilities placed in the top 100 "acute care" facilities nationwide. Not surprisingly, more than half (53 percent) of the state residents in a public opinion poll published earlier this year said they were "very satisfied" with their own access to health care. (Wisconsin has a relatively low percentage of uninsured: about 500,000 people in a total population of almost 5 million.)

There were two competing health care proposals pending in the state legislature--one advanced by the Governor together with the Republicans in the state senate and the other by the

Democrats in the assembly. (The legislature adjourned on March 25 without passing any health care legislation.)

While the Republicans call their plan "health care reform," the Governor has acknowledged that "the majority of it is insurance reform." Their proposal would re-create a state board to develop a new, basic "core" plan of insurance for businesses with two to 100 employees and require insurance companies, beginning in 1996, to sell the plan to any business or individual that wanted to buy it without regard to an individual's medical history and, not incidentally, without any limits on what the insurance company could charge. The premiums for this health insurance could vary with the individual, of course, but based only on age, gender, geographical region and tobacco use. The Governor's proposal originally had included purchasing pools, but he has dropped that from his legislation. Abortion would not be part of the "core" plan, and that has led several pro-choice Republican legislators to withhold their support.

By contrast, the Democratic proposal would permit the public to buy the same comprehensive insurance plan that now covers the state's 60,000 public employees as well as local government workers. The plan does not include guaranteed coverage for all, but it anticipates national health care reform that does provide universal coverage and the merger of the state plan with the Administration's plan.

A comparison of the February 8, 1994 Milwaukee Journal health care poll and a more recent poll by St. Norbert College (near Green Bay) shows a significant decline in support for the Administration's program. It fell to a third of the sample. There is still strong support (54-36), however, for universal coverage provided by employers.

Congressional delegation. The Democratic delegation generally has supported the President. While not a single Democratic Congressman from Wisconsin voted for NAFTA, every member backed the President on the budget vote. Sen. Kohl (Judiciary and Appropriations) and Sen. Russ Feingold (Foreign Relations and Agriculture) also have been very supportive.

This is Congressional Quarterly's rating of the delegation's support for the Administration's legislative proposals--

U.S. Senate (89 votes as of December 18, 1993):

Russ Feingold	85 percent
Herb Kohl	81

U.S. House (102 votes):

Gerald Kleczka	80	Steve Gunderson	51
----------------	----	-----------------	----

Dave Obey	78	Scott Klug	50
Tom Barrett	77	Tom Petri	33
Peter Barca	67	Toby Roth	29
		James Sensenbrenner	20

Dave Obey (spouse: Joan) is the dean of the delegation and, while he represents a district (northwestern Wisconsin) that is at best marginally Democratic, he wins (13 terms) with majorities consistently over 60 percent. He had more than \$372,000 in his campaign treasury as of December 31, 1993. Cong. Obey has, consistently and visibly, supported the Administration--particularly on the Russian aid package. (Until he became chairman of the full Committee, Obey chaired the foreign aid subcommittee of the House Appropriations Committee).

Gerald Kleczka (4th C.D./south side of Milwaukee/Ways and Means) (spouse: Bonnie) and Tom Barrett (5th C.D./north side of Milwaukee) (spouse: Kristine) will have no serious Republican opposition in the fall. While Les Aspin easily won repeated re-election as the Congressman for the 1st District, it is not a "Democratic" district, and Peter Barca (spouse: Kathy) will face a difficult challenge. He spent almost \$800,000 last year to win a primary and a very close special election on May 4, 1993, which he won after a recount by only 625 votes out of more than 100,000 votes cast. He has only just begun to raise funds for the 1994 race.

Democratic challengers probably will not be able to win any of the five seats now held by Republicans: Steve Gunderson (3rd C.D./western Wisconsin), Toby Roth (6th C.D./Green Bay), F. James Sensenbrenner (9th C.D./Milwaukee suburbs), Thomas Petri (6th C.D./central and eastern Wisconsin) and Scott Klug (2nd C.D./Madison and nine rural counties). Cong. Klug has allied himself with Cong. Cooper, becoming very visible on the health care issue.

Sen. Feingold is just beginning the second year of his first term. He beat Sen. Robert Kasten in 1992 with Feingold winning a contested primary election in an upset over better-funded opponents and winning the general election 53-47. A Rhodes scholar, he has supported the Administration more consistently than any other member of the delegation. Russ and his wife, Mary, have four children--two each from a previous marriage each.

Cong. Delegation/Health Care. According to the February 13, 1994 edition of The Milwaukee Journal, only Congs. Obey and Barrett unreservedly support the Administration's health care proposal. Sen. Feingold and Cong. Kleczka prefer the single-payer approach but, of the available alternatives, they favor the Administration's bill. The newspaper has provided a

chart summarizing the position of each member of the delegation, which accompanies this memorandum.

State visits. Wisconsin cannot complain about the attention it has received from the Administration. George Stephanopoulos was the most recent visitor, addressing the Jefferson-Jackson Day dinner in Milwaukee on April 7, 1994. He was very well received.

Mrs. Clinton did a health care swing on February 18-19, appearing in each of the four Democratic Congressional districts, and helping Cong. Obey and the state party raise money. The President gave a budget speech in Milwaukee on June 1, 1993, followed by a visit to a drugstore in Cong. Klezcka's district on the south side of the city. There had been a Presidential foreign policy address scheduled in Milwaukee for January 6, 1994 but, because of the death of the President's mother, Vice-President Gore delivered the address and made a visit that had been planned for the President to a Milwaukee high school (in Cong. Barrett's district) where he met the University of Wisconsin football team (Rose Bowl: Wisconsin 21 - U.C.L.A. 16) along with Secretary Shalala and Sec. Aspin.

At the cabinet level, Sec. Shalala and Les Aspin have made several trips to the state, and Sec. Cisneros made his second trip to Milwaukee on March 16, 1994 for an urban planning seminar with seven big city mayors that focused on the role of urban universities in revitalizing their communities. Jane Alexander was in the state the same week as Mrs. Clinton, and Sec. Reich did a labor program in Eau Claire last week with Cong. Gunderson (Republican/3rd C.D.). The Congressman has announced that he would run for re-election but that it would be his last term.

Administration appointments. The most visible appointments, of course, were Sec. Shalala and Sec. Aspin. Her popularity remains very high in the state--largely because, during the five years she was the chancellor of the University of Wisconsin at Madison, she had the foresight to hire the athletic director and football coach who brought Wisconsin its first trip to the Rose Bowl in 31 years. Former Sec. Aspin remains well regarded as well. The criticism of the Administration for his dismissal was directed primarily at the manner in which it was handled not at the decision itself.

The U.S. Attorney and U.S. Marshall positions (one each in Madison and in Milwaukee) were filled last fall without any real controversy. Early in the Administration, the Secretary of the Interior appointed Ada Deer, a Native American who taught at the university, as his Assistant Secretary for Indian Affairs. Last month, the Administration announced the appointment of Helen Dixon of Milwaukee as the regional (Chicago) director of the SBA.

The appointment of Tom Loftus, the former speaker of the state assembly, as ambassador to Norway was well-received generally and, particularly, by Democrats. Wisconsin has (after Minnesota) the highest percentage of Norwegian-Americans in its population, and Tom was the first public official in the state and one of the first in the country to endorse the President and begin actively working for his nomination. (They have known each other since 1987 when Tom helped arrange an invitation for Gov. Clinton to speak at the state party convention.) A former Democratic governor, Tony Earl, has been nominated to the St. Lawrence Seaway Commission.

