THE WHITE HOUSE

WASHINGTON

MEMORANDUM

To: Ron Klein
2FL/WW

Date: Nov. 30, 1998

From: Diane Ikemiyashiro
Presidential Letters and Messages, 97 OEOB
Voice: (202) 456-5519
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___ Please see comments below

___ Please advise on how to respond

___ Please call me regarding the attached

✓ For your information

___ For your approval

___ Per your request

___ No response necessary for attached letter, unless otherwise recommended

___ For your agency's response

Please respond by: ________

Comments:

City of Canton

"City of Lights"

Alice M. Scott, *Mayor*
Valerie T. Smith, *City Clerk*
Kenneth W. Jones, Alderman

Robbie Johnson, *Alderman*
Charles Weems, *Alderman*
William J. Mosby, *Alderman*

Louis Smith, *Alderman*
Jon Flynn, *Alderman*
Alderman-at-Large
Dr. William Truly, Jr.

November 10, 1998

President William J. Clinton
The White House
1700 Pennsylvania Avenue
Washington, D. C.

Dear President Clinton:

Please accept this letter and many heartfelt thanks from the office of the Mayor and Board of Aldermen of the city of Canton, Mississippi for your role in increasing the National Head Start Budget. This amended budget will affect our Head Start programs in a very positive way by providing valuable resources to our most precious commodity -- our children. Also, by adopting this budget you clearly demonstrate your intentions to improve our future by placing children first.

I truly appreciate your effort and will do what is necessary on a local level to ensure that allotted funds will be used to make a difference for our children by placing them first.

Again, thank you for all you do to make the local, state and national endeavors approachable for all citizens.

Sincerely,

Alice M. Scott

Alice M. Scott
Mayor

AMS/vb

NOV 20 1998

P.O. Box 1605 • 226 East Peace Street • Canton, MS 39046
601/859-4331 • Fax: 601/859-4379 • 601/353-7303

PRESIDENT CLINTON SIGNS LEGISLATION THAT STRENGTHENS HEAD START AND PROVIDES CRITICAL SUPPORT FOR AMERICA'S FAMILIES
October 27, 1998

Today, President Clinton signed into law bipartisan legislation that strengthens and expands Head Start services for America's families, promotes promising Individual Development Accounts to help more low-income families achieve self-sufficiency, and renews the Low-Income Home Energy Assistance Program. Passed by Congress at the President's urging, the Human Services Reauthorization Act of 1998 provides critical support for America's families.

STRENGTHENS HEAD START. This legislation builds on the President's commitment to improve and expand Head Start. Under the President's leadership, Head Start has become America's premier early childhood development program, ensuring that low-income children start school ready to learn.

- **INCREASES INVESTMENTS IN HEAD START.** The new legislation builds on the President's commitment to getting Head Start services to more children while also improving quality. Under the Clinton Administration, funding for Head Start increased by 68 percent, and enrollment has increased by over 200,000 children, reaching 830,000 children this past fiscal year. Because the President fought for and won a funding increase of $313 million for FY 1999, Head Start will continue to expand, moving toward the goal of serving one million children.

- **DOUBLES THE EARLY HEAD START PROGRAM.** This legislation adopts the President's proposal to double the percentage of Head Start funds directed to Early Head Start by 2002. In 1994, President Clinton created Early Head Start, expanding the program to reach low-income families with children aged three and under and to pregnant women. In FY 1999, funding for Early Head Start will total nearly $340 million.

- **ENSURES QUALITY IN HEAD START.** The new legislation builds on the President's commitment to enhance the quality of Head Start; it promotes school readiness and family literacy, improves staff training and credentialing, and increases the funds set aside for quality improvements. The Clinton Administration has invested in improving Head Start services, attracting and retaining high quality teachers, and ensuring the safety of Head Start centers. In 1996, the Department of Health and Human Services set new Head Start performance standards, and has since monitored Head Start programs against these standards, provided staff training and technical assistance, and closed 100 programs unable to meet them.

ESTABLISHES INDIVIDUAL DEVELOPMENT ACCOUNTS TO PROMOTE SELF-SUFFICIENCY. Since 1992, President Clinton has supported the creation of Individual Development Accounts (IDAs) to empower individuals to save for a first home, post-secondary education, or to start a new business. The passage of this legislation effectively completes the President's 1992 community empowerment agenda. The legislation creates a five-year, $125 million demonstration program to establish IDAs for more than 50,000 people. Each dollar saved by a low-income family in an IDA will be matched, providing an incentive to build assets. The final budget agreement included $10 million to get this program off the ground.

LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) KEEPS THE HEAT ON AND CONTINUED SUPPORT FOR COMMUNITIES. After threats from some in Congress to eliminate this critical support for the elderly and low income families, President Clinton successfully fought to fund the program that provides heating and cooling assistance to over five million households across the nation. The bill signed today also extends the Community Service Block Grant programs, providing states and organizations support on economic development, social services and other needs for low-income communities.

CHILD CARE: THE UNFINISHED AGENDA AND ACCOMPLISHMENTS
October 27, 1998

Today, the President signed the Human Services Reauthorization Act of 1998, which renews and strengthens America's premier early childhood program -- Head Start -- and builds on important progress made in the Clinton Administration to improve and expand Head Start services. This legislation represents an important victory on the President's agenda to improve child care for America's working families.

About one year ago, the President and First Lady hosted the *White House Conference on Child Care*. The Conference showed that America's families, more than ever, are pressed to find safe, affordable child care. Responding to this critical need, the President has proposed and fought for an historic child care initiative -- the largest single investment in child care in the nation's history -- to help working families pay for child care, build the supply of good after-school programs, improve the safety and quality of care, and promote early learning.

THE REPUBLICAN CONGRESS BLOCKED KEY ELEMENTS OF THE PRESIDENT'S CHILD CARE INITIATIVE:

✗ **Serving More Families With Child Care Subsidies.** The President's proposal for a significant new investment in the Child Care and Development Block Grant, combined with the funds provided in welfare reform, would have served up to one million new children -- assisting low-income working families struggling to pay for child care.

✗ **Increasing Tax Credits for Child Care for Three Million Working Families.** The President's proposal to expand the Child and Dependent Care Tax Credit would have helped three million low- and middle-income working families afford child care. The President's plan would have wiped out federal income taxes for families of four making less than $35,000 and saddled with high child care bills. Also, The President's plan included a new tax break for businesses that offer child care assistance to their workers.

THE PRESIDENT HAS MADE CONSIDERABLE PROGRESS ON CHILD CARE OVER THE PAST YEAR:

✔ **Expanded After School Programs.** The President fought for and won his full budget request -- $200 million -- to serve a quarter of a million children with after-school programs that help keep children safe and help them learn.

✔ **Improved Child Care Quality.** The President secured $182 million in new money to help states make critical improvements to the quality of child care for America's working families.

✔ **Strengthened Head Start.** The President fought for and won an increase of $313 million for Head Start to reach more low-income preschoolers and help prepare them for school. Today, the President signed bipartisan legislation that will increase Head Start funding, improve the quality of the program, and double the percentage of funding for the successful Early Head Start program, which was created by the President to reach children under three years old.

- ✔ **Facilitated Background Checks on Child Care Workers.** The President signed the National Crime Prevention and Privacy Compact, which, when ratified, will facilitate effective background checks on child care providers by eliminating state law barriers to sharing criminal history information for non-criminal purposes. On the day of the White House Conference on Child Care, the President transmitted this important legislation to the Congress.

- ✔ **Improved the Quality of Federally-Sponsored Child Care.** The President issued an Executive Memorandum to improve the quality of federally-sponsored child care, directing all federally-sponsored child care facilities in the executive branch to become nationally accredited and ensure proper background checks of child care workers. The President believes that the federal government should lead the way in improving the child care it sponsors for the families of its employees.

- ✔ **Created the Treasury Working Group on Child Care.** At the White House Conference on Child Care, the President asked Secretary Rubin to convene a group of business and labor leaders to look at child care problems facing working parents and to examine best practices in the private sector and in public-private partnerships. In a White House ceremony, the President received the report of the working group, which found that investments in child care make good business sense and identified successful programs across the country. There, he announced that the Department of Labor will serve as a clearinghouse for businesses interested in child care and set up a business-to-business mentoring program on child care.

- ✔ **Improved After-School Care through Nutrition.** The President will soon sign legislation that strengthens after-school care for children by expanding the reach of nutrition initiatives, such as the School Lunch Program and the Child and Adult Care Food Program, to serve children in after-school programs.

FOR IMMEDIATE RELEASE
SEPTEMBER 16, 1992

CONTACT: Gene Sperling
(501) 399-3900

Creating Jobs, Helping Entrepreneurs and Building Communities
The Clinton/Gore Community Development Plan

Governor Bill Clinton today announced a national community development plan that aims to create jobs, provide new capital for small businesses and empower communities.

The plan will aid communities and small businesses across the country, particularly those inner cities and rural areas hardest hit by the Reagan-Bush economic failures. The plan -- already paid for in Governor Clinton's economic strategy, Putting People First -- will:

- Create a national network of 100 community development banks and 1,000 micro-enterprise programs to provide capital and technical assistance to individuals who want to start or expand small businesses and help revitalize communities.

- Establish Individual Development Accounts to help low-income Americans save, and create new private sector opportunities.

- Create 75-125 comprehensive enterprise zones which combine capital incentives and new Community Development Block Grants to help revive economically disadvantaged areas.

- Rewrite the Community Reinvestment Act to emphasize performance over paperwork and stop the practice of "redlining" in economically disadvantaged communities.

"Our plan will give everybody -- businesspeople, homeowners and community groups -- the capital and tools they need to create new private sector opportunities," Governor Clinton said. "Neither handouts nor empty promises will work. Our communities need new solutions that bypass the old orthodoxies, liberal and conservative."

"This is what putting people first is all about," he added. "We want to put capital in the hands of Americans who have the vision, energy and innovation to put it to work."

-- more --

Clinton noted that in the 1980s the Reagan and Bush Administrations believed that putting more capital in the hands of the wealthy few would create economic growth. Those policies failed, he said.