There are no pending appointments and no early or active supporters who have not received an appointment they had sought. There are no judicial vacancies.

Miscellaneous Matters. On the subject of athletics, Wisconsin sent 16 athletes to the Olympics (about 10 percent of the entire team), and Mrs. Clinton met most of them when she was in Lillehammer. The President met them as well at the White House ceremony last week. Bonnie Blair (Milwaukee/speed skating), Dan Jansen (Milwaukee/speed skating) and Barry Richter (Madison/hockey) are among the best-known. Richter's father, Pat, is the athletic director Donna Shalala hired to rehabilitate the university's athletic program. Marquette University, in Milwaukee, did well in the NCAA basketball tournament beating Kentucky before losing in the regional semi-final game to Duke.

The FDA late last year approved the use of synthetic BGH (also known as rBST for "recombinant bovine somatotropin") to increase milk production in cows. A very controversial issue, it has divided the academic, farm and political communities. The FDA concluded, after years of research, that the chemical posed no health risk. When Russ Feingold was a state senator, however, he made BGH his "issue" and argued that it would hurt small dairy farmers by increasing the national milk supply hence depressing milk prices. As a U.S. Senator, Feingold has continued his opposition to BGH, and he was able to include in the budget bill a provision for a 90-day moratorium (now expired) between the announcement of the FDA decision and its effective date.

The legislature, in the 1994 session just ended, focused on health care (see above), crime and property tax reform. It adopted a "three strikes" sentencing provision (life without parole) for repeat violent criminals and increased the penalties and the visibility for juvenile offenders. Because the property tax is one of the highest in the country, the Democrats in the Assembly forced the legislature and the Governor to accept a proposal, similar to the Michigan legislation adopted last year, to eliminate the property tax as a school funding source. The Governor had called the plan "idiotic," although he has promised to sign the bill.

The legislature and the Governor late last year adopted a similar "sunset" proposal for welfare, committing the state to its elimination by 1999. Public and private school choice remain volatile state issues. There is a private school choice pilot program underway in Milwaukee (less than a thousand students) that has achieved mixed results. The state assembly is 52-47 Democratic while the senate is 17-16 Republican, and there is a chance the Democrats could lose control of the assembly in the fall elections.

The federal budget bill just submitted by the President will have little direct impact on the state. It does propose to reduce the low-income energy heating assistance program (from \$1.5 billion to \$730 million), cutting in half the \$50 million the state now receives from that program. The budget proposal also would eliminate a \$5 million Clean Lakes Program that helps the state, but Wisconsin would get \$10 million more in federal funds for waste water treatment programs.

State party matters. The state party has been in bad shape. It is almost destitute and, over the last few years, the party's role in campaign organizing has been largely assumed by the legislative (assembly and senate) campaign committees. Last June, the party elected a new chair (Marlys Matuszak of Stevens Point), and she in turn has now chosen a new executive director, Hannah Rosenthal, who is trying to reinvigorate and refinance the party. Hannah was one of the first people we recruited for the Clinton for President campaign early in 1992, and she is very loyal to the President. She also plays a national role with NOW, NARAL and AIPAC.

Presidential campaign results. The President carried the state in the general election (11 electoral votes) with 41 percent to President Bush's 37 percent with Ross Perot at 22 percent. Note that Perot's percentage was higher than his 19 percent national total. The President carried 50 of the state's 72 counties, losing only a band of 22 rural counties running north and south in the eastern third of the state. He won Milwaukee County with 51 percent of the vote and Dane County (Madison) with 55 percent.

Wisconsin in the general election saw a great deal of both the President and Pres. Bush with Pres. Bush spending the Saturday before the election on a train ride across the state. The President was in the state on at least six separate occasions between the convention and election day. One of those campaign stops was a Clinton-Gore rally on October 1 in Madison that drew more than 30,000 people. (The front page of the local newspaper the next day carried this headline: "What a crowd!" It was posted, you may recall, on the wall of the war room in Little Rock.)

In the Wisconsin presidential primary (April 6), the President narrowly beat former Gov. Brown and former Sen. Tsongas (38-35-27). The state primary took place, of course, on the same day as the New York primary, and the primary campaign here succeeded with very few resources and little candidate time.

Other officials. In addition to the state and federal public officials discussed above, the President probably will encounter the following: James Doyle, Attorney General, running for re-election; Thomas Ament, County Executive (non-partisan office); Douglas LaFollette (Secretary of State, Democratic); Bob Jauch, senate minority leader; and, Martha Love, DNC vice-chair and AFSCME official.

an:A(A10):\MEMO.VER

THE WHITE HOUSE
WASHINGTON

Sept 99

Hardware + Software

① IS old OFM Y2K
compliant?

② Data Transmissions - Via NERB to EOB
+ location + hardware

③ Support Strategy - Technical Support

- Helmer - staff
- DoD -

Transition in ~~late~~ 2000
begin being current - old
staff is logistical

Daniel W. Burkhardt

03/09/99 12:56:39 PM

Record Type: Record

To: John Dankowski/WHO/EOP
cc: Delia A. Cohen/WHO/EOP, Stephen K. Horn/WHO/EOP
Subject: correspondence creation and tracking system

John --

I have had several discussions with Steve Horn over the past week regarding the status of the project to move us from the non-Y2K compliant Quorum system we have to something else, and I'm concerned that there still has been no clear decision on whether we will move to a watered-down version of the WHISDM approach that IMC has been working on for the past year or to an upgraded version of Quorum provided and customized by ISI.

Can you please let me know at your earliest convenience the direction that this project is going to take?

At this point, regardless of which system gets built (and the company that builds it -- although I hope it is not IMC in the WHISDM case; that company continues to be unimpressive, and I don't believe we ever will get delivery of a suitable product), I want to know:

- * the names of each person assigned to build the system
- * the offices within my department they are responsible for, and
- * a week-by-week delivery schedule that Steve Horn and I can follow to ensure that the product will be delivered in time for us to test and be comfortable with before the end of the year.

Without a final decision on the course we will take, and the strict accountability I have asked for above, I am doubtful we are going to have -- by year's end -- a system with the functionality we currently have, let alone that will improve over our current system.

Thanks, as always, for your help on these issues.

THE WHITE HOUSE
WASHINGTON

Phil
Sean
David
Barbara
Carol

March 17, 1999

MEMORANDUM FOR ALL WHITE HOUSE OFFICE
ADMINISTRATIVE POINTS OF CONTACT

FROM: JOHN R. DANKOWSKI *John R. Dankowski*
SPECIAL ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF WHITE HOUSE OPERATIONS

SUBJECT: NT 4.0 Roll Out

Please pay particular attention to this **very important** information. Beginning March 31, 1999 all White House Office computers and computer servers will be migrated to a new Year 2000 compliant Windows NT 4.0 operating system.

As outlined in the attachments, this change will present some noticeable differences to the desktop computers throughout your office, and requires minor preparation on your part to help us ensure a smooth transition. I strongly encourage you to make a copy of the attachments for **every member of your staff** who uses a desktop computer.

To help answer questions you may have and guide you through this process, I am dedicating our next Administrative Points of Contact Meeting to the NT 4.0 roll out. IS&T leadership and experts will be on hand to answer your questions. This meeting will take place on Thursday, March 25th at 4:00 p.m. in OEOB Room 476.

I most strongly encourage your thorough review of the attachment, and your attendance at next week's meeting. Thank you.

Attachments



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF ADMINISTRATION
WASHINGTON, D.C. 20503

March 16, 1999

MEMORANDUM FOR WHO USERS

FROM: DOROTHY E. CLEAL *Dottie Cleal*
ASSOCIATE DIRECTOR
INFORMATION SYSTEMS AND TECHNOLOGY DIVISION

SUBJECT: NT4.0 Roll out

As you know, IS&T is proceeding with the installation of NT4.0 to meet Y2K compliancy and provide enhanced functionality for the EOP community. The next phase of the installation will be executed by a contractor, TWD, and is scheduled to begin this week. I wanted to take this opportunity to pass on some preliminary information that I believe will be useful to you that will also address some of the concerns or questions some of you may have. I have also attached an NT4.0 fact sheet for your reference.

INSTALLATION SCHEDULE: A detailed schedule will be developed between representatives from your agency, IS&T and the contractor, but as of today, your agency's installation is scheduled to begin on or about March 31st, 1999.

INSTALLATION PROCESS AND WORK FILES: Briefly, the installation steps include the technician copying your C:\WORK data files up to the server, reformatting your PCs hard drive, installing the NT4.0 common software, and finally copying your work files back to the C:\WORK directory. This installation process is expected to take approximately one and a half hours, depending on the number of files copied up and back (this is the longest part of the process). I would suggest that if any work files are stored elsewhere on your hard drive, you move them to the C:\WORK directory under new sub-directories as this will 1) ensure they're not missed during the process, and 2) speed up the process.

SPECIAL FILES: If you have any critical or large files you are very concerned about, I recommend you consider backing them up on disk or to the network (especially if they're large). This is a 'just-in-case'.

WHAT'S ON THE NEW NT4.0 COMMON LOAD?: A new desktop that is Y2K compliant with a more friendly graphic look and feel, Microsoft Office, including Word, Excel, Access and PowerPoint.

SOME IMPORTANT CHANGES: All downloaded files will be saved to the WORK directory, user installed programs go into WORK directory only, single log-on/password synchronization, and you can change your screen size. Please note that All-in-1, Wordperfect, and Lotus 1-2-3 will not be available after Sept. 1, 1999.

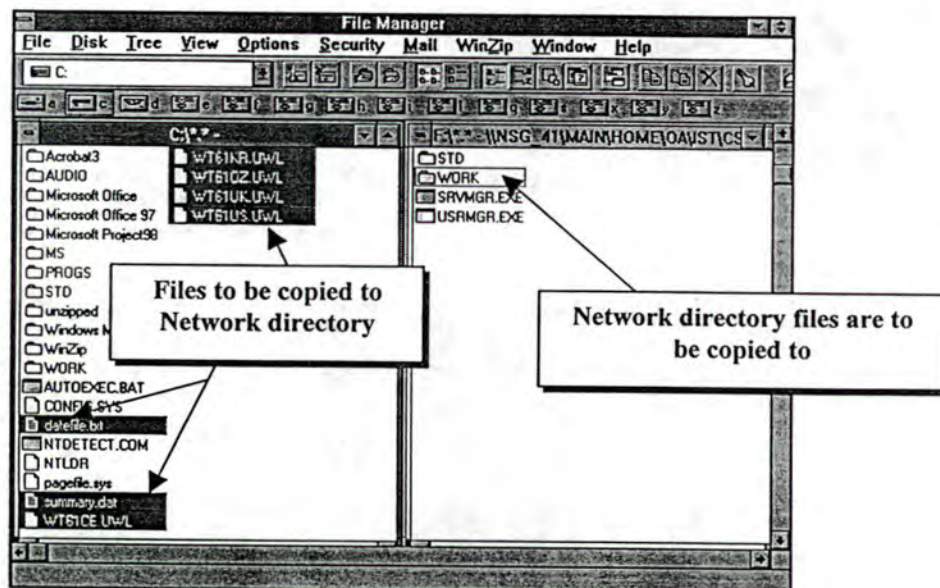
NON-STANDARD SOFTWARE: You will be asked by your IS&T NT Coordinator to verify the continued use of any software you are currently using that is not part of the common load. In addition, licenses, purchase orders, media (CDS, disks) and Y2K compliance information will also be needed before the compliant software can be reinstalled on your NT4.0 PCs. Non-compliant software will not be installed on PCs. In the event of any questions, please be sure to contact your agency NT Coordinator, Dottie Crumling at X56571.

TIPS & INFORMATION: see attached sheet.

I hope I have addressed some of your immediate concerns. If you have any other questions or concerns, please address them to your agency contact or call Sheryl Hall, the NT4.0 Project Manager at X56460. I am also available to discuss this matter with your if needed and can be reached at X56401.

Attachment

1. **Directory Access:** You will only have access to save, delete, or create subdirectories (subfolders) in the “C:\WORK” directory (folder). You **will not** have access to save or delete files from any other directory (folder) on the hard drive. Current or new work files, data files, which are not located in your “C:\WORK” directory may not be backed up prior to the installation of the new load. Therefore, when the new load is installed data files stored elsewhere could be lost *forever*. The following are steps necessary to back up your files to the network:
 - a) Open the file manager.
 - b) Click on File, new on the menu bar to open another instance of the file manager.
 - c) Click once on the “F” drive icon, then click in the other open file manager window.
 - d) Click once on the “C” drives icon on the toolbar.
 - e) Click on the first file or directory you want to save to the network.
 - f) Hold down the Shift key and select the last file or directory you want to save to the network. Provided they are arranged one after another (contiguous). If the files or directory are not arranged one after another (non-contiguous), hold down the Ctrl key as you select them, by clicking on them once with your mouse.
 - g) Drag the files over from the “C” drive to “F:\WORK”. All files you want to keep should be saved to this network directory.



2. **Downloading Programs:** You will have minimal access to run, load or download non-standard programs. If the program has to write to the registry or place program or files in any other directories (folders) besides the work directory (folder), you will be unable to run or load the program.
3. **Printer Connection:** Primary printer connections will be restored during installation. Some remote printers will not be available immediately after installation. For access to those devices, please call the Help Desk at X5-7370.
4. **Screen Resolution:** Screen resolution is not supported above 1024 x 768. If you exceed this resolution your monitor will not work. Please call the Help Desk to put in a trouble call to place a trouble call on X5-7370.