"Since George Bush took office, we haven't added a single private sector job to the American economy," he said. "I've got a new vision of economic growth that will create jobs by putting capital in the hands of the people who have been denied it for too long."

The Clinton plan for community development will invest $1.5 billion in a series of initiatives to create jobs, spur small business development and make capital more available. It is part of a broader program, outlined in Putting People First, that will revive communities by fighting crime, supporting low-income housing, improving schools and ending welfare as we know it.

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[See attached fact sheet for a full explanation of the plan.]

INDIVIDUAL DEVELOPMENT ACCOUNTS

The welfare system discourages savings and fosters dependence. Last week Bill Clinton announced his plan to end welfare as we know it. This week he extends that plan to encourage savings -- the first necessary step to economic self-sufficiency.

The federal government spends billions to provide middle- and upper-income Americans with incentives to save -- through home mortgage interest deductions and tax deductions for pension accounts, for example. Individual Development Accounts will provide the same incentives to low-income Americans.

Individual Development Accounts encourage welfare recipients to save for a first-home purchase, post-secondary education, business development, or retirement. They also encourage the values of thrift and hard-work which the welfare system has too long undermined.

The Clinton/Gore Plan

Establish Individual Development Accounts

- Set up Individual Development Accounts (IDAs) for low-income Americans. IDAs are optional accounts, held in banks for specific purposes: first-home purchases; post-secondary education; business development; and retirement. There will be penalties for withdrawing IDA money for non-designated purposes.
- Provide federal matching funds for limited amounts of money saved in IDAs. The matching ratio will vary depending on the individual's income. The poorest people will have an incentive to save small amounts to achieve large matches.
- Through competitive bidding, establish a five-year demonstration project for IDAs to begin. If the IDAs show immediate success in increasing self-sufficiency, commit much further resources to them.
- Raise the asset limit for AFDC recipients from $1,000 to $10,000. People should not be penalized for trying to improve their lives.

SUMMARY:
EARLY CHILDHOOD, YOUTH AND FAMILIES
SUBCOMMITTEE HEARING
ON THE HEAD START PROGRAM
9 JUNE 1998

The panel of witnesses generally focussed on three themes: Teacher training and qualification; family literacy and children's literary experiences in the home; and, whether control/oversight of H.S. programs should be national or local.

Witnesses generally agreed that H.S. programs should be encouraged to collaborate with family literacy programs in order to ensure solid preparation for learning during the elementary school years. There was also general consensus that goals for H.S. should be implemented (there are currently in place operating standards, but no goals or aspirations), but there was disagreement over whether it is best to make these goals national or local. Generally, however, witnesses agreed that H.S. curricula should be designed and implemented on a regional level, so as to take into account localized needs.

Chairman Riggs expressed his support for H.S., and asked several questions during the Q&A portion of the hearing, concerning funding choices: Should quantity or quality be emphasized? Witnesses agreed that quality is more important. Riggs's subcommittee is looking at increasing Early H.S. from 5% to 10% of the H.S. budget over the next five years (with a 1% increase each year), and expects to have a working draft of the Reauthorization bill sometime within the next three weeks.

SUMMARY OF TESTIMONY:

Dr. Edward Zigler*, "father" of Head Start and director of the Yale Bush Center on Child Development and Social Policy, Yale University.*

Focus: The quality of Head Start teachers, and the quality of H.S. curriculum.

"Head Start is improving, but today, one area needs more attention above all others. Since Day One of Head Start, early childhood educators have been unhappy with the quality of staff qualifications. Only about 50% have a college degree. While some teachers have a CDA, many cannot afford the costs of pursuing one. Many poor people who work for Head Start don't have the money for better training and certification. A CDA is not enough. To attract "A"-level teachers, we need better compensation. The average pay of an elementary school teacher in this country is $33,000/yr, while the average Head Start teacher earns $17,000/yr."

On the issue of H.S. curriculum, Dr. Zigler talked about his own studies of possible curricula, conducted twenty years ago. He found that no particular model was particularly superior, but warns that this does not excuse lack of lesson planning in H.S. centers. Because a uniform curriculum was not mandated at the onset of H.S., many centers did not bother to implement one;

they are play-based centers, not learning-based.

Suggestions: The primary goal of H.S. should be school readiness. Many poor children arrive in Kindergarten unprepared for learning. H.S. is a chance to give them good health, a sound, positive environment, and solid socio-emotional development. As H.S. reauthorization goes through, I would like to see two measures: (1) quality control measures to assure meaningful curricula implementation; and, (2) provisions for an annual national sample of performance so that we can assess the success of H.S. curricula.

Dr. Catherine Snow, *chairwoman, human development and psychology, Harvard Graduate School of Education.*

Focus: reading development and the importance of the preschool period in developing the skills necessary for literary success. She sees H.S. as a "prevention program" ideal for combating reading difficulties. Dr. Snow made four major points in her testimony:

(1) Which children typically have trouble with reading? Kids with poor oral skills and unfamiliarity with print letters. These are kids who cannot recognize the alphabet, cannot write their name, and may not even know which way to turn the pages of a book.

(2) Language and early literary skills demand a rich literary experience in H.S.

(3) Studies show that early childhood educators and parents can be taught how to connect with kids through literary encounters. Where kids have one-on-one conversations with adults, kids acquire a better knowledge of words and print. Poor kids are typically worse off because they tend to have fewer opportunities for meaningful literary interactions. Dimensions of quality can only be improved through early childhood education.

(4) Teachers can be trained, so investing money in teacher training leads to better H.S. quality. Those teachers with an appropriate depth of understanding ensure a better learning experience for H.S. children.

Bonnie Freeman, *assistant director of the National Center for Family Literacy.*

Focus: How family literacy programs can join with H.S. to enhance and support the preschool experience. She highlighted three successful collaborative endeavors: (1) Pima County, AZ, where the Family Literacy Council works with H.S. to make sure kids' parents are literate; (2) Washington DC, where H.S. and the Morton(?)/Adams Elementary School collaborate; and, (3) the state of South Carolina, in which the National Center for Family Literacy works with H.S. centers to develop and explore the role of welfare and family literacy.

"When parents are illiterate, they cannot reach a higher educational level or a better class status. H.S. has historically engaged parents and supported their involvement by giving them access to programs and guiding curriculum. Success for parents with poor literary skills helps ensure a more literal-richness for young children."

"I do not see an 'either-or' proposition here. We should support both family literacy programs and H.S., because the two support each other. Parents must enter the workforce (because of TANF requirements), and this adds new stress to the family. Previously, adults with poor literary skills were just sent to non-specific adult education programs. Now, adult ed. is inadequate because some programs are inaccessible to adults (lack of space, geographic distances), and others are useless because they do not establish clear goals for participants."

Suggestions: (1) Congress should implement a new working definition of Family Literacy Services, because comprehensive services are necessary to make H.S. work. (2) Reauth. Bill should include a measure for monitoring the effects of coordination between higher teacher skills and better H.S. experience for kids. (3) Congress should fund training to develop internal expertise (the NCFL has trained over 10,000 H.S. teachers). (4) The Reauth. Bill should open legal avenues for collaborative partnerships.

***Dr. Wade Horn**, president of the National Fatherhood Initiative, and former Commissioner of the Children, Youth, and Families Initiative under the Bush Administration.*

Focus: H.S. should be devolved from Federal to State governed. H.S. is too large for the Fed. government to monitor, making it hard to oversee quality. Further, if H.S. were State-controlled, it would be easier to coordinate with CCDBG and TANF, since both are State programs.

"Workfare is not designed to be part day/part year, but H.S. is. This is a barrier to constructing a healthy TANF-H.S. partnership. 40% of H.S. enrollees need full-time child care, but only about 10% get it."

Suggestions: Do not invest money in making H.S. multiple-year, because there is no research to suggest that additional years of H.S. schooling make a big difference in children. Research does show that the impact of H.S. schooling 'fades' by the 3d grade. Do put money aside for a voucher program, so that H.S. graduates could attend the school of their choice. (This would enable researchers to monitor whether H.S. graduates fare better in public or private schools.)

***Jackie Dollar**, director of the Napa-Solano (CA) Head Start program.*

Focus: Regionalism is the key to success in H.S. programs. Local H.S. centers should have freedom over their curricula implementation, because a Federally-mandated H.S. curriculum would not be able to take into account each individual neighborhood's needs.

"A grant given to us in September 1995 enabled us to increase the size of the program by 400%. We went from 200 to 800 families. Our budget increased from $1 million to $5 million. We opened thirty more classrooms and hired more staff. There is a central office with waiting lists, and a universal application form. Yet each community within the region can address its own weaknesses through its own goals."

"A hallmark of collaborative partnerships is the Fillmore H.S. center in Fairfield, CA. There, the H.S. program works with police, the City of Fairfield, the City Office of Education, and a neighborhood 'team' of parents. Each element provides a service: the City gives us rent support, landscaping services, and paint. The police have a substation on site, to ensure safety. The Office of Ed. negotiated block grants to provide playground equipment, which the 'team' used to build a playground. The neighborhood has benefited: the vacancy rate has dropped from 25% to 3%, serious crime has been eliminated, property values have gone up, and there are more ESL classes for bi-lingual families."

Suggestions: CCDBG partnerships should allow individual choice of collaboration partners. H.S. must provide full-day services to meet family needs, particularly those affected by TANF work requirements. A review of income eligibility is necessary (currently, a single mom with one baby, working at McDonald's 50 hrs/wk., is not economically eligible for H.S.).

Corey Aguillar, *President of the Los Angeles County Board of Education, Executive Member of the Children's Play Center. Ms. Aguillar is responsible for operating the largest H.S. program in the nation, with 15 school districts, 15 non-profit agencies, and two cities. 21,000 children are served in this district.*

Focus: School readiness and family literacy. The foundation of a child's success is richness of literary experiences in the home. HR 3880 (Martinez, D-CA) supports better transition services from H.S. to elementary school. Such a bill should look at staff development, teacher-student ratios, continuity, and curriculum.

Suggestions: The Reauth. Bill should require specific literacy services for the whole family; H.S. should be linked to literacy services as well as pre-employment training. The E.L.F. should be expanded, along with early H.S., to support cognitive and social development. Concrete objectives and timelines for a child's achievement should be established. H.S. should work with the Dept. of Justice to ensure the safety of H.S. environments. Parents' child care skills training should count towards their TANF educational requirements. Reauth. Bill should include goal of serving 1 million families by 2003.

QUESTIONS & ANSWERS

Chmn. Riggs (R-CA): Will the Dept. of Ed.'s recommendations on H.S. learning be enough?

Dr. Snow: It's a step in the right direction, but we should see more focus on language and literacy, because social development alone is not sufficient for preparing children for school.

Dr. Zigler: But local community control is best, not one national curriculum. We need clear goals, and these can be uniform, but we need to allow individualized approaches to those goals.

Dr. Snow: The problem is, we have uniform standards, but not uniform practices. I would like to see that all H.S. programs emphasize adult interactions, book reading, and literary challenges.

Chmn. Riggs: Dr. Horn, where do we go from here if H.S. doesn't "devolve" from Federal controls to State controls?

Dr. Horn: As Dr. Zigler said, we do not know which one curriculum is best. We also don't know whether kids are better off with one or two years of H.S. - whether that really makes a big difference. H.S. is not a "one-shot inoculation" against crime, abuse, neglect, and illiteracy.

Chmn. Riggs: How do you promote literacy in non-English households?

Ms. Freeman: Parents come to family literacy programs for ESL classes, and their academic time is conducted in English. However, parent training is done in the native language. Neither language is "promoted" by the family literacy program; that is left to agency case workers.

Ms. Aguillar: Speaking and reading English should be a goal for H.S. kids. They should be ready to master English by the time they get to Kind. But, families make the difference for kids' readiness. We all must learn English, but we must not jeopardize familial relations by rejecting a family's native language. Communication between parents and kids should not be broken down.

Dr. Snow: If English is the dominant language in H.S., the kids will realize the importance of speaking English and will learn it. Kids who arrive in Kind. with strong language skills in any language, whether Spanish or Chinese or English, will be poised for success in learning.

Rep. Martinez: If H.S. children do "fade-out" in elementary school, it's the fault of the school. As Ms. Aguillar says, there should be continuity with K-12 education. Parental involvement and further education helps in combating fade-out. But how do we reconcile doubling H.S. funds with doubling the training of H.S. teachers? Shouldn't we instead put money towards K-12 teachers? They touch everyone.

Dr. Zigler: It depends on what you're trying to accomplish. I have evidence that two years of H.S. are better than one year. But right now, 70%* of eligible children are not getting even one year. (*this number contested by Dr. Horn, who estimates the percentage of unmet need among H.S.-eligible children to be closer to 20%.) We should do a cost-benefits analysis of whether it's better to have H.S. teachers with a BA or a CDA.

Rep. Martinez: What is quality? What is "readiness"?.

Dr. Zigler: This is tough to define. 35% of kids are not ready for Kindergarten in the average school district; this rises to 65% in rural "slums" (according to Kind. teachers). We need to set clear goals for H.S., focussing on language, behavior, oral communications, heath, etc. H.S. has always had minimum operating standards, but never specific goals.

Dr. Horn: We need to see not just whether H.S. prepares kids for Kind., but whether Kind. is prepared for these kids.

Rep. Roemer (D-IN): Should Congress reauthorize with specific readiness standards?

Dr. Zigler: We have performance standards. These are different from goals, which H.S. has never had. We have basic minimums, not aspirations. (Supported by Drs. Snow and Carlotta Joyner.)

Rep. Roemer: We pay zookeepers and car attendants more than we pay those caring for our kids. I think we need better pay and better qualification standards <u>and</u> more incentives to stay on.

Dr. Zigler: Amen! I would like to see higher pay for higher-educated teachers.

Dr. Snow: Attrition is terrible at the low end of the pay scale. But the rate of attrition in the state of MA was halved ten years ago, when state gov. started putting in funds for training.

Ms. Dollar: We had to compete with CA public schools for teachers because they make more in the public schools. 50% or our program is funded by parent fees, and we cannot charge them more in order to pay teachers more.

Chmn. Riggs: Should the primary goal of H.S. be school readiness?

Snow, Zigler, Aguillar: Yes.

Dr. Horn: I'm more ambivalent. Transition should not just focus on "ready," but ready for what?

adjourned: 1.45pm

Nicole R. Rabner

10/26/98 05:45:41 PM

Record Type: Record

To: Karin Kullman/WHO/EOP

cc: Jennifer L. Klein/OPD/EOP, Anne E. McGuire/WHO/EOP, Thomas D. Janenda/WHO/EOP
Subject: Guests for bill signing

Here are our 7 confirmed bill signing guests. They will be in the West Lobby at 1pm.

The Hon. Donna Shalala

Michael McGrady, National Head Start Association

Matthew Melmed, Zero to Three National Center for Infants and Toddlers

Bill Harris, Kids Pac

Helen Blank, Children's Defense Fund

Helen Taylor, Associate Commission for Head Start, DHHS

Mary Bourdette, Deputy Assistant Secretary, DHHS

Elisa Millsap
10/26/98 05:42:46 PM

Record Type: Record

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

cc:
Subject: Members Attending S. 2206 Bill Signing Ceremony

EVENT: Signing Ceremony for S. 2206, Community Opportunities, Accountability, and Training and Educational Services Act of 1998
DATE: Tuesday, October 27, 1998
TIME: 1:15pm-1:30pm
LOCATION: The Oval Office

CONFIRMED TO ATTEND:
Sen. Edward Kennedy (D-MA)
Rep. Tony Hall (D-OH)

PENDING:
Sen. Dan Coats (R-IN)
Rep. William Clay (D-MO)
Rep. Joe Kennedy (D-MA)
Rep. Edolphus Towns (D-NY)

Message Sent To:

S. 2206, THE "COATS HUMAN SERVICES REAUTHORIZATION ACT OF 1998"

Summary of Enrolled Bill

TITLE I - AMENDMENTS TO THE HEAD START ACT

SEC. 101. SHORT TITLE.

Section 101 provides that this title may be cited as the "Head Start Amendments of 1998". (Note: In this portion of the summary, "the Act" refers to the Head Start Act.)

SEC. 102. STATEMENT OF PURPOSE.

Section 102 amends section 636 of the Act (the statement of purpose) to delete obsolete language (including a reference to the Project Head Start demonstration that preceded the Act), and to declare that it is the Act's purpose to promote school readiness by enhancing the social and cognitive development of low-income children.

SEC. 103. DEFINITIONS.

Section 103 amends section 637 of the Act to add or revise various definitions. Notably, (1) it adds definitions of "delegate agency" as a public, private nonprofit, or for-profit organization to which a Head Start grantee has delegated all or part of the responsibility for operating a Head Start program and "family literacy services" as services of sufficient hours and duration that make sustainable changes in a family and integrate all the following activities: interactive literacy activities, parent training on how to be the primary teacher for their children and full partners in their education, parent literacy training that leads to economic self-sufficiency, and age-appropriate education for children; and (2) it amends the definition of "State" to limit participation of the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau (hereafter referred to as the Freely Associated States, or FAS) to fiscal years before 2002 (or 2003, if legislation approving renegotiated Compacts of Free Association has not been enacted by September 30, 2001).

SEC. 104. FINANCIAL ASSISTANCE FOR HEAD START PROGRAMS.

Section 104 amends section 638 of the Act to add enabling children to attain school readiness as a required objective of Head Start agency programs.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

Section 105 amends section 639 of the Act to authorize appropriations for FYs 1999 through FY 2003. The Secretary must make available for each year: not more than $35 million, and not less than provided in FY 1998, for Head Start Transition activities (under a new section 642A); not more than $5 million for impact studies (under a new section 649(g)); and not more than $12 million for other research, demonstration, and evaluation activities, including longitudinal studies (under section 649).

SEC. 106. ALLOTMENT OF FUNDS.

Section 106 amends section 640 of the Act (allotment of funds; limitations on assistance).

Subsection (a)(1) amends section 640(a)(2) (which requires the Secretary to reserve 13 percent of appropriations for specified priorities) to move the hold harmless base year from 1994 to 1998 for Indian and migrant Head Start programs; to limit payment from the territories set-aside for the FAS to the same time periods and terms specified in section 637, as amended; to require a minimum of $3 million per year to be spent on training and technical assistance related to family literacy activities; and to permit use of reserved funds for activities to correct deficiencies of, and to conduct proceedings to terminate the designation of Head Start agencies, and for research, demonstration, and evaluation under section 649.

Subsection (a)(2) amends section 640(a)(3) (which requires the Secretary to reserve for quality improvement activities a portion (currently not less than 25 percent) of the amount by which one fiscal year's funding, adjusted for inflation, exceeds the prior year's. The minimum reservation is adjusted to 60, 50, 47.5, 35, and 25 percent for FYs 1999, 2000, 2001, 2002, and 2003, respectively. Various changes are made in the provisions describing quality improvement goals and activities, notably to emphasize continual skills improvement and professional development of staff; promotion of children's language, literacy, and school readiness skills; and development of staff skills to work with children with disabilities and children who are from dysfunctional families or who experience chronic violence. The subsection deletes provisions in current law allowing quality improvement funds to be used for transportation, renovation of facilities or purchase of equipment.

Subsection (a)(3) amends section 640(a)(4) (the formula for distributing the remaining appropriations to the States). The minimum funding base year is moved from FY 1981 to FY 1998. The entire remainder is then to be distributed proportionately based on numbers of children under age 5 from families with incomes below the poverty line (rather than one-third based on numbers of children aged 18 and under receiving AFDC, and two-thirds based on numbers of all children aged 5 and under, as under current law).

Subsection (a)(4) amends section 640(a)(5) (which provides for collaboration grants to States). Various amendments specify entities and activities that must be involved in collaboration efforts. The Secretary is required to provide supplemental funding to States that develop unified plans for early childhood education and child care that include participation of Head Start agencies, or engage in other innovative collaborations. The Secretary is also required to review evidence of barriers to collaboration between Head Start and other programs and to develop initiatives and mechanisms for eliminating barriers and resolving conflicts between programs.