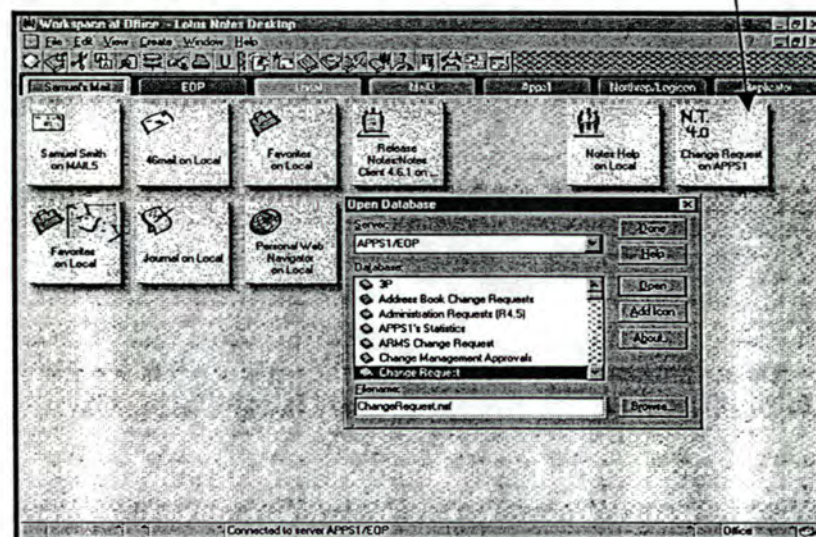
5. **The Recycle Bin:** This will retain files of up to 15% of your total hard drive space until you empty the recycle bin. Once you exceed 15% of your total hard drive space, NT 4.0 will permanently delete that amount over 15%, starting with the oldest files first.
6. **DataBase:** In Lotus Notes 4.6, you will find a database called **Change Request**. This database is designed to log any problems you maybe experiencing with your NT 4.0 load and to provide quick user reference to problems, perhaps similar to what other users have experienced. To add this database to your Workspace at Office screen:
 - a) Select File, Database Open from the menu bar.
 - b) Change the server from local to Apps1/EOP.
 - c) Click on the Change Request button on the power bar. Click on Done

Once the database has been added to your Workspace at Office screen, double click its icon to open the database.

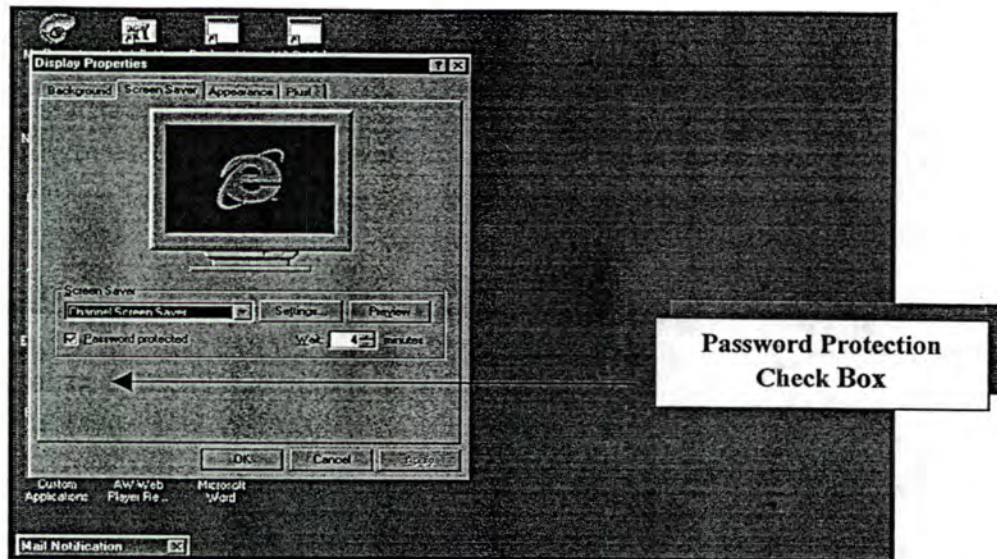
- a) To add a request select from the priority category.
- b) Click the New Request button to add an entry.
- c) Input your telephone number.
- d) And lastly input the problem you are experiencing with the load in the problem description field and then click Save, then Exit.

Figure 1.2 below shows the NT 4.0 Change Request on Apps1 being added to the Workspace at Office screen.

Figure 1.2



7. **Password Protection:** For security reasons, you are ***STRONGLY*** recommended to password protect your workstation. To do this Right click on the desktop, select Properties, then the Screen Saver tab in the Display Properties window and place a check in the Password Protected check box. Set the number of minutes you want your screen saver to activate the lock workstation feature. To unlock your workstation, hold the Ctrl + Alt keys down and press the Delete key and type in your NT logon password.



8. **Passwords:** Your username and password are important! Windows NT uses your username for identification and your password for verification. Based on your account, certain rights and privileges are assigned to you. Due to the sensitive nature of our work, everyone on the EOP network must have a valid account. Some simple Do's and Don'ts:
- Do Change your password frequently (every 120 days)
 - Do use a mix of letters, numbers and special characters in your password.
 - Do notify the Security Office at (X5-6206) or the Help Desk at (X5-7370) if you believe your account has been compromised.
 - Do notify IS&T if you will be absent for longer than 90 days.
 - Do log out at the end of each workday.
 - Do not share your password with co-workers or any computer support staff.
 - Do not use any word (English or Foreign) as your password.
 - Do not use any "shared" or old accounts

If you have any other security questions, please contact the EOP Information Security Officer, Jamie Borrego at x5-6297.

9. **Password Synchronization:** You have the option turning the password synchronization feature on, this feature is beneficial in two ways:
1. Set your NT 4.0 password equal to your Lotus Notes password.
 2. Not require you to type in a password when you want to access Lotus Notes.
10. **Available Training:** Classroom, One-on-one, Computer Based Training (CBTs), Web Based Training (WBT), manuals and Quick Reference Guides for each applications are available. Registration for classroom training and web based training instruction is available by calling the Help Desk at X5-7370. Request for "one-on-one" training and Computer-Based Training is available by calling Samuel Smith at X5-6483.

Microsoft Office 97 Courses

Word 97 Excel 97 PowerPoint 97 Access 97 Project 98

OA/IS&T will be offering courses in Microsoft Word 97, Excel 97, PowerPoint 97, Access 97 and Project 98. Each class will be offered in a two-hour, compact and comprehensive session.

There will also be an "Microsoft QuickStart combination class" that will last approximately two hours to help start you on the road to using your new EOP NT 4.0 desktop. The curriculum will cover the differences between NT 3.51 and NT 4.0, and differences between WordPerfect 6.1 and Word 97, and a few other quick tricks and new options.

Classes will be offered in room 485 of the OEOB. Please contact the Help Desk at X5-7370 to schedule yourself for classes and to find out for any changes to the schedule, since the schedule will adjust according to demand. We look forward to seeing you in class.

	Monday	Tuesday	Wednesday	Thursday	Friday
10:00-12:00	MS QuickStart Combo	MS QuickStart Combo	Intro ACCESS 97	MS QuickStart Combo	Intro PowerPoint 97 / Intro PROJECT 98
1:00-3:00	Intro WORD 97	Intro ACCESS 97	MS QuickStart Combo	Intro EXCEL 97	MS QuickStart Combo
3:00-5:00	MS QuickStart Combo	MS QuickStart Combo	Intro WORD 97	MS QuickStart Combo	Intro EXCEL 97

NOTICE!

CURRENT NT 3.5 DESKTOP SOFTWARE IS BEING PHASED OUT!

WordPerfect 6.1, Lotus 1-2-3 ver.5, Lotus Approach and ALL-IN-1 will no longer be available as of September 1, 1999.