Subsection (a)(5) amends section 640(a)(6) (which specifies amounts to be used for Early Head Start) to increase these amounts to 7.5, 8, 9, 10, and 10 percent of funds appropriated for FYs 1999, 2000, 2001, 2002, and 2003. If the Secretary fails to submit to the Congress interim and final reports on Early Head Start by specified deadlines, or if the research in the final report indicates substantial deficiencies in Early Head Start programs, FY 2002 and FY 2003 funds in excess of the amount appropriated in the previous fiscal year must be used for quality improvement rather than for expansion. The Secretary may reduce these set-aside amounts, if she finds that total appropriations are otherwise insufficient to avoid a reduction in numbers of children served or adverse effects on program quality.

Subsection (b) makes minor amendments to section 640(d) (enrollment of children with disabilities), including technical corrections to references to the Individuals with Disabilities Education Act.

Subsection (c) amends section 640(g) (which provides for use of increased appropriations to expand Head Start programs) to specify additional factors which the Secretary must consider in selecting among applicants for expansion funds, notably including an applicant's performance history in other Federal programs and its plans for serving children with disabilities, for providing full-day and full-year services, for collaboration and partnerships with other providers and with local education agencies and schools.

Subsection (d) amends section 640(l) (which requires the Secretary to give priority to certain migrant Head Start programs) to require the Secretary to give priority also to programs for seasonal farmworkers (after ensuring that there is an adequate level of services for eligible children of migrant farmworkers).

Subsection (e) makes a conforming amendment to section 644(f)(2) of the Act (Administrative Requirements and Standards).

SEC. 107. DESIGNATION OF HEAD START AGENCIES.

Section 107 amends section 641 of the Act (designation of Head Start agencies). Key amendments (1) allow designation of for-profit entities; (2) require the Secretary to consult with the chief executive officer of a state which expends non-Federal funds on Head Start programs in making designations within that state; (3) add priority for existing Head Start grantees that function as a delegate agency and have met or exceeded performance standards and measures, and to applicants that have demonstrated capacity to provide comprehensive early childhood services; but (4) permit the Secretary, given applications of equal quality, to give a non-profit priority over a for-profit agency; and (5) revise the definition of "community" to include off-reservation areas designated by a tribal government, in consultation with the Secretary.

SEC. 108. QUALITY STANDARDS.

Section 108 amends section 641A of the Act (quality standards; monitoring of Head Start agencies and programs). Included are amendments that (1) require development and use of education performance standards and measures addressing children's school readiness and literacy awareness and understanding; (2) require review teams to include individuals knowledgeable about the needs of children with disabilities, use results-based performance measures and standards, and seek information from communities on program performance and collaboration with entities providing early childhood education and child care; and (3) revise a timetable for correction by Head Start agencies of deficiencies identified in quality reviews (immediately, for deficiencies that threaten health, safety, or the integrity of federal funds, and within 90 days for other identified deficiencies, if the Secretary determines that such a 90 day period is reasonable, and as opposed to current law which permits the Secretary to order immediate correction of any identified deficiency).

SEC. 109. POWERS AND FUNCTIONS OF HEAD START AGENCIES.

Section 109 amends section 642 of the Act (powers and functions of Head Start agencies) (1) to require agencies to offer substance abuse counseling and information on availability of services for establishing paternity and enforcing child support; (2) to require agencies to adopt assessments measuring competencies described in section 648A to be used when hiring or evaluating center-based classroom teachers; (3) to make for-profit entities eligible to be designated as a Head Start agency; and (4) to make other minor and conforming changes.

SEC. 110. HEAD START TRANSITION.

Section 110 establishes a new section 642A of the Act (Head Start transition), requiring each Head Start agency to coordinate with the local education agency and schools in which participating Head Start children will enroll.

SEC. 111. SUBMISSION OF PLANS TO GOVERNORS.

Section 111 amends section 643 of the Act (submission of plans to Governors), to allow the chief executive officer of a state 45 days in which to disapprove any plan to carry out a Head Start program within the state. The Secretary may not overrule the chief executive officer's disapproval if it is based on failure to comply with state health, safety or child care laws (including regulations) applicable to comparable child care programs within the state.

SEC. 112. PARTICIPATION IN HEAD START PROGRAMS.

Section 112 amends section 645 of the Act (participation of individuals in Head Start programs) (1) to guarantee continued eligibility through the succeeding program year for children participating in the current year who have been found to meet the low-income criteria; (2) to permit Head Start agencies providing full-working-day services in collaboration with other entities to assess sliding-scale fees if the collaborative requires a copayment; (3) to guarantee that community Head Start programs may recruit and accept applications for enrollment of children throughout the year; and (4) to allow tribal governments, in consultation with the Secretary, to designate off-reservation areas to be served.

SEC. 113. EARLY HEAD START PROGRAMS FOR FAMILIES WITH INFANTS AND TODDLERS.

Section 113 amends section 645A (Early Head Start), (1) to require formal linkages with entities providing early intervention services for infants and toddlers with disabilities; (2) to provide that for-profit entities may be considered as eligible service providers; (3) to set aside a specified portion of Early Head Start funds for monitoring, training, technical assistance, and evaluation; and (4) to make other minor and technical amendments.

SEC. 114. TECHNICAL ASSISTANCE AND TRAINING.

Section 114 amends section 648 of the Act (technical assistance and training). Included are amendments requiring the Secretary to provide or ensure the provision of technical assistance (1) for collaborative efforts to promote full-day, full-year services, foster effective early childhood professional development systems, and improve family literacy services; (2) for efforts to ensure school readiness of children and meet education performance standards; and (3) to support Head Start agencies that have significant programmatic, quality and fiscal issues to address.

SEC. 115. PROFESSIONAL REQUIREMENTS.

Section 115 amends section 648A of the Act (staff qualifications and development) to require the Secretary (1) to ensure that each Head Start classroom has a teacher with demonstrated competency to perform certain functions (in addition to certificate and degree requirements in current law); (2) to ensure that by September 30, 2003, at least 50 percent of Head Start teachers in center-based programs nationwide have an associate, baccalaureate or advanced degree in early childhood education or a degree in a related field and preschool teaching experience; (3) to ensure that, in each classroom not having a classroom teacher with a degree, there is a teacher who has a child development associate (CDA) credential or a comparable State-awarded certificate for preschool teachers; (4) to grant a 180-day waiver of CDA or alternative credential requirements, where a Head Start agency has been unable to recruit an individual with the required credential, for an individual who is enrolled in a program that will grant the appropriate credential, and who will receive the appropriate credential within 180 days of beginning employment as a Head Start teacher.

SEC. 116. RESEARCH AND EVALUATION.

Section 116 amends section 649 (research and evaluation), to require (1) establishment of evaluation methods to assess of models for integrating family literacy services with Head Start programs; (2) a comparative study of the experiences of Head Start programs in small, medium, and large states to permit comparisons of children participating in Head Start with eligible children who did not participate; (3) national Head Start impact research through establishment of a panel comprised of experts in program evaluation and research, education and early childhood programs, and award of grants, cooperative agreements or contracts to organizations recommended by the expert panel to provide national analysis of program impacts; (4) a quality improvement study; and (5) an analysis of other existing surveys to learn more about Head Start participants and to inform the development of the national Head Start impact research.

SEC. 117. REPORTS.

Section 117 amends section 650 (Reports) of the Act to require the Secretary to report to Congress at least once during each five-year period on the condition, location, and ownership of facilities used or to be used by Indian Head Start agencies (including Native Alaskan Head Start agencies) and Native Hawaiian Head Start agencies.

SEC. 118. REPEAL OF CONSULTATION REQUIREMENT.

Section 118 repeals section 657A of the Act, which required the Secretary to consult with the chief executive officer of the Corporation for National and Community Service regarding the dissemination, to programs funded under the Act, of information about the Corporation's programs.

SEC. 119. REPEAL OF HEAD START TRANSITION PROJECT ACT.

Section 119 repeals the Head Start Transition Project Act, whose provisions have been carried out.

TITLE II - AMENDMENTS TO THE COMMUNITY SERVICES BLOCK GRANT ACT

SEC. 201. REAUTHORIZATION.

Section 201 amends in its entirety the Community Services Block Grant (CSBG) Act, title VI-B of the Omnibus Budget Reconciliation Act of 1981 (OBRA 1981), P.L. 97-35. Most of the revisions clarify or reorganize provisions of current law without substantive change, and are not described in this summary. Key substantive changes are as follows:

SEC. 671. SHORT TITLE.

Section 671 provides that this title may be cited as the "Community Services Block Grant Act".

SEC. 672. PURPOSES AND GOALS.

Section 672 restates the purposes of the CSBG Act as: to reduce poverty, revitalize low-income communities, and empower low-income families and individuals to become self-sufficient by providing community-based programs through private non-profit, eligible entities controlled by local residents.

SEC. 673. DEFINITIONS.

Section 673 --

(1) broadens the definition of the term "eligible entity" to include, in addition to entities eligible under current law, entities designated to serve unserved areas under the new procedure established by section 676A;

(2) adds a definition of "private, nonprofit organization" which specifies that it includes religious organizations that meet the requirements of the law as defined in section 679; and

(3) deletes from the definition of "State" the Trust Territories of the Pacific Islands.

SEC. 674. AUTHORIZATION OF APPROPRIATIONS.

Section 674 authorizes appropriations of such sums as necessary for each of FYs 1999 through 2003 to carry out the CSBG Act (other than sections 681 (community food and nutrition programs) and 682 (national or regional programs designed to provide instructional activities for low-income youth)). It provides for set-asides of .5 percent for payments to territories; 1.5 percent for training, technical assistance, and fiscal responsibility activities under sections 678A through 678F; and 9 percent for discretionary activities under section 680.

SEC. 675C. USES OF FUNDS.