- Interim Date: August 1999
- Final day of availability: September 1, 1999

THE WHITE HOUSE

WASHINGTON

March 30, 1999

99 APR 1 PM12:09

MEMORANDUM FOR SENIOR WHITE HOUSE STAFF

FROM:

VIRGINIA M. APUZZO 
ASSISTANT TO THE PRESIDENT FOR
MANAGEMENT AND ADMINISTRATION

SUBJECT:

Upgrades to Personal Computer Workstation Hardware and Software

Beginning on April 5, 1999 through early June 1999, Office of Administration (OA) personnel will be installing and/or upgrading personal computer hardware and software in your offices. OA personnel have been, and will continue to be, closely coordinating all work with your staff and the White House Office to minimize any inconvenience. As a result of these efforts, you will benefit from a greatly improved personal computer workstation that will be fully functional in the Year 2000.

In addition to solving the Year 2000 problems associated with your personal computer, this project will introduce new and improved services to your workstation that are similar to the services provided elsewhere in government and private industry. Because the look and feel of your workstation will be affected, we will continue to work closely with your staff to ensure continuity of service. One of the improvements to the desktop will be in the word processing area. We will be making a transition from the existing WordPerfect word processing software to the new, more efficient Microsoft Word software. We will provide training to you and your staff. Translating WordPerfect documents into the new Microsoft Word format is challenging, therefore, please expect some irregularities. To lessen the impact of this changed service, WordPerfect will remain available for use through September 1999, while your word processing documents are converted to the new format.

Attached is a list of answers to some frequently asked questions regarding this transition. Please feel free to call Dottie Cleal of OA's Information Systems and Technology Division (ext. 5-6401) with any additional questions you may have. Your patience and support is sincerely appreciated.

Frequently Asked Questions

1. **Question:** What are the most significant improvements that I will see as a result of this change?

Answer: 1) A Y2K compliant computer, a more reliable desktop environment and standardization across the EOP; 2) An easier to use and more feature-rich word processor (Microsoft Word); 3) An integrated office software system (Microsoft Office) that permits files from one application (e.g. a spreadsheet) to be more easily included into a word processing document; 4) Better and more capable presentation software (Microsoft Power Point) for developing slide presentations and briefing slides; and 5) An automated "Help Request" system that will improve customer support.

2. **Question:** What software is part of the new NT 4.0 standard load?

Answer: The new load includes Microsoft Word, Excel, Access and PowerPoint. WordPerfect, Lotus 1-2-3 and All-In-1 will be available for use until September 1, 1999. The Lotus Notes e-mail system and Netscape Internet browser remain the same.

3. **Question:** Will all my files be saved?

Answer: Yes. Your staff and OA personnel will work to ensure that all your files are properly saved. If you store files in special areas on your machine (for example, on your "D" drive), or you have files that are extremely sensitive or critical, please let your staff know. Your staff should notify OA personnel **before** they begin working on your machine so that appropriate action can be taken to protect the files.

4. **Question:** When will my personal computer workstation be affected?

Answer: Work has already begun on upgrading personal computer workstations, and work will continue through June 1999. We will coordinate the exact time of your workstation upgrade with your staff. We expect to give your staff at least one week's notice to provide sufficient time to backup critical files.

5. **Question:** Will I still be able to print to my regular printers?

Answer: Yes.

6. **Question:** What is the most significant difference in system capability?

Answer: You will not be able to install new software programs on your workstation that affect the overall operations of the system. This lock-out feature is intended to help protect you from computer virus attacks and software license violations. Please notify White House Operations (x62500) immediately if you need special software that is not part of the standard load to perform your official business function.

7. **Question:** Why are we moving to NT 4.0, when NT 5.0 has been available for a couple of months?

Answer: The decision to move to NT 4.0 was made almost a year ago by the ITMT, and software engineering efforts have centered around that software product for more than eight months. Normally, we would have immediately switched to NT 5.0 upon its release; however, NT 5.0 is still in the final phase of testing and has not yet been released.

8. **Question:** How will I know when this change will affect my office?

Answer: Each agency will have an OA NT coordinator assigned to support installation and upgrade activities. For the White House Office, the representative is Ms. Dottie Crumling. She will coordinate the roll out schedule between the contractor and White House Operations to ensure each office is notified ahead of time.

Terry W. Good 06/12/98 10:04:28 AM

Record Type: Record

To: Phillip Caplan/WHO/EOP

cc:

Subject:

You should be aware that Lee and I are involved in a computer conversion project with Room 1 that includes the Office of Correspondence and the Presidential Personnel Office. In a sense we were selected by Room 1 to serve as WHO test cases to prepare for the Year 2000 Compliance challenge. Perhaps Dan Burkhardt has mentioned this to you.

Because we currently use the same computer system, whatever new system is selected will be installed in your office also. Lee and I are cautiously optimistic; Dan, with different needs, less so.

I have mentioned to Carol that this project exists. All of us will be consulted about our individual needs/wants at the point when the design phase commences. As it has been explained to us, the "screens" and "fields" can be designed to address each office's needs. The system will be flexible enough to allow for customization as office requirements dictate/change. There is an optical component to this that further enhances its appeal.

While Room 1 has not included the Clerk's Office in the initial phase, I foresee the expansion of the system to easily include that office, bringing together all the Staff Secretary Office units into one integrated data base, allowing all of us to draw upon a common information bank. As a footnote, the system is robust enough to accomodate many more offices with significant benefits to all.

You may wish to ask for a briefing at a point in the near future. In the meantime, we will work with Carol.

As of now, the target date is March 31, 1999, for the new system to be operational.

Daniel W. Burkhardt

09/18/98 01:33:22 PM

Record Type: Record

To: John Dankowski/WHO/EOP
cc: Phillip Caplan/WHO/EOP
bcc:
Subject: Re: At the Crossroads of WHISDM 

I am prepared to give you a green light to proceed to the next phase, but it is with the understanding that IMC still has not given me answers to the work flow issues that we have raised with them (e.g., **real world** estimates of the number of people required and the time required to prep the types of documents we handle prior to the scanning of them, **real world** estimates of the time it will take to scan the types of documents we see -- as you know, we will have to utilize several types of scanners, and they scan at very different rates and require a range of manual effort; I need these estimates for the high, medium, and low figures for mail we would expect to receive at different points in an administration, and I cannot make a reasoned decision regarding the approach IMC is advocating for scanning almost all our mail unless I get these estimates).

To the extent that this information is not necessary to the decision to take the next step, so be it. But to the extent that it might reveal the need to be less ambitious than IMC proposes with regard to scanning mail (for instance, perhaps scanning only MI mail), I think that we should have this information before we move too much further.

I understand your position for having IMC take this project through the next phase because of the money already sunk into this analysis. But, having learned in our meeting Monday that the timeline for this project has already slipped fairly substantially from March 1999 to sometime in the fall of 1999, I have serious reservations about IMC's ability to manage this project successfully beyond this next phase. After all, given the significant slippage in the schedule before the building has even begun, why should we have any confidence that IMC will meet this new fall deadline? It certainly gives us little time to test and work out the bugs before the year 2000. And, as you know, IMC has ranked system requirements as high, medium, and low in its design matrix, but it has always been my position that, regardless of how IMC perceives these needs, they all must be functional when the system comes on line. I have yet to be reassured that they all will be operational upon system delivery, and the fact that the schedule is slipping makes me think that "medium" and "low" needs might be sacrificed to squeak in before 2000 arrives. I was encouraged to learn that OA has been evaluating other contractors to take this project to completion. I've been pretty clear all along about my misgivings regarding IMC, and I think it is crucial that we find a company that can do this project right and expeditiously. We frankly have spent enough time pleading with IMC for the information that we need and repeatedly asking that they meet our needs and address our concerns.