This section includes the following new or changed provisions:

(1) beginning on October 1, 2000, a State is permitted to recapture and redistribute funds distributed to an eligible entity that are unobligated at the end of a fiscal year if such

funds exceed 20 percent of the amount distributed to the entity for such fiscal year. The State must distribute the recaptured funds to an eligible entity or require the original recipient to distribute the funds to a private, non-profit organization within the community served, for activities consistent with the purposes of the CSBG Act.

(2) A State that has in effect a charity tax credit meeting certain criteria may use, for any purpose, an amount remaining from its allotment, after making grants under the Act, that does not exceed 100 percent of that fiscal year's revenue loss (after January 1, 1999) attributable to the credit. This section defines "charity tax credit" as a nonrefundable credit against state income tax allowable for contributions, in cash or in kind, to qualified charities. A "qualified charity" is defined as an organization exempt from federal tax, a community action agency, or a public housing agency that primarily assists poor individuals and whose annual poverty program expenses are at least 75 percent of the organization's annual aggregate expenses.

SEC. 676. APPLICATION AND PLAN.

New State application and plan requirements include the following: (1) The State must designate a lead agency to carry out activities under the Act. (2) A State legislative hearing is required once every three years. (3) Beginning with FY 2000, a State must submit to the Secretary an application and plan covering not less than one and not more than two fiscal years.

SEC. 676A. DESIGNATION AND REDESIGNATION OF ELIGIBLE ENTITIES IN UNSERVED AREAS.

In addition to reorganizing current provisions, section 676A makes the following changes concerning the designation of eligible entities:

(1) The chief executive officer of the State may designate, to serve an area that is not, or ceases to be, served by an eligible entity–

(A) a private nonprofit organization (which may but need not be an eligible entity) located in the area, or

(B) a private nonprofit eligible entity located in an area contiguous to or reasonably near the area and already providing services to the area, provided that it agrees to add members to its board to ensure adequate tripartite representation as specified in section 676B.

Priority may be given to entities already providing related services in the area. If no qualified private, nonprofit organization is identified, an appropriate subdivision of the State may be designated as an eligible entity.

SEC. 678B. MONITORING OF ELIGIBLE ENTITIES.

This new section requires that States conduct onsite reviews of each eligible entity at least once every three years, and in the case of a newly designated eligible entity after the end of the first year of funding, with followup reviews as necessary, to determine whether performance goals, administrative standards, financial management requirements and other state requirements are being met. The Secretary must conduct financial compliance evaluations in several States each fiscal year and make recommendations to the States; the States must submit action plans based on the recommendations; and the Secretary must include the evaluations in the annual report to Congress under the CSBG Act..

SEC. 678C. CORRECTIVE ACTION; TERMINATION AND REDUCTION OF FUNDING.

This new section provides a detailed timetable and procedural requirements for State action against an eligible entity that it finds has failed to comply with the terms of an agreement or the State plan. Steps prior to termination must include notice of deficiency; opportunity to correct; and training and technical assistance, where appropriate; opportunity to develop and implement a quality improvement plan; and, after notice and opportunity for a hearing, proceedings to terminate or reduce funding.

The current requirement that the Secretary review, upon request, any termination or reduction of funding is amended to require such review within 90 days. When the State terminates or reduces funding prior to completion of the State's hearing and the Secretary's review, the Secretary is authorized to provide financial assistance to the eligible entity affected until the violation is corrected.

SEC. 678E. ACCOUNTABILITY AND REPORTING REQUIREMENTS.

This new section requires each State receiving funds under the CSBG Act, by October 1, 2001, to participate in a performance measure system, and to report annually to the Secretary on the measured performance of the State and of eligible entities within the State. The Secretary, in collaboration with the States and eligible entities, is required to provide technical assistance and otherwise to facilitate the development of one or more model performance measurement systems. At the end of FY 2000 and each succeeding fiscal year, the Secretary must report to the concerned congressional committees, summarizing the planned and actual uses of funds by States and eligible entities, States' and eligible entities' performance results, and other information.

SEC. 678F. LIMITATIONS ON USE OF FUNDS.

This section adds an explicit prohibition on use of CSBG program funds, services, or personnel for purposes related to partisan or non-partisan political activities, transportation of voters to polls, or voter registration.

SEC. 678G. DRUG AND CHILD SUPPORT SERVICES AND REFERRALS.

This section declares that nothing in the CSBG Act shall be construed to prohibit States from testing program participants for use of controlled substances; and requires eligible entities receiving CSBG grants to provide child support information and referral services to custodial single parents participating in the program.

SEC. 679 OPERATIONAL RULE.

This section requires Federal, State, and local government entities carrying out CSBG Act programs to consider religious organizations on the same basis as other nongovernmental organizations for providing assistance under the program, as long as the program is implemented in a manner consistent with the Establishment Clause. The section further provides that such religious organizations will not be required to remove religious art or icons; will not lose their exemption under section 702 of the Civil Rights Act of 1964 regarding employment practices by participation in or receipt of funds from programs carried out by governmental entities; may not use Federal funds for sectarian purposes and must agree to submit to fiscal accountability requirements of the states, including segregation of CSBG funds from other funds.

SEC. 680. DISCRETIONARY AUTHORITY OF THE SECRETARY.

This section adds, to current uses of the Secretary's discretionary set-aside funds, assistance for neighborhood innovation projects to test or assist approaches or methods to aid communities in overcoming identified special problems. It also adds a requirement for evaluation and an annual report to Congress on the effectiveness of the Secretary's discretionary programs.

SEC. 681. COMMUNITY FOOD AND NUTRITION PROGRAMS.

This section authorizes appropriations of such sums as necessary for FYs 1999 through 2003 for community food and nutrition programs.

SEC. 682. NATIONAL OR REGIONAL PROGRAMS DESIGNED TO PROVIDE INSTRUCTIONAL ACTIVITIES FOR LOW-INCOME YOUTH.

This section amends the current authority for instructional activities to require service providers to use community-based advisory boards, and to form partnerships with youth service organizations. It authorizes appropriations for this program of $15 million for each of FYs 1999 through 2003.

SEC. 202. CONFORMING AMENDMENTS.

Section 202 makes conforming amendments to the Older Americans Act of 1965, the Anti-Drug Abuse Act of 1988, and section 407 of the Human Services Reauthorization Act of 1986 (demonstration partnership agreements addressing the needs of the poor), and repeals the Community Economic Development Act of 1981 (providing for interest payments on certain rural development loans and assignment of loan contracts)

TITLE III - AMENDMENTS TO THE LOW-INCOME HOME ENERGY ASSISTANCE ACT OF 1981

SEC. 301. SHORT TITLE.

This section provides that this title may be cited as the "Low-Income Home Energy Assistance Amendments of 1998".

SEC. 302. AUTHORIZATION.

Section 302 authorizes appropriations for the Low-Income Home Energy Assistance Program (LIHEAP) under title XXVI (the LIHEAP Act) of the Omnibus Budget Reconciliation Act of 1981 (OBRA 1981), P.L. 97-35 at such sums as necessary for FYs 2000 and 2001 and $2 billion for each of FYs 2002 through 2004, with such amounts available for obligation in the succeeding fiscal year. It authorizes appropriations for FYs 1999 through 2004 for the incentive program for leveraging non-Federal resources at a reduced level of $30 million for any year in which appropriations for basic LIHEAP grants are below $1.4 billion, and at $50 billion per year for which basic grants are above that amount.

SEC. 303. DEFINITIONS.

Section 303 makes technical amendments to section 2603 (definitions) of the LIHEAP Act.

SEC. 304. NATURAL DISASTERS AND OTHER EMERGENCIES.

Section 304 clarifies the conditions under which the Secretary may make additional grants to States under section 2602(e) of the Act for home energy assistance needs arising from a natural disaster or other emergency. Section 2603 is amended to provide definitions of "natural disaster" (including specified weather events) and "emergency"(including a natural disaster, significant home energy supply shortage or disruption, or significant increase in home energy cost, home energy disconnections, participation in public benefit programs, or unemployment). Section 2604 is amended to require the Secretary, in determining whether to make an emergency allotment, to take into account the extent to which the State was affected, availability of other resources, and other relevant factors, and to notify Congress not more than 30 days after making such determination and before such payments are made.

SEC. 305. STATE ALLOTMENTS.

Section 305 amends section 2604 of the Act (State allotments) to delete reference to the Trust Territory of the Pacific Islands and repeals section 2604(f) (under which States had the option to transfer LIHEAP funds to other block grants programs, including the Community Services Block Grant (CSBG) under title VI-B of OBRA 1981, the Maternal and Child Health (MCH) block grant under title V, and the Social Services Block Grant (SSBG) under title XX, of the Social Security Act, and preventive health services under title XIX of the Public Health Service Act).

SEC. 306. ADMINISTRATION.
SEC. 307. PAYMENT TO STATES.

These sections makes technical and conforming amendments.

SEC. 308. RESIDENTIAL ENERGY ASSISTANCE CHALLENGE OPTIONS.

Section 308 directs the Comptroller General to evaluate the Residential Energy Assistance Challenge (REACH) program under section 2607B of the LIHEAP Act and to report to the Congress within two years of the date of enactment. It amends section 2607B to make permanent authorization for the REACH program, and makes other technical amendments.

SEC. 309. TECHNICAL ASSISTANCE, TRAINING, AND COMPLIANCE REVIEWS.

Section 309 amends section 2609A of the LIHEAP Act (1) to increase from $250,000 to $300,000 the amount of annual LIHEAP appropriations that may be reserved by the Secretary for technical assistance, and (2) to allow the Secretary to use such funds to conduct onsite compliance reviews and for interagency agreements, including agreements with federal agencies.

TITLE IV - ASSETS FOR INDEPENDENCE

SEC. 401. SHORT TITLE.

Section 401 provides that this title may be cited as the "Assets for Independence Act".

SEC. 402. FINDINGS.

Section 402 declares Congressional findings that (1) accumulation of assets can improve economic well-being; (2) lack of assets prevents entry into the economic mainstream and is a barrier to economic growth; (3) financial returns from individual development accounts (IDAs) will exceed the cost of investment in those accounts; (4) asset-based policies provide the means to achieve greater independence and economic well-being, and so complement income-based policy.

SEC. 403. PURPOSES.

Section 403 declares that the purposes of this title are to provide for demonstration projects designed to determine (1) the social, civic, psychological and economic effects of providing to individuals and families with limited means an incentive to accumulate assets; (2) the extent to which an asset-based policy that promotes saving for postsecondary education, homeownership, and small business development increase economic self-sufficiency; (3) the extent to which an asset-based policy stabilizes and improves families and the community in which the families live.

SEC. 404. DEFINITIONS.

This section defines terms used in this title. Key terms are defined as follows:

"Individual development account" (IDA) means a trust created (subject to detailed requirements concerning qualifications of the trustee, handling of trust assets, and the like) exclusively for the purpose of paying qualified expenses of an eligible individual, or enabling the eligible individual to make an emergency withdrawal.

"Eligible individual" means an individual selected to participate in a demonstration by a qualified entity under section 409.

"Emergency withdrawal" means withdrawal by the eligible individual of a portion of the funds deposited in the IDA by the eligible individual, for payment of medical expenses, payments necessary to prevent eviction from or foreclosure on the individual's residence, or payments for necessary living expenses following the loss of employment.

"Qualified entity" means (1) a non-profit organization exempt from federal tax, or

(2) a State or local government agency, or a tribal government, submitting an application jointly with an entity described in clause (1).

"Qualified expenses" means expenses for the individual, or the individual's spouse or dependent, for: postsecondary educational expenses paid to an institution of higher education or postsecondary vocational school; acquisition costs for the principal residence of a first-time home buyer; and qualified business capitalization costs paid to a business capitalization account in a federally or state-insured financial institution.

SEC. 405. APPLICATIONS.

Section 405 requires the HHS Secretary to solicit applications by 3 months, qualified entities to file applications by 6 months, and the Secretary to approve applications by 9 months, after enactment.

This section sets forth criteria for application approval, including sufficiency of projects to meet participants' self-sufficiency goals; the applicant's administrative experience and ability; the amount of non-federal funds committed to the project; and the adequacy of the plan for providing information for evaluation. Preference is to be given to projects that (1) will serve individuals predominantly from households in which children are living with biological or adoptive parents or guardians; (2) will commit a proportionately greater share of non-federal funds from private sector sources; and (3) target communities with high rates of poverty or unemployment. Existing statewide individual asset-building programs are deemed to meet the criteria for approval.

SEC. 406. DEMONSTRATION AUTHORITY; ANNUAL GRANTS.

Section 406 directs the Secretary to make annual grants under each approved application for each of five project years, in an amount not to exceed the lesser of $1 million or the amount of non-federal matching funds.

SEC. 407. RESERVE FUND.

Section 407 requires each grantee that is a non-profit organization to deposit in a reserve fund private and public funds provided for the demonstration project, and proceeds from investments. Reserve fund amounts are to be invested under guidelines established by the Secretary and used (1) to assist individual participants to obtain skills necessary for economic self-sufficiency; (2) to make deposits into IDAs; (3) to administer the demonstration; and (4) to provide information for evaluation of the demonstration. Not more than 9.5 percent of the reserve funds may be used for purposes other than deposits into individuals' IDAs. Upon termination of any demonstration, the grantee must transfer to the Secretary a share of amounts remaining in the reserve fund representing federal grants.

SEC. 408. ELIGIBILITY FOR PARTICIPATION.

Section 408 provides that individuals eligible for assistance under a demonstration project are members of a household that (1) is eligible for assistance under part A (TANF) of title IV of the Social Security Act or (2) meets certain income and net worth tests.

SEC. 409. SELECTION OF INDIVIDUALS TO PARTICIPATE.

Section 409 provides for selection by each grantee of project participants from among eligible individuals.

SEC. 410. DEPOSITS BY QUALIFIED ENTITIES.

Section 410 requires quarterly contributions by grantees into IDAs of participating individuals (1) from non-federal funds, a matching contribution of between $.50 and $4 for each dollar of earned income the individual has deposited; (2) from the grant, an amount equal to the matching contribution under (1); and (3) any accrued interest. Not more than $2,000 per individual ($4,000 per household) may be paid from a grant over the course of the demonstration. An individual may not withdraw any funds before 6 months after the individual's first deposit, and must repay any emergency withdrawal within 12 months.

SEC. 411. LOCAL CONTROL OVER DEMONSTRATION PROJECTS.

Section 411 provides that a non-governmental qualified entity will have sole authority over administration of the project. The Secretary is limited to prescribing regulations or guidelines necessary to ensure compliance with the approved application and this title.

SEC. 412. ANNUAL PROGRESS REPORTS.

Section 412 requires qualified entities to make to the HHS Secretary and to the State Treasurer (or equivalent official) annual progress reports that include program and participant information, with the first report due not later than 60 days after the end of the calendar year in which the Secretary authorized the qualified entity to participate.

SEC. 413. SANCTIONS.

Section 413 directs the Secretary to terminate a demonstration project upon determination of noncompliance with requirements and failure to implement corrective recommendations. In such a case, the Secretary shall take control of the reserve fund and (1) shall seek to identify, and transfer the project to, another qualified entity, or (2) if no alternative qualified entity has been identified after 1 year, terminate the project and distribute the reserve fund pro rata to its contributors.

SEC. 414. EVALUATIONS.

Section 414 requires the Secretary to contract with an independent research organization to evaluate demonstration projects under this title. The Secretary is to make interim reports to Congress by 90 days after the end of the first calendar year in which a demonstration is authorized to operate and annually thereafter; and to make a final report to Congress by 12 months after conclusion of all demonstration projects.

SEC. 415. TREATMENT OF FUNDS.

Section 415 provides that only funds deposited by eligible individuals into IDAs may be considered as income for purposes of determining eligibility for or amount of assistance under any federal or federally assisted program based on need.

SEC. 416. AUTHORIZATION OF APPROPRIATIONS.

Section 416 authorizes appropriations of $25 million for each of FYs 1999 through 2003 to carry out this title, to remain available until expended.

Nicole R. Rabner

10/26/98 03:32:52 PM

Record Type: Record

To: Jennifer L. Klein/OPD/EOP

cc:

Subject: FY 1999 Head Start Estimates

--------------------- Forwarded by Nicole R. Rabner/WHO/EOP on 10/26/98 02:34 PM ---------------------------

Jennifer Friedman

10/26/98 03:29:43 PM

Record Type: Record

To: Nicole R. Rabner/WHO/EOP

cc:

Subject: Re:

My preliminary estimate is that $4,660 million will fund an increase of roughly 10,000 regular Head Start slots and 5,500 Early Head Start slots, for a total of 845,500 slots in FY99. This compares to HHS estimate of 845,000, but I think they have a different breakdown between HS and EHS. As you can tell, these numbers are not yet ready to be released.

STATEMENT BY THE PRESIDENT

Today, I am signing into law S. 2206, the "Community Opportunities, Accountability, and Training and Educational Services Act of 1998", also known as the "Coats Human Services Reauthorization Act of 1998." This legislation reauthorizes appropriations for and amends Head Start, Community Services Block Grants (CSBG), and the Low-Income Home Energy Assistance Program (LIHEAP). In addition, it authorizes a new demonstration program to test Individual Development Accounts (IDAs) as a way to help low-income individuals and families accumulate assets to save for their futures, an idea that I have long supported.

It is only fitting that this bipartisan legislation honors Senator Dan Coats of Indiana, who is retiring after many years of outstanding service to America's children. I particularly want to thank Senator Coats and the other chief sponsors of this legislation, Senators Jeffords, Kennedy, and Dodd and Representatives Goodling, Martinez, and Clay. Let me also thank Senator Harkin and Representative Tony Hall for their efforts to champion the IDA demonstration project.

More than 33 years have passed since President Johnson signed the legislation that began the historic experiment in child development called Head Start. I am ~~particularly~~ proud that since I became President, we have raised Head Start funding ~~has grown~~ by more than 50 percent ~~more than half~~; ~~enrollment has risen~~ increased the number of children in Head Start dramatically; and the quality of the program ~~quality has~~ improved significantly ~~and a new program,~~ I am particularly proud that we launched Early Head Start ~~has been~~ ~~launched~~ to bring Head Start services to ~~very young~~ children through age three.

S. ~~2206 strengthens the~~ and expands Head Start ~~program for the 21st Century and renews our~~ for America's families. It renews our commitment to ~~commitment to the importance of Head Start in ensuring that our neediest children reach~~ start school ready to learn and succeed. This legislation ~~It continues to build on the themes first expressed in the 1994 Report of the Advisory Committee on Head Start Quality and Expansion: improving program quality and accountability, responding to family needs, and strengthening~~ partnerships with other ~~community services~~. It builds

See insert

Head Start helps

school read, family literacy

I~~n addition to reauthorizing~~ appropriations for Head Start, S. 2206 creates four new results~~-based performance measures, and raises the qualifications requirement for Head Start classroom teachers. It also invests additional Head Start dollars in program quality improvement~~ measures ~~-- such as increases in teacher salaries, benefits, and training -- and requires~~ the Dep~~artment of Health and Human Services~~ to study the effects ~~of this investment on children~~. F~~urthermore, as the Administration proposed, it expands services to children through age three~~ by i~~ncreasing the~~ doubling funding set-aside for the Early Head Start ~~program.~~

S. 2206 also includes a number of other important provisions to address the needs of low-income families. The bill authorizes appropriations for matching funds for IDAs that will empower low-income individuals and families to save for higher education or a first home, or to start a new small business. In addition, the bill's CSBG and LIHEAP provisions will help to address the need for critical urban and rural community development projects and heating and cooling assistance for vulnerable senior citizens, children, and persons with disabilities.

The Department of Justice advises, however, that the provision that allows religiously affiliated organizations to be providers under CSBG would be unconstitutional if and to the extent it were construed to permit governmental funding of pervasively sectarian organizations. Accordingly, I will construe the Act as forbidding the funding of pervasively sectarian organizations, and as permitting Federal, State, and local governments involved in disbursing CSBG funds to take into account the structure and operations of a religious organization in determining whether such an organization is or is not pervasively sectarian.