I also want to take this opportunity to restate what appears to be the project-wide (at least in Correspondence and Records Management) concern regarding technical staffing in IS&T once this system is operational. I cannot state strongly enough how distressing it is to contemplate losing the dedicated support we currently receive for Quorum through Intelligent Solutions and being thrown into the realm of IS&T, which time and again has left us hanging regarding all manner of technical requirements already -- from failing to expeditiously establish Lotus Notes accounts for

new employees to failing to capture and forward email to the President in a timely fashion, for example. In short, as we said on Monday, IS&T support has gotten worse over time, not better. And it doesn't appear that this has happened because IS&T isn't trying; that shop simply doesn't seem to have enough people to support the complex. I know that it is OA that has to make the commitment to provide the people we must have, and I recognize that you have made assurances that that will happen. But I would be remiss if I did not again make absolutely clear that it will be completely unacceptable if we are unable to get the work of the President done because IS&T cannot fully and capably support our needs in a timely fashion.

Having said all this, I do want you to know that we have become increasingly comfortable over time with the overall proposed approach. With competent management of the project by the development team and proper support, we believe that this will be a worthwhile improvement to our operation.

I hope this helps.

JOHN DANKOWSKI

JOHN DANKOWSKI

09/17/98 05:02:57 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc: See the distribution list at the bottom of this message

Subject: At the Crossroads of WHISDM

Ladies and Gents,

I know that much weight was given to today's demonstration of the odd-document scanning capability. I heard some positive things about it, and hope that your confidence was bolstered by what you saw. I believe we can tie this powerful tool to a simplified (easy to operate) control screen by insisting on it.

I would greatly appreciate an e-mail from each of you giving me the "green light" to proceed with the Detailed System Design phase of this project. I'm nearly out of time to commit funds. As I said when we met, this does not necessarily tie us to a particular contractor for the build phase. Also, as promised, I am augmenting IS&T with some hired support for the sole purpose of giving daily focus to this project.

I briefed Cheryl Mills on the effort earlier this week and have her blessing to proceed. If you have show-stopping concerns, please don't hesitate to call me right away and we'll do all we can to find a workable solution to those concerns. Otherwise, please send me an affirmative e-mail as soon as possible. Thank you, John

Message Sent To: _____

Daniel W. Burkhardt/WHO/EOP
Delia A. Cohen/WHO/EOP
Stephen K. Horn/WHO/EOP
Terry W. Good/WHO/EOP
Lee R. Johnson/WHO/EOP
Phu D. Huynh/WHO/EOP

Message Copied To:

Virginia Apuzzo/WHO/EOP
Michael D. Malone/WHO/EOP
Courtland L. Willman/WHO/EOP
Robert D. Helms/OA/EOP
Kathleen K. Gallant/OA/EOP

JOHN DANKOWSKI

09/18/98 02:15:47 PM

Record Type: Record

To: Daniel W. Burkhardt/WHO/EOP
cc: Phillip Caplan/WHO/EOP
Subject: Re: At the Crossroads of WHISDM 

Dan,

Thank you for the reply, and blessing to proceed. I share your reservations about IMC and your concerns about IS&T. To the former -- we will press IMC for solid answers to your open questions; we will take a hard look at other companies that can take over at the completion of detailed design and do the build phase, and we are hiring a senior project manager whose sole role in life will be to supervise IMC and this project. To the latter -- IS&T is in the process of hiring at least three staff, and Virginia Apuzzo is well-aware of the great need to build a much stronger IS&T team -- we are moving rapidly to do so.

Evolutionary projects like this one are intrusive, complicated, and time consuming, but the vision of a positive end result that will provide modernized support to Correspondence for the next decade makes the investment worthwhile. We are at the beginning of this journey -- please keep me informed of your questions and concerns as we proceed, and I will do all that I can to be sure they get addressed promptly and accurately. Thank you, John

JOHN DANKOWSKI

07/22/98 12:00:53 PM

Record Type: Record

To: Phillip Caplan/WHO/EOP

cc: Michael D. Malone/WHO/EOP, Daniel W. Burkhardt/WHO/EOP

Subject: Re: Question on 3 Systems Project

Phil,

Thank you for meeting with me yesterday. While the answer below may contain more technical detail than you need or desire, it responds to your question about the positive control of documents and the ability to track every action taken on a document to the person taking that action. I hope this is helpful. If you would like further explanation or have any additional questions, please don't hesitate to call. John

----- Forwarded by John Dankowski/WHO/EOP on 07/22/98 11:58 AM -----



Paul Kriebel

07/22/98 10:02:10 AM

Record Type: Record

To: John Dankowski/WHO/EOP

cc:

bcc:

Subject: Re: Question on 3 Systems Project 

John:

Access controls and security to documents are, essentially, the same thing. Our assumption is that any/all access privileges are granted -- none are de facto. Thus, we are, in principle, following the DoD's 'Orange Book' C2-level security (i.e., Discretionary Access Controls). The way we are currently envisioning the technical architecture, access controls will be provided at 3 different levels: the application(s) level (i.e., FileNET and our Visual Basic applications or 'hooks' the workflows/database); the database level; and the operating system (i.e., NT). Any and all documents that are 'checked in/out' are controlled and auditing is established at those 3 levels, as well as access to those documents. FileNET has 5 levels of security out of the box -- we are envisioning the same for the technical architecture: no access, create, read only, read/write, and delete. We will also establish 'roles' for users or groups, rather than assigning privileges to individual users which can be a management nightmare, on a 'need to know' basis. Thus, no user will have direct access (via user ID/password) to the database or the documents therein -- all 'calls' to the database will come through the application, thereby allowing auditing of access.

For every VB application or 'hook' to the database (or databases -- conceptually, we are envisioning a 'single' database, but in reality there may be one or more occurrence of a database which is replicated to look like one database), there can be different administrative/management functions -- including more detailed auditing at the application, database, and/or operating system level(s).

To make a long explanation less long, we are keenly aware of users' concerns about access

controls, auditing/traceability, etc. I'd be happy to address some of these concerns with you or others -- I have developed Security Architectures before -- and may be able to resurrect a slide presentation on security. (Philosophically, we want to assure Confidentiality, Integrity, and Accessibility in the Security Approach).

If you need more info., just let me know. Hope this helps.

--PCK

JOHN DANKOWSKI

JOHN DANKOWSKI

07/21/98 06:36:34 PM

Record Type: Record

To: Paul Kriebel/OA/EOP

cc: Robert D. Helms/OA/EOP

Subject: Question on 3 Systems Project

Paul,

I briefed Phil Caplan today on the 3-systems computer project. It went well. Early on in our discussion he expressed uneasiness with the single-database concept -- his concern centered around "access control" to documents -- not as much for security, but more for work-flow management; e.g. "who accessed a document; and is access tracked to who made decisions and/or changes to any given document?" I promised to verify particulars and get back to him. Could you please provide me the particulars I need to address Phil's concern? Thank you, John

June 30, 1998

MEMORANDUM FOR JOHN D. PODESTA
ASSISTANT TO THE PRESIDENT AND
DEPUTY CHIEF OF STAFF

FROM: VIRGINIA M. APUZZO
ASSISTANT TO THE PRESIDENT FOR
MANAGEMENT AND ADMINISTRATION

SUBJECT: Project to Integrate Computer Systems in the Offices of Correspondence,
Presidential Personnel, and Records Management

At our last meeting, I had intended to brief you on a project involving plans to merge some of our oldest data processing systems. Since this will have a large impact on the operations of the White House, I have asked my staff to prepare some information that outlines the project and the proposed actions we intend to take.