S. 2206 is a fine example of the good that can be achieved when Congress and the Administration join together to support programs that can break the cycle of poverty and despair and create economic opportunities for our Nation's neediest families. It is with great pleasure that I sign this legislation.

INSERT

As we approach the 21st century, S. 2206 strengthens and expands Head Start -- renewing our commitment to prepare our neediest children for school and helping parents to teach and support them. The legislation continues to build on the themes first expressed in the 1994 Report of the Advisory Committee on Head Start Quality and Expansion: improving program quality and accountability, responding to family needs, and strengthening partnerships with other community services. It raises qualifications for Head Start teachers, invests additional dollars in program quality improvement by increasing teacher salaries, benefits and training, and requires the Department of Health and Human Services to study the effects of these investments on children.

The bill also , incorporates my recommendation to ~~makes important progress in Early Head~~ Start by doubl~~ing~~e the funding set-aside for the Early HS program~~, as proposed by the President~~. In light of new research on the significance of the earliest years, this expansion is an essential step to reach more of our most vulnerable infants and toddlers with critical services.

DATE: 10/13/98

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 INDEPENDENCE AVE., SW
WASHINGTON, D.C. 20201

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OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION
HUMAN SERVICES LEGISLATION
ROOM 413 H HUMPHREY BUILDING

FROM:

TO : Jen Klein

[XX] MARY M. BOURDETTE
Deputy Asst. Sec.

OFFICE :
ROOM NO :

PHONE NO :
FAX NO : 456-2878

TOTAL PAGES
INCLUDING COVER) :

REMARKS: While I have a moment, here's a first crack at your "one-pager" for Head Start bill. I need to have others here look at it, fill in some blanks, etc -- but wanted to make sure this is pretty much what you're looking for. Cause if not, I'll redo, before I give to folks here to review. We're also doing summary of bill, bill report, draft signing statement and q/s.s

DRAFT

Legislation Moves Head Start Into the 21st Century

DRAFT

Head Start is America's premier early childhood development program. Giving a boost to children's education and strengthening parents ability to nurture and support their young children, Head Start makes a significant difference in the lives of children and families. President Clinton made Head Start a top priority for this Administration. After six years of hard work and broad bipartisan Congressional support, an improved and expanded Head Start program is ready to move with confidence into [to serve children in] the 21st century.

Since President Clinton took office, funding for Head Start has more than doubled, enrollment has increased to over XXX,XXX children, an exciting new initiative (Early Head Start) has been launched for infants and toddlers and their families, the quality of Head Start services has been significantly enhanced and ground-breaking new research and evaluation has been undertaken. It is with pride that President Clinton signs bipartisan legislation today that builds upon each of these efforts and that is named in honor one of its chief sponsors, Senator Dan Coats, upon his retirement.

The new legislation doubles the Early Head Start program for infants and toddlers over the next five years. In light of the new research findings on the amazing brain development of infants, it is only fitting that Congress adopted the President's recommendation to double the percentage of Head Start funds directed to Early Head Start by 2002. ~~[illegible]~~ . more...

Quality services has been the hallmark the this Administration's approach to Head Start. Insisting that all local Head Start programs pursue excellence, HHS set new performance standards for Head Start programs, carefully monitored program progress, provided training and technical assistance for Head Start staff -- and when programs couldn't measure up, closed down 90 programs. The new legislation will further enhance the quality of Head Start services by placing greater emphasis on school readiness and family literacy, improving staff training and credentialing , and increasing funding set aside for these and other quality improvements. It authorizes further research to help determine the most effective methods for serving young disadvantaged children and families.

This legislation continues other critical programs for low income families. It extends for another five years the Low-Income Home Energy Assistance Program that provides elderly and poor families help with their heating and cooling bills. It similarly extends the Community Service Block Grant programs for five years.

Finally, the legislation authorizes State and community groups to set up Individual Development Accounts.(IDA) demonstration programs. President Clinton has been a long-time advocate for IDAs and believes they are a critical tool to help low income families gain financial security and self-sufficiency. The bipartisan support for this authorization of IDAs coupled with new funding for these projects in the omnibus spending bill will lend a helping hand to thousands of families all across the country. (I made all this up)

INDIVIDUAL DEVELOPMENT ACCOUNTS: PRESIDENT CLINTON EFFECTIVELY COMPLETES 1992 COMMUNITY EMPOWERMENT AGENDA

"It's called an Individual Development Account. It would encourage poor Americans to set money aside in special savings accounts that they can use for their education, their training or starting a small business."

Bill Clinton
September 16, 1992

Today, President Clinton Signs into Law the Human Services Reauthorization Act Which Includes The Individual Development Act Demonstration Program The President Called for in 1992. In 1992, Bill Clinton proposed to "establish Individual Development Accounts (IDAs) to help low-income Americans save, and create new private-sector opportunities." As part of his 1994 Welfare Reform proposal, President Clinton included his proposal to create Individual Development Accounts. The 1996 Welfare Reform law allowed States to use welfare reform block grants to establish IDAs. The Human Services bill, for the first time, directly authorizes Federal funds for IDAs, and this year's budget includes $10 million to get this demonstration off the ground. The fulfillment of the President's 1992 promise effectively completes President Clinton's 1992 community empowerment agenda.

An Asset-Based Approach To Help Low-Income Americans Get Ahead. Fully one-half of all Americans have either no, negligible, or negative assets available for investments. Low-income individuals and families, whether working or on welfare, should be encouraged to develop savings and assets. IDAs will help low-income families achieve greater independence and economic well-being by providing incentives to save for a first home, education and training, or to start a new business.

The IDA Demonstration Included in the Legislation The President Signs Today Would:

- Create a five-year, $125 million demonstration program to establish Individual Development Accounts (IDAs) for more than 50,000 people.
- For each dollar deposited into the IDA by a low-income family, the administering agency would provide a match of between $1 and $8.
- IDA investments could be withdrawn for three purposes: (1) purchase of a first home, (2) post-secondary education and training; and (3) the creation of a new small business. In cases of hardship -- such as job loss or serious medical illness -- individuals are be allowed to withdraw their own savings,

but would lose the matching contributions.

- Households that are either eligible for welfare (TANF) or the Earned Income Tax Credit and a net worth below $10,000 are eligible to participate in this demonstration.

- Grants will be provided to local entities -- including non-profits -- to administer the IDA demonstration. The bill gives a preference to entities that are able to attract pledges of substantial non-Federal, especially private sector, funding to serve as a match for the Federal dollars.

- Requires that there be a rigorous evaluation of the program to determine what works and what does not in implementing Individual Development Accounts.

Today, President Clinton Is Also Taking Two Additional Steps To Promote the Use of IDAs.

1. **Providing Financial Institutions CRA Credit for Individual Development Accounts.** Currently, many financial institutions do not know whether they can receive favorable consideration under the Community Reinvestment Act for establishing IDAs. Therefore, in order to promote IDAs, banking regulators will soon issue guidance that will indicate how examiners would give credit to financial institutions for participating in IDA programs.

2. **Clarification of Tax Treatment of Matching Contribution.** The Treasury Department will soon issue a clarification that the matching contribution to an IDA will not be counted as income for the participating individual.

Head Start/CSBG/LIHEAP Signing Ceremony
October 16, 1998

Senators:

Daschle	Minority Leader
- Kennedy	Minority Ranking, Labor and Human Resources
- Dodd	Labor and Human Resources, Subcommittee on Children and Families
Bingaman.	Labor and Human Resources, Subcommittee on Children and Families
Wellstone	Labor and Human Resources, Subcommittee on Children and Families
Murray	Labor and Human Resources, Subcommittee on Children and Families
Reed	Labor and Human Resources, Subcommittee on Children and Families
Mikulski	Labor and Human Resources
Harkin	L/HHS - Minority Ranking,
Hollings	L/HHS
Inouye	L/HHS
Bumpers	L/HHS
Reid	L/HHS
Kohl	L/HHS
Boxer	
Rockefeller	
Kerry, John	
Moseley-Braun	
Feingold	
- Jeffords	Chairman, Labor and Human Resources
- Coats	Labor and Human Resources/Subcommittee on Children and Families
DeWine	Labor and Human Resources
Specter	Chairman, L/HHS
Bond	L/HHS
Chafee	Finance

Representatives:

Clay	Education and the Workforce
Martinez	Ed and the Workforce/Subcom. on Early Childhood, Youth & Families
Miller, G	Ed and the Workforce/Subcom. on Early Childhood, Youth and Families
Kildee	Ed and the Workforce/Subcom. on Early Childhood, Youth and Families
Owens, M.	Ed and the Workforce/Subcom. on Early Childhood, Youth and Families
Payne	Ed and the Workforce/Subcom. on Early Childhood, Youth and Families
Mink	Ed and the Workforce/Subcom. on Early Childhood, Youth and Families
Roemer	Ed and the Workforce/Subcom. on Early Childhood, Youth and Families
Scott	Ed and the Workforce/Subcom. on Early Childhood, Youth and Families
Kucinich	Ed and the Workforce/Subcom. on Early Childhood, Youth and Families
Woolsey	Education and the Workforce
Sanchez	Education and the Workforce
Hinojosa	Education and the Workforce

Towns	Government Reform and Oversight, Subcom. on Human Resources
Obey	L/HHS
Stokes	L/HHS
Hoyer	L/HHS
Pelosi	L/HHS
Lowey	L/HHS
DeLauro	L/HHS
Dingell	Commerce
Tauscher	
Goodling	Chairman, Education and the Workforce
Riggs	Ed and the Workforce, Subcom. on Early Childhood, Youth & Families
Castle	Ed and the Workforce, Subcom. On Early Childhood, Youth & Families
Souder	Ed and the Workforce/Subcom. on Early Childhood, Youth and Families
Roukema	Education and the Workforce
Porter	Chairman, L/HHS
Shays	Chairman, Government Reform & Oversight, Subcom. on Human Resources
Bliley	Chairman, Commerce

Staff:

Stephanie Robinson	Labor and Human Resources (Kennedy)
Susanne Day	Labor and Human Resources, Subcom.on Children & Families (Dodd)
Amy Lockhart	Labor and Human Resources (Kennedy)
Jim Fenton	Labor and Human Resource (Dodd)
Marsha Simon	L/HHS (Harkin)
Stephanie Monroe	Labor and Human Resources, Subcom.on Children & Families (Coats)
Kimberly Barnes-O'Connor	Labor and Human Resource (Jeffords)
Brian Jones	Labor and Human Resources (Jeffords)
Gail Weiss	Ed and the Workforce (Clay)
Mark Zuckerman	Ed and the Workforce (Clay)
Alex Nock	Ed and the Workforce (Martinez)
Marci Phillips	Ed and the Workforce (Martinez)
Cheryl Johnson	Ed and the Workforce (Clay)
Cherri Branson	Government Reform and Oversight (Towns)
Gina Mahoney	(Roemer)
Catrina McDonald	(DeLauro)
Kevin Talley	Ed and the Workforce (Goodling)
Vic Klatt	Ed and the Workforce (Goodling)
Denzel McGuire	Ed and the Workforce (Riggs)
Sally Lovejoy	Ed and the Workforce (Goodling)
Mary Clagett	Ed and the Workforce (Goodling)

10-3-18

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THE WHITE HOUSE

WASHINGTON

Copied
Reed
Kagan
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October 3, 1998

MEMORANDUM FOR THE PRESIDENT

FROM: Bruce Reed
Elena Kagan

SUBJECT: DPC Weekly Report

1. Tobacco -- State Settlement: Rumors continue about an upcoming settlement between the states and the tobacco companies, as R.J. Reynolds and Brown & Williamson returned yesterday to the negotiating table. The parties, however, still have not worked out some difficult problems -- most prominently, how to prevent companies that do not join the settlement from gaining a competitive advantage -- and the return of RJR and B&W to the table may make resolution of these issues even more complicated. As you know, some plaintiffs' lawyers continue to suggest a broadening of the current negotiations to include the federal government. Both the states and the companies, however, have responded negatively to these proposals, fearing that the intrusion of the federal government would queer the deal they have been working on for so many months.

2. Health -- Medicare Managed Care Program: As you know, Friday marked the last day that HMOs participating in Medicare could decide whether to stay in the program for the upcoming year. Preliminary data from HHS indicates that some 25 companies in 320-400 counties serving 240,000-300,000 beneficiaries -- about 5 percent of the six million beneficiaries now in Medicare HMOs -- have decided to withdraw from the program. Most affected beneficiaries will have the option of joining another HMO in the same county. But in 60-100 counties, some 30,000-75,000 beneficiaries -- less than two percent of the total -- will no longer have any HMO option and will have to return to traditional fee-for-service coverage. Secretary Shalala has recommended that in these 60-100 counties we (1) expedite the approval of new plans, and (2) allow plans that have just withdrawn to come back into the market with increased premiums and/or decreased benefits. She argues that these steps will allow us to say that we have done everything possible to ensure that Medicare beneficiaries have access to managed care plans. We believe, however, that the second part of the Secretary's recommendation would reward bad actors and create perverse incentives for the future. We will meet with the Secretary and Erskine Monday to resolve our differences on this matter (and if necessary, come to you), so that we can announce our response as soon as possible.

3. Health -- CHIP Waiver Request: Governor Thompson is pushing HHS to approve a waiver that would allow Wisconsin to use federal match dollars from the Children's Health Insurance Program (CHIP) to provide insurance coverage for parents as well as children. Thompson has broad support in Wisconsin for this proposal (including among some traditionally Democratic constituencies), and last week Senators Lott and Roth sent a letter to Secretary Shalala saying that she should grant the waiver and suggesting that they would seek legislation next year if she did not do so. HHS so far has refused to approve any waivers from CHIP, reasoning that we should first get the baseline program off the ground. HHS also has serious substantive objections to Thompson's proposal, believing that CHIP dollars were designed for children rather than adults, and that granting waivers of this kind could prevent us from reaching our goal of covering five million children. Many supporters of the CHIP program in Congress agree with HHS, including Senators Hatch, Rockefeller, Jeffords, and Chafee and Congressmen Dingell and Waxman. We believe that HHS should refuse the waiver request and work with this bipartisan group of legislators to try to defeat any legislative attempt to reverse this ruling.

4. Health -- Statistics on Uninsured: You asked last week about the increase in the uninsured population since 1993. About 43.4 million Americans are now uninsured, up almost 10 percent from 39.7 million in 1993. Among the total number of uninsured are 10.7 million children, up from 9.6 million in 1993. As we noted last week, the number of uninsured children did not increase at all last year, in part because of our focus on children's health. We anticipate that within two years, we will see a noticeable decline in the number of uninsured children as a result of the full implementation of CHIP. In contrast, the number of uninsured people ages 55 to 64 increased by 7 percent last year, validating the need for your initiative to increase coverage options for this population. We will soon send you a more detailed memo shortly describing the new Census data and outlining additional policy options.

5. Health -- Dean Ornish: We have worked with Dr. Ornish in recent weeks to obtain funding for his research on the impact of diet on prostate cancer. The conference report on the DOD appropriations bill now includes $2.5 million for this research initiative. Although Ornish had hoped for a $5 million grant, he was very pleased with this amount. Ornish also has requested that we provide assistance in his ongoing efforts to obtain Medicare reimbursement for his diet treatment plan. Ornish will meet with high-level officials at HCFA later this month to discuss this issue, and we will ensure that they give his proposal full and fair consideration. We also discussed ways for him to engage members and staff of the Medicare Commission on this issue. Ornish is pleased with the Administration's responsiveness and asked us to pass along his personal appreciation to you.

6. Education -- Charter Schools: We are hopeful that Congress will pass charter school legislation prior to adjourning this year. House and Senate staff met last week to pre-conference the bill, and reached agreement on virtually every issue. We think that they will finish their work within the next few days, and that the leadership then will bring up the bill for a vote. The NEA and AFT continue to be lukewarm to the legislation, but we do not now anticipate that any Democrats will try to derail it.

10-5-98

7. Education -- Class Size Reduction: We are talking with Democrats in Congress about whether to insist on a scaled-down class size reduction initiative in the Labor-HHS-Education appropriations bill. Senators Murray and Harkin have developed a proposal to provide $500 million in new Title 1 funds specifically for class size reduction. Secretary Riley believes that if we push hard enough, we can get the Republicans to sign on to this kind of proposal. Senate Democrats appear supportive of this approach. House Democrats, however, have sent mixed signals about whether to get a class size initiative in the bill or leave it out and preserve a campaign issue. We will continue to engage them on this matter.

8. Welfare Reform -- Noncustodial Fathers Study: The Manpower Demonstration Research Corporation released last week the first full-scale study of a program focusing on the non-custodial fathers of children on welfare (the Parents' Fair Share program, which was created by the Family Support Act). The results were generally disappointing. The program, which operated in 7 cities, raised child support payments by an average of $173 or 7 percent, but failed to improve participants' employment status or earnings level. We are currently holding discussions with policy experts and government officials to try to find more effective approaches. Many states are using their Welfare-to-Work funds to serve the fathers of children on welfare, and we want to make sure that these funds are put to the best possible uses. We are hoping to have policy proposals ready for this year's budget and State-of-the Union.

9. Welfare Reform -- Federal Welfare-to-Work Hiring Numbers: Federal agencies hired 926 former welfare recipients last month, bringing the total number hired to 7,087 since April 1997. As you recall, our goal is to hire 10,000 welfare recipients by the year 2000, so we are well on our way to success in this area.

10. Crime -- COPS Grants: You asked last week about the total number of law enforcement officers that the COPS program has funded. The program now has provided $5.2 billion to fund over 88,000 new and redeployed officers across the country. We will probably reach the 100,000 mark ahead of schedule -- in the middle of Fiscal Year 1999, rather than at the end of Fiscal Year 2000. As you know, however, there is a lag of about 18 months between the time funding is provided to hire police officers and the time the officers actually hit the street.

11. Crime -- NAPO Event: You are currently scheduled to participate in the NAPO Top Cops Award ceremony on Friday. Although we are still considering message options, we probably will recommend that you blast Congress for failing to pass legislation that would extend education benefits to surviving children of law enforcement officers killed in the line of the duty, despite widespread bipartisan support. At the same time, you could criticize Congress for failing to pass a host of measures that would continue our progress in fighting crime.

12. Drugs -- Medical Marijuana: Five states (AK, WA, OR, NV, CO) and the District of Columbia have medical marijuana initiatives on their ballots for November 3. We are working with ONDCP and other federal agencies on a targeted media and outreach strategy to inform the public about the Administration's position on this issue. The strategy will place special emphasis on D.C.'s medical marijuana initiative, and will include communications to local opinion leaders, elected officials, churches, and law enforcement officials. There are currently eight states with medical marijuana statutes.

13. Children and Families -- Head Start Reauthorization: We expect that Head Start Reauthorization (part of the Community Services bill that also includes LIHEAP and IDA demonstrations) will pass by the end of next week. The bill coming out of conference is generally quite good -- authorizing the program at levels near your request and adding an important new "school readiness" goal for Head Start grantees. The bill does include a requirement -- championed by Congressman Goodling and insisted upon by the Republicans in conference -- that a greater percentage of Head Start dollars be spent on activities to promote quality. Currently, 25 percent of dollars are set aside for quality improvement; this bill requires that 60 percent be set aside in fiscal year 1999, 50 percent in 2000, 47.5 percent in 2001, 35 percent in 2002, and 25 percent in 2003. Unless we obtain additional investments in Head Start in the future, this requirement will prevent us from reaching our goal of serving one million children by 2002.

14. Community Empowerment -- CDFI Fund: The CDFI Fund awarded $75 million to 190 institutions last week. Of the total, $44 million in loans and grants went to 42 CDFIs in 21 states, $2.9 million in technical assistance grants went to an additional 70 CDFIs, and $27.9 million went to traditional insured depository institutions that have increased their lending to distressed areas or invested in CDFIs. We are working closely with Treasury to ensure appropriate funding of your Fiscall Year 1999 CDFI budget request.