Computer systems (hardware and software) within Correspondence, Presidential Personnel, and Records Management are reaching the end of their useful life cycle -- hardware is old and failing; software support is lapsing; and most significantly, none are Year 2000 compliant. The cost just to operate these aging systems, excluding unpredictable hardware failure, exceeds \$168,000 per annum.

For these reasons, the WHO engaged a technical consultant to identify the best solution(s) to upgrade these systems (starting this fiscal year) and achieve *faster information processing, fuller reporting capabilities, and EOP-wide technological infrastructure compatibility*.

To date, working closely with the WHO, the consultant has completed a systems analysis, which evaluated current systems by identifying weaknesses and shortfalls in serving ideal work flow and business processes; a requirements analysis, which determined the technical requirements of each office and compared overlapping elements; and an alternatives analysis, which recommended the best solutions for the three offices.

Recommendation:

While individual office solutions were considered, nearly half (46%) of the business functions reviewed were found in all three offices. An *Enterprise System*, an integrated document management system consolidating three systems into *one system, one platform*, is recommended.

After a thorough review of this option and all other options, our potential vulnerabilities are limited but must be taken into consideration. The overriding problem is that of doing nothing. Our current systems will fail on January 1, 2000 and without a replacement system, these offices will be severely impacted.

Enterprise System Advantages:

- Year 2000 Compliant.
- Re-engineered processes (doing business better) / elimination of redundant processes.
- Shared information with full security protection where sharing is not desirable.
- Easier to administer and maintain.
- Open technology using existing EOP technological investments.
- Flexible enough to grow toward an EOP-Wide document management system.
- Additional offices can be added without major system redesign.

Currently, the consultant is engaged in a preliminary system design for all three offices, a data conversion plan to transfer data from current systems to the new system, and development of a prototype for all three offices to accept as a concept.

What's Next? (Following Acceptance of the Prototype)

- Develop detailed system design/specifications.
- Build and install the system.
- Implement data conversion.
- Develop customized "front ends" for each office. While this will be one system, it will have the flexibility for each office to create its own input screens and reporting features.

Target Completion Date: Summer 1999 Total Cost Estimate:

John Dankowski of White House Operations will be meeting with Phil Caplan to update him on the progress of the new system. If you are interested in attending, we will contact your office to set up a time or we can set up a separate briefing for you at your convenience.

If you have any questions, please feel free to contact me. Thank you.

Three White House Systems Upgrade Task
Offices of Correspondence, Presidential Personnel, and Records Management
Introduction

Nature of Work to be Performed (What):

- Correspondence Tracking (i.e., Document Management)

Rationale (Why):

- Aging Systems
- Support Lapsing
- Not Year 2000 (Y2K) Compliant
- Proprietary Systems
- Overlapping Functions

Initial Goal:

- To upgrade individual offices to new system(s) that operate on a similar technical “platform” (i.e., Operating system environment).

Project Objectives:

- To consolidate three systems and three platforms into *one system, one platform*.
- To allow the office involved the opportunity to perform work more *efficiently* and *effectively*.

Three White House Systems Upgrade Task
Offices of Correspondence, Presidential Personnel, and Records Management
Systems and Status

Systems Involved:

Three Systems/Platforms Per Office

- Office of Correspondence: Quorum (UNIX)
- Office of Presidential Personnel: Resumix (UNIX and MS-DOS)
- Office of Records Management: C-TRACKS (Mainframe -- MVS) - *Y2K and Presidential Libraries Issues*

Project Status

Completed Activities

- Current Systems Analyses
- Requirements Analyses
- Alternatives Analyses

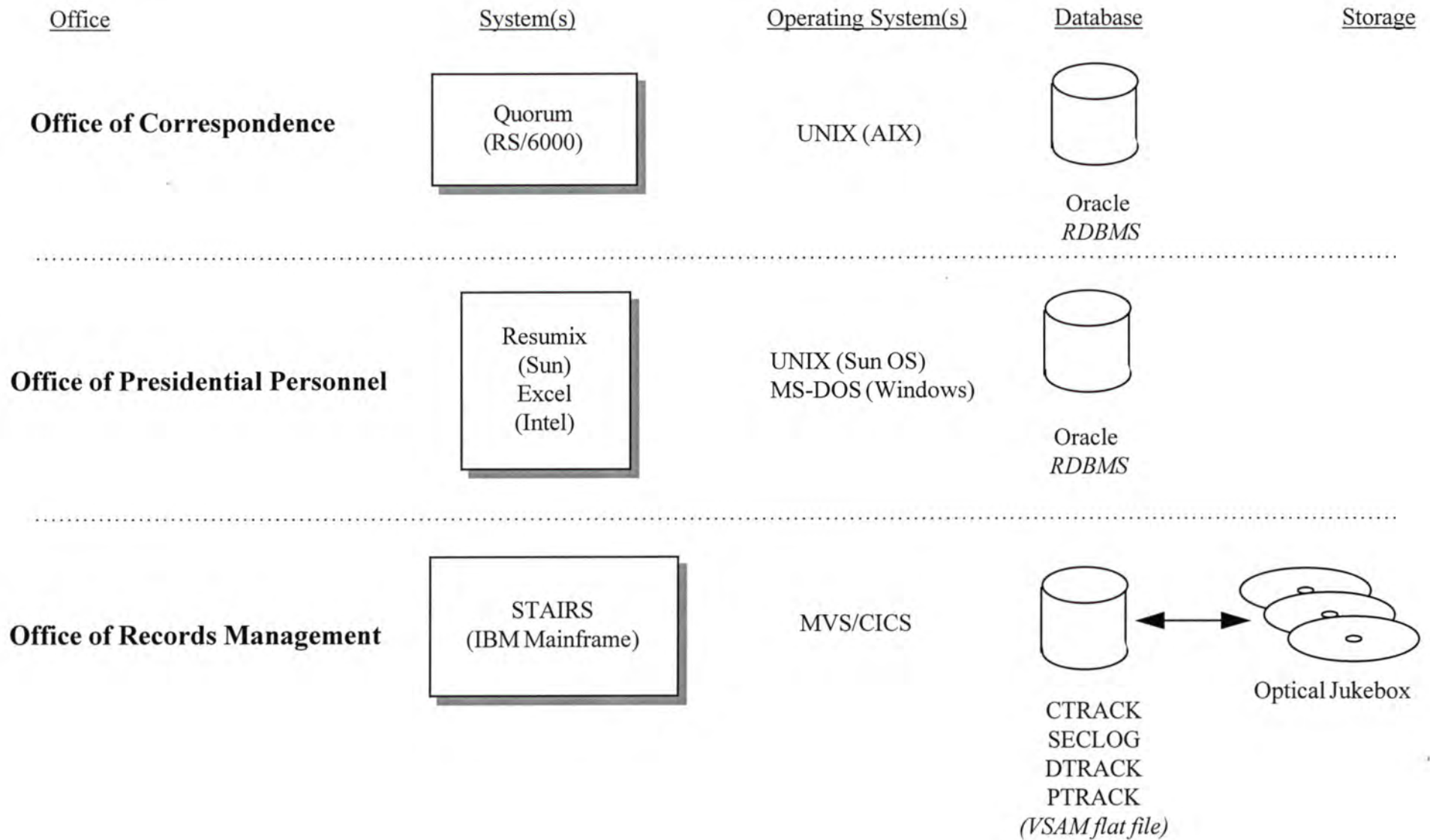
Current Activities - Phase 3

- Preliminary System Design
- Data Conversion Plan
- Prototype Development (Proof of Concept)

Next Steps (*assuming Prototype Acceptance*)

- Include Auxiliary Offices
- Develop Detailed System Design/Specification
- Implement Data Conversion Effort
- Develop Customized Applications

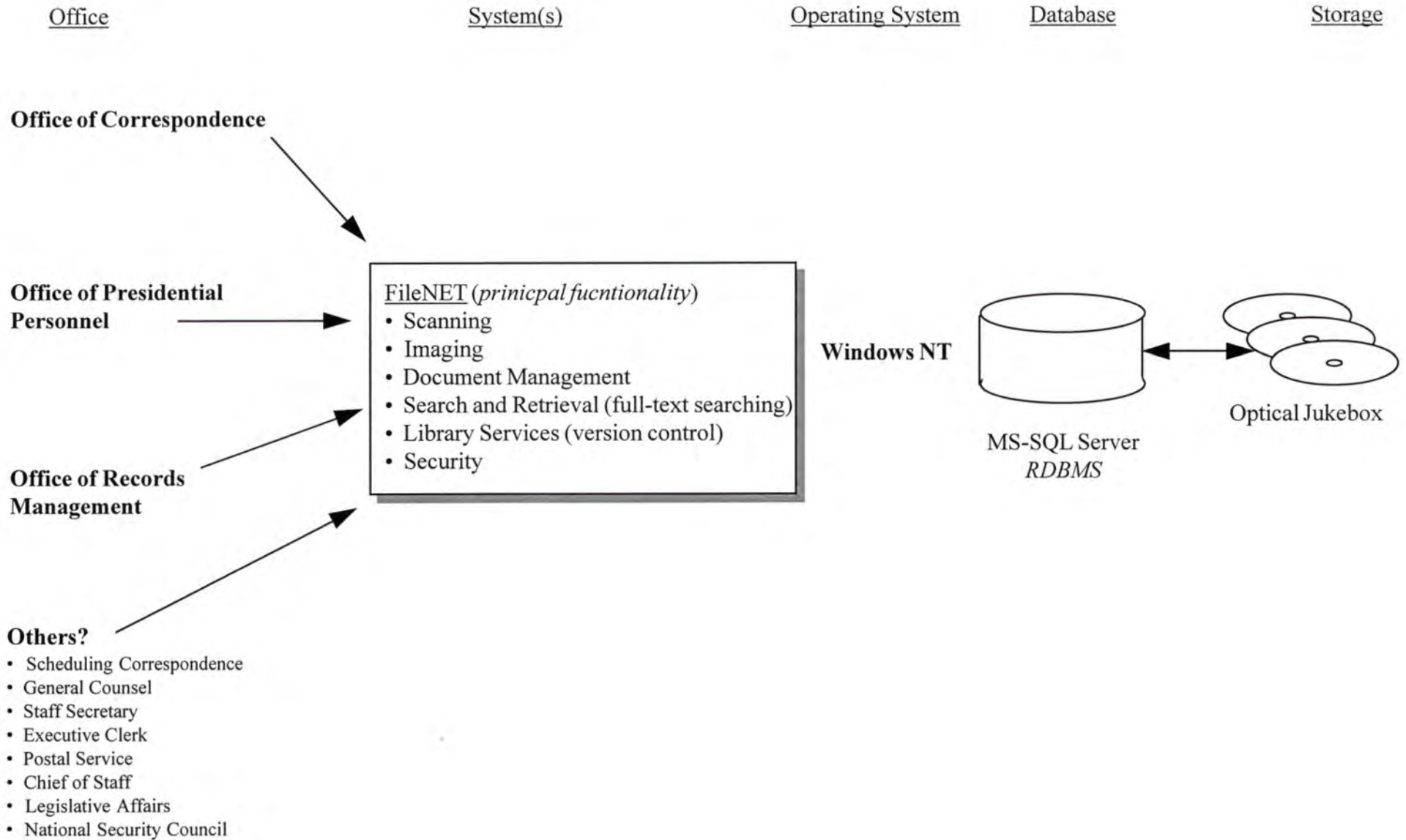
Three White House Systems Upgrade Task
Offices of Correspondence, Presidential Personnel, and Records Management
Current Architectural Overview



Three White House Systems Upgrade Task

Offices of Correspondence, Presidential Personnel, and Records Management

Recommended (IMC) Architectural Overview



Three White House Systems Upgrade Task
Offices of Correspondence, Presidential Personnel, and Records Management
Recommendation Benefits

Functional Advantages

- Reengineered Processes (“*Doing business better*”)
- Elimination of Redundant Processes
- Shared Information
- Addresses Similar Requirements/Functions Among Offices
- Easier to Administer/Maintain (IS&T)

Open Technologies

- Compliant with EOP Road Map
- Latest Technologies
- ODBC Compliant; Y2K Compliant
- Centralized Information (Data) Repository
- Utilizes Existing Technological Investments (i.e., Windows NT, Lotus Notes, etc.)
- Web-Enabled; Email Enabled; Inter/Intranet Enabled

Scalable

- Creation of Additional Application (Office) “Hooks” into Central Database
- Platform and Database Allow Easy Scalability
- Designed for High-Volume, Large-Scale Enterprises -- e.g., Insurance Claims Processing
- Design Applicable for EOP-Wide Document Management System

Modular

- Additional Offices Can Fit-in or be Added-on without “re-inventing” system
- Built for “Plug-In” Application Development, New Technologies

Security

- Levels of Security
 - Operating System: Windows NT: C2 Level Functionality
 - Database: RDBMS(Row Level Security)
 - Application Level: Five Levels in FileNET
- Controlled Access Privileges: Users and Groups (Roles)
- Independence of Offices Maintained
- Centralized, Coordinated Security Administration

Three White House Systems Upgrade Task
Offices of Correspondence, Presidential Personnel, and Records Management
Auxiliary Offices to be Included

Auxiliary Offices Considered (Potential)

- Scheduling Correspondence
- General Counsel
- Staff Secretary
- Executive Clerk
- Postal Service
- Chief of Staff
- Legislative Affairs

Rationale for Including Auxiliary Offices

Functional

- Similarity of Requirements/Functionality
- Central Repository of Information
- Single/Simple Information Architecture
- Single “Custodian” of Information (i.e., Records Management)
- Cost-effectiveness of Documenting/Adding Requirements to Existing Documentation/Architecture

Technical

- Cost-effectiveness of Creating “hooks” to Planned Technical Architecture
- Ease of Technical Systems Administration
- Single Occurrence of Database
- Centralized Security
- Same Platform
- Same Technology
- Applicability to EOP-wide Document Management System Architecture ?

Three White House Systems Upgrade Task
Offices of Correspondence, Presidential Personnel, and Records Management
Tentative Timeline and Milestones